



CANADIAN BANKERS ASSOCIATION

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February 22, 2008

The Honourable Carole Taylor
Minister of Finance
P.O. Box 9048, STN PROV GOVT
Victoria, British Columbia
V8W 9E2

Dear Minister:

I am writing to you on behalf of the Canadian Bankers Association and our 54 member banks to commend you on the decision to phase out the provincial capital tax on financial institutions and reduce the provincial corporate income tax rate. We believe that both measures send strong signals that the Government of British Columbia is committed to a pro-growth tax policy that attracts investment, creates jobs and improves productivity.

As you know, the CBA has been a strong advocate for the elimination of capital taxes of all forms. We are pleased to see that the government has taken the last step to eliminate the final element of capital taxation in British Columbia. Capital taxes are a tax on investment, discouraging new capital formation and dampening productivity growth. New investment will be key if the British Columbia government is to meet its objective of growing the BC economy while reducing its carbon footprint.

We are equally pleased that the government has announced a reduction in provincial corporate income tax rates and believe that it is essential for governments to continually work to maintain a competitive tax environment. We strongly support the objective set out in the Budget Plan to go beyond the current year reduction from 12 per cent to 11 per cent, and lower the general corporate income tax rate to 10 per cent by 2011.

Once again, I would like to congratulate you on taking these bold, pro-growth tax measures. Please feel free to contact me at your convenience if you would like to discuss these or other matters.

Sincerely,

A handwritten signature in black ink, appearing to read 'Nancy Hughes Anthony', written in a cursive style.