



July 9, 2003

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Dear Sirs and Madam:

Re: CBA Charities and Not-For-Profit Meeting with Finance and CCRA on May 14, 2003

I am writing, somewhat belatedly, to thank you for allowing the Charities and Not-For-Profit Section of the Canadian Bar Association to meet with representatives of Finance and CCRA on May 14, 2003. Our Section values the opportunity to enter into constructive dialogue concerning legislative reforms under the *Income Tax Act*, as well as improvements to practices and procedures involving the Charities Directorate of CCRA. We trust that you also found the process to be constructive and we look forward to further opportunities to continue the dialogue, preferably on an annual basis.

As indicated during our meeting, our Section has made a number of submissions to Finance and CCRA. The most recent include:

- our submission of November 27, 2001, on technical amendments to the *Income Tax Act*;
- our submission of October, 2002 on the Joint Regulatory Table Interim Recommendations;
- our letter of December 4, 2002 to Minister Caplan concerning Political Activities;

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- our letter of December 4, 2002 to Len Farber, following our submission of November 27, 2001; and
- our most recent submission of March 2003, concerning the draft technical amendments to the *Income Tax Act* released on December 20, 2002.

To date, we have not received a written response to our submissions or letters, and would appreciate receiving a response at your earliest convenience.

Concerning the recent Draft Policy Statement on Political Activities, we refer you to the comments in our letter to Minister Caplan dated December 4, 2002, which we understand will be considered in future amendments to the Policy Statement. Further comments from our Section concerning the Draft Policy Statement on Political Activities will likely be forthcoming in the near future.

Concerning the Final Report of the Joint Regulatory Table of the Voluntary Sector Initiative issued in March 2003, we reiterate the recommendation in our report of October 2002, that the problems inherent in the tax treatment of charities under the *Income Tax Act* require a wholesale review and revision of the applicable provisions of the *Income Tax Act*. While our Section welcomes many of the reforms in the Final Report of the Joint Regulatory Table, we remain convinced that substantive legislative reform of the *Income Tax Act* is the only viable solution in the long term.

Again, I wish to express our appreciation for the opportunity to meet with you and representatives of Finance Canada and the Charities Directorate on May 14, 2003. Our Section remains committed to improving the environment for the charitable sector through a cooperative process of dialogue with the federal government.

Thank you for including The Canadian Bar Association in this regard.

Yours very truly,

(Original signed by Tamra L. Thomson for Terrance S. Carter)

Terrance S. Carter
Chair
National Charities and Not-for-Profit Law Section

cc: Honourable Elinor Caplan, P.C., M.P.