May 16, 2015

The Honourable Kerry-Lynne D. Findlay, P.C.
Minister of National Revenue
House of Commons
Ottawa, Ontario K1A 0A6

Re: Regulation 105 withholding

Dear Minister,

Further to our March 16, 2015 letter, we are writing as a collective of performing arts organizations to share our interest about two announcements made in Budget 2015, under the “Reducing the Tax Compliance Burden” section.

We noted that the 2015 federal budget introduced a measure intended at "Streamlining Withholding Requirements for Non-Resident Employers". While this change pertains to Regulation 102, rather than Regulation 105, it may have a positive impact on Canadian performing arts organizations who present non-resident companies whose performers are regular employees. We look forward to learning more about this exemption, as it bears potential for reducing the administrative burden associated with second-level taxation. We believe it can be a good pilot for implementing a similar exemption under Regulation 105.

We also noted with interest that the Canada Revenue Agency will continue to “Cut Red Tape and Improve Services.” We were pleased to read that the government is still rolling out the Red Tape Reduction Action Plan in collaboration with stakeholders. The 1,000 performing arts organizations that we represent are small and medium businesses in their own right: they too can benefit from red tape reduction.

We remain committed to assisting the CRA in achieving greater efficiency and we reaffirm our desire to meet with key staff from your office and from the Non-Resident Advisory Services Section of the Canada Revenue Agency to discuss our recommendations for improving the administration of Regulation 105 withholding and waiver application.

Sincerely,

Paul Gravett

President, CAPACOA

On behalf of:
‘Arts Common Presents’ / Arts Commons Programming
Canadian Dance Assembly
Canadian Independent Music Association
CanDance Network
Danse Danse
East Coast Music Association
Eponymous
Festival International de Jazz de Montréal
Festivals and Major Events Canada
Les Grands Ballets Canadiens de Montréal
Lula Music and Arts Centre
National Arts Centre
North American Performing Arts Managers and Agents
Music Canada Live
Regroupement des événements majeurs internationaux
Sunny Artist Management

c.c.:
The Honourable Joe Oliver, P.C., Minister of Finance
The Honourable Shelly Glover, P.C., Minister of Canadian Heritage and Official Languages
Steve Gillis, Manager, Non-Resident Advisory Services Section, Canada Revenue Agency