



Coastal Community Welcomes the Province's Decision to Support Fair Taxation for Credit Unions

Coastal Community Credit Union (CCCU) extends its appreciation to the Government of British Columbia (B.C.) for re-instating fair tax treatment for credit unions in the province.

The move, announced in the September 11 B.C. budget update, recognizes the importance of credit unions to B.C.'s economic development. The province originally planned to phase out the small business tax rate on credit unions and increase it incrementally over five years, beginning in 2016. Once completely phased out, the tax increase would have cost BC credit unions more than \$26 million annually. In January 2017, the decision was made to defer the decision, pending further consultation.

CCCU President and CEO Adrian Legin is very happy the government sees the benefits of a permanent tax change. The proposed increased tax rate would have reduced the amount of money credit unions hold as capital, which would in turn have reduced their capacity to expand and support local communities. Thanks to the province's decision to support a more competitive tax environment, credit unions' capital can continue to be reinvested in our local businesses, communities and economies.

Coastal Community is deeply involved in many community efforts. "As a co-operative, we are in a unique position to reinvest back into the communities we serve, strengthening the prosperity of Vancouver Island and the Gulf Islands," said Legin. "Our dividends are paid to our members and our neighbours, knowing that it will have a meaningful impact on our local economies and communities. We build on that impact through donations, community grants, sponsorships, and fundraising efforts totaling over half a million dollars."

Legin is looking forward to working with the government to develop legislation and regulations to allow B.C. credit unions to continue to support social, economic and business improvement and leadership on the Islands. "A tax increase would have made our ability to do this much more difficult," he said.

For additional information on the small-business tax-rate changes, check out the [KelownaNow](#) article published November 9, 2017.

