



Canadian Veterinary
Medical Association
Association canadienne
des médecins vétérinaires

January 16, 2025

Hon. Pierre Poilievre, P.C., M.P.
Leader of His Majesty's Official Opposition
Member of Parliament for Carleton

House of Commons
Ottawa, Ontario
K1A 0A6

Sent via email: pierre.poilievre@parl.gc.ca

Dear Hon. Pierre Poilievre:

On behalf of the Canadian Veterinary Medical Association (CVMA) and more than 16,000 veterinarians across the country, we are writing to express our sincere thanks and appreciation for your advocacy against the government's proposed increase to the capital gains inclusion rate as outlined in the 2024 Federal Budget. We strongly believe that such a measure would have severe and detrimental effects to both our members and the clients we serve. The CVMA has been actively engaging with the government to advocate against this proposal, and we deeply appreciate yours and the Conservative Party's efforts in opposing it.

Veterinarians play an essential role in delivering vital care and services to millions of clients, including both small and large animals. As many veterinarians are incorporated and operate as small businesses, having a large tax increase imposed on them hurts the economic viability of such firms, impacting the savings and investments that veterinarians have worked decades to build. By increasing the capital gains tax, the government risked 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 their clients' evolving needs.

The proposed tax hike also threatened the financial sustainability of independent veterinary practices, potentially reducing employment opportunities and further restricting access to critical veterinary services. With the industry already grappling with a severe labor shortage, this increase would have added an unnecessary barrier for veterinarians to enter and thrive in the profession.

Furthermore, veterinarians rely on critical drugs that are often expensive and challenging to develop, manufacture and maintain in the Canadian market. The capital gains proposal would have hindered investments in research and development, driving up the cost of these essential materials to local veterinarians. Canada's limited shared drug approval pathways with organizations like the U.S. Food and Drug Administration (FDA) and the European Medicines Agency (EMA) exacerbate these challenges, leaving Canadian veterinarians particularly vulnerable to higher costs and reduced innovation.



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The downstream effects of the proposed increase also extend to animal owners, who would face higher fees for veterinary care. This would further strain access to care, particularly as inflation has already impacted affordability over the past two years.

Recent guidance from the Canadian Revenue Agency (CRA) indicates the Agency will continue to administer the tax despite the prorogation of Parliament. Our understanding is that upon resumption of Parliament, if no bill is passed in the House of Commons, the CRA would cease to administer the increase moving forward. As Leader of His Majesty's Official Opposition and the Conservative Party of Canada, your ongoing leadership in opposing this measure and advocating for a more competitive tax regime is deeply appreciated.

Thank you once again for your steadfast support against the proposed capital gains increase. We value your partnership on this issue and look forward to continuing to work with you to ensure a sustainable future for Canadian veterinarians and the communities we serve.

Please do not hesitate to reach out if there is any way we can assist or collaborate further in advocating against this increase.

Sincerely,

Dr. Tim Arthur, DVM
President

W. Joel Neuheimer
CEO

