



Canada Revenue
Agency

Agence du revenu
du Canada

Cariboo Regional District

File No.400-40.....

MAY 15 2018

Referred ToCAO Chair.....

Margo Wagner
Chair
Cariboo Regional District
180 Third Avenue North Suite D
Williams Lake BC V2G 2A4

May 7, 2018

Dear Ms. Wagner:

Re: Inquiry submitted to the Income Tax Rulings Directorate

Your correspondence received May 03, 2018, has been assigned to the Business Income and Capital Transaction Section for a technical interpretation.

A technical interpretation provides general comments about the provisions of the *Income Tax Act* and related legislation. It does not confirm the income tax treatment of a particular situation, but is intended to assist the reader in making that determination. No fee is charged for this service.

This Directorate only confirms the income tax treatment of particular transactions where a taxpayer submits an advance income tax ruling request in the manner described in Information Circular, IC 70-6R7, *Advance Income Tax Rulings and Technical Interpretations*. We will consider advance income tax ruling requests only in respect of proposed transactions. An hourly fee is charged for this service.

Our policy is to give priority to requests for advance income tax rulings and to requests made by other areas of the Canada Revenue Agency. Generally, requests for technical interpretations are dealt with in the order in which they are received, within 90 business days of receipt.

If you wish to consider any GST/HST implications with respect to this request, please refer to GST/HST Memorandum 1.4, Excise and GST/HST Rulings and Interpretations Service, available on the Canada.ca website by searching for Memorandum 1.4.

If necessary, you may contact me at (613) 670-9042 with reference number 2018-075785.

Yours truly,

Katie Robinson
Acting Manager
Business and Employment Division
Income Tax Rulings Directorate
Legislative Policy and Regulatory Affairs Branch

Canada

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File: 400-40

April 12, 2018

The Honourable Diane Lebouthillier, P.C, M.P.
Minister of National Revenue
7th Floor
555 MacKenzie Avenue
Ottawa, ON K1A 0L5

Dear Minister Lebouthillier:

Re: Capital Gains Tax – Logging of Private Property in Wildfire Affected Areas

As you are aware, the Cariboo was devastated by the wildfires in 2017. Many of our communities and residents have been scarred, physically and emotionally, by the experience.

As our communities recover, a long and arduous process, they have begun to look at recovering burnt timber from their lands to allow for regrowth as well as to provide some additional safety from future fires.

As wasting these resources is illogical, many property owners have turned to attempting to recover some cost through the sale of merchantable timber. This small measure has provided some benefit and needed resources for individual recovery.

However, to their dismay they have found that they are subject to capital gains tax, effectively removing even small benefits.

We respectfully request that the Canada Revenue Agency suspend the application of capital gains taxes to those property owners in fire-affected areas who are clearing private property of timber to dispose of timber that was damaged in the fires, or to reduce the fire risk on the property.

Yours truly,

Margo Wagner
Chair

c: MP Todd Doherty, Cariboo-Prince George
MP Cathy McLeod, Kamloops-Thompson-Cariboo

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