

News Release

Grand Forks Credit Union welcomes the province's decision to restore credit union tax benefits

For immediate release

September 21, 2017— Grand Forks Credit Union (gfcu) is pleased by the Government of British Columbia's decision to reinstate the credit union tax treatment, which was announced in the September B.C. budget update.

Previously, the lower tax rate was implemented in recognition of the fact that B.C. credit unions are in a unique position to reinvest capital back into the provincial economy.

A competitive tax environment enables credit unions to reinvest in a diverse provincial economy by creating quality jobs, providing more financial support for community projects, and making more local lending decisions to help small businesses and individuals thrive.

The province had planned to phase out the small business tax rate on credit unions and increase it incrementally over the next four years. In January 2017, the government deferred this decision, pending further consultation. Without the restoration of the credit union tax treatment, B.C. credit unions faced a tax increase of over \$26 million annually.

"We sincerely appreciate this decision," says Kelly Thomas of gfcu. "With this permanent tax change, we'll have more money to lend to our members and our local businesses. Ultimately, this decision enables us to continue making important investments in our community and supporting local economic development."

In communities where credit unions are the sole financial services provider, the tax change is likely to have an even bigger impact.

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