



Canadian Veterinary
Medical Association
Association canadienne
des médecins vétérinaires

May 13, 2024

The Honourable Chrystia Freeland, P.C., M.P.
Deputy Prime Minister and Minister of Finance
80 Wellington St.
Ottawa, ON K1A 0A3

Sent via email: Chrystia.Freeland@fin.gc.ca

Dear Honourable Deputy Prime Minister:

On behalf of the Canadian Veterinary Medical Association (CVMA) and the over 25,000 veterinarians, veterinary technicians, and technologists across the country, we are writing to express our sincere disagreement with the proposed capital gains tax increase as outlined in the 2024 Federal Budget. We strongly believe that this tax increase will negatively impact both our members and the millions of Canadians they provide services for.

Veterinarians play an essential role in delivering vital care and services to millions of clients, including both small and large animals. CVMA members across Canada are dedicated to using their scientific knowledge and skills for the benefit of Canadian society, promoting animal health and welfare, and public health, including food safety and security. The CVMA also advances comparative medical knowledge to further practices that prevent and relieve animal suffering, with a commitment to the environment and sustainable agricultural practices.

As many veterinarians are incorporated and operate as small businesses, imposing a large tax increase hurts the economic viability of such firms, impacting the savings and investments that veterinarians have worked decades to build. By levying higher taxes on capital gains, the government risks stifling innovation and entrepreneurship within the veterinary profession, reducing the resources available to invest in new equipment, technology, and training, ultimately limiting their ability to adapt to evolving client needs.

The projected tax increase would also push many hard-working veterinarians outside of their ability to operate as an independent employer, risking valuable employment opportunities, and severely limiting Canadians access to essential services. As an industry that is already suffering from a severe labor supply shortage, the planned capital gains tax increase provides yet another barrier for veterinarians to enter the workplace.

Additionally, veterinarians rely on critical drugs that are typically challenging and costly to develop, manufacture and maintain in the market in Canada. The proposed capital gains tax may slow the research and development of these essential materials in Canada and increase their price to local veterinarians. A lack of efficient shared drug approval pathways with the U.S. Food and Drug Administration (FDA) and the European Medicines Agency (EMA) makes Canadian veterinarians particularly vulnerable, with less competitive investment in drug innovation, research, and development.



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The increased capital gains tax may have a downstream effect on animal-owning Canadians paying higher fees and drive inflation in the veterinary sector. This is of concern as inflation has already contributed to access to care challenges during the past 2 years.

We urge the government to reconsider its proposal to increase the capital gains tax and instead focus on measures that support small businesses, address workplace shortages, and encourage innovation and economic prosperity. We believe that a thriving veterinarian profession is essential for the health and wellbeing of Canadians, and we stand ready to work collaboratively with the government to achieve these shared goals.

Thank you for considering our concerns and we look forward to the opportunity to discuss this matter further. The CVMA will always advocate for policies that benefit both the veterinary profession and the Canadians they serve.

Sincerely,



Dr. Trevor Lawson DVM
President

cc: Minister of Employment, Workforce Development and Official Languages of Canada, Randy Boissonnault, P.C., M.P.
Minister of Health, Mark Holland, P.C., M.P.
Minister of Rural Economic Development and Minister responsible for the Atlantic Canada Opportunities Agency, Gudie Hutchings, P.C., M.P.
Minister of Agriculture and Agri-Food, Lawrence MacAulay, P.C., M.P.

