



MEDIA RELEASE
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FOR IMMEDIATE RELEASE

Chamber Unveils 3-Point Provincial Budget Strategy to Attract the Next Wave of Talented Workers

Calgary, AB – The Calgary of Commerce advises the Government of Alberta in its 2008 budget to make personal income and small business tax rates more competitive, institute a budgeting and savings framework that secures the ‘Alberta Advantage’ for the future, and ensure quality and sustainable service delivery through controlled spending policies, to attract the next wave of highly skilled workers.

“Taxes are an important consideration when one chooses where to live and work,” said Heather Douglas, President & CEO of the Calgary Chamber of Commerce. “Alberta has no sales tax and Albertan families with children are currently taxed competitively. However, single income earners pay more tax here than in Ontario and British Columbia. We need to ensure the ‘Alberta Advantage’ exists for all.”

To improve Alberta’s competitiveness, the Chamber recommends an increase in the basic personal exemption amount from \$15,435 to \$18,000, or a reduction in the flat tax rate from 10 per cent to 9 per cent. If the basic personal exemption amount is raised, single income earning Albertans making up to \$30,000 would pay the lowest personal tax in Canada.

“Right now many businesses are struggling due to labour shortages. We need a tax system that encourages highly-skilled young Canadians and new immigrants to move to this province and start a family,” said Douglas.

Currently, single income earners pay less personal tax in Ontario (when earning between \$20,000 and \$80,000) and in B.C. (when earning between \$20,000 and just over \$100,000).

Nearly 85 per cent of Chamber members believe that the personal income tax rate should be reduced to be more competitive with other provinces, according to a pre-budget survey.

To encourage more entrepreneurs to relocate to Alberta, the Chamber recommends that the small business tax be reduced or eliminated beginning in 2008. Manitoba’s Premier has already promised to end taxation of small business.

As the second element of the strategy, the Chamber believes the provincial government has an opportunity to establish a more sustainable budgeting framework.

“The provincial government is currently saving one third of all budget surpluses,” says Douglas. “Chamber members would like this policy extended to all resource revenue. It will allow the government to rely less on volatile commodity revenues, preserve Albertans’ living standards through a build up of the Heritage Fund, and fund endowments to establish centers of research excellence.”

More than 90 per cent of Chamber members say that the government should save at least one third of resource revenue each year.

The key to paying for the personal income tax changes and fulfilling the savings target is the final element of the strategy - spending restraint. The Chamber recommends government limit spending by adopting a bandwidth approach delimited by population growth and inflation, and real growth in the economy. For 2008 this range is 5.8 and 6.5 per cent.

About 70 per cent of Chamber members believe the provincial government should manage spending by basing yearly increases within this bandwidth.

“More competitive personal income taxes, saving for the future, and fiscal prudence will position Alberta as ‘the place’ to live, work, and raise a family,” says Douglas. “It sends all the right signals to the next wave of talented young workers to come here and be a part of something great for the long-term.”

The Chamber’s detailed 2008 Pre-Budget submission is available online:
www.calgarychamber.com

About The Chamber:

The Calgary Chamber of Commerce is a volunteer driven, not-for-profit, and non-partisan advocacy group whose mission is to lead and serve the Calgary business community, valuing its diversity.

On critical and emerging issues in public policy, the Chamber acts as the leading forum for debate, and advocates public policy solutions that improve the business climate on behalf of our members.

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*For more information, please contact:
Elizabeth Leitch
Manager, Communications
The Calgary Chamber of Commerce
(403) 750-0424*