

# Excise tax break gem for jewellers

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Jewellers received some welcome news in a federal budget that made few concessions for the business community.

Finance Minister Ralph Goodale called for gradual elimination of the 10-per-cent excise tax during last Wednesday's budget.

The luxury levy has been paid by jewelry manufacturers for items made, or imported to Canada.

For Thornhill jeweller Ella Weisman, it was a long time coming, as the tax had been dropped on other luxury items years earlier, she said.

"We can give the savings back to customers," said Ms Weisman, owner of Goldstep Jewellers.

The Canadian Jewellers Association wasn't as diplomatic, referring to the tax as job-inhibiting and a competition killer.

The government plans to decrease the excise tax by 2 per cent a year until it is eliminated in 2009.

It was one piece of good news from a federal budget that left many business people feeling they were passed over in the first budget by a minority government in 25 years. Tax cuts deep enough to support a thriving economy were favoured.

Instead, the government delivered a "please-all" budget, Markham Board of Trade president Keith Bray said.

His group and the Richmond Hill Chamber of Commerce received a breakdown of the budget by BDO Dunwoody chartered accountants Thursday.

"You've got a minority government and a budget that reflects that," Stephen Meek told the crowd of about 50.

Accordingly, any changes to the

Canadian business landscape would be minor.

The other news of note for business was a rollback of the general corporate tax rate from 21 to 19 per cent between 2008 and 2010. Following the presentation, Muhammad Siddiqui called this year's budget the status quo for a Liberal party in power since 1993.

"There was nothing exceptional about this budget. It's the same thing they've been doing the past four years," said Mr. Siddiqui, adding \$12.8 billion allocated for military spending could have been better spent.

Nazeeneh Hirani fears the budget will do little to address the needs of Canada's manufacturers and small to medium firms.

While the government continues to invest in high-tech industries, the same advantages have not been afforded to the "Tom, Dick and Harry manufacturers," she said.

However, a competitive exchange rate with the United States may alleviate some of those challenges, Ms Hirani added.

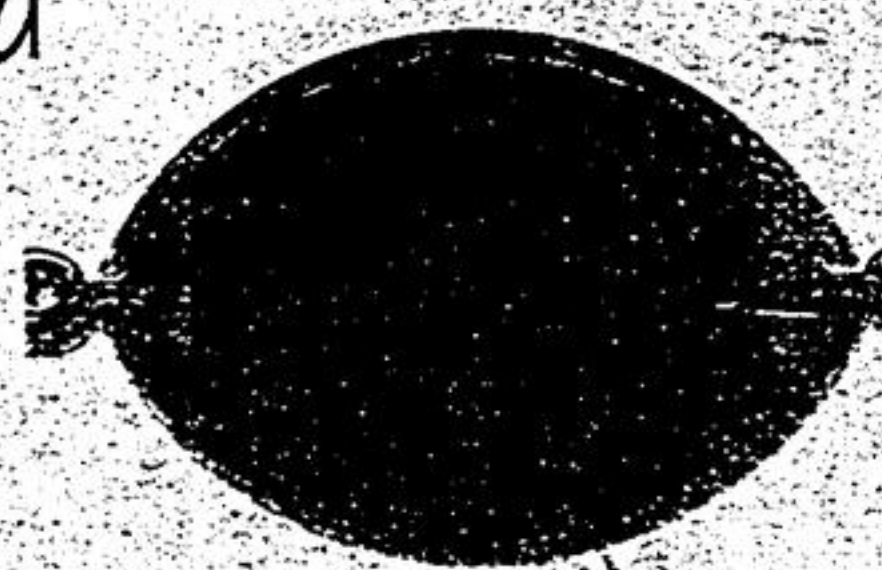
Meanwhile, a reining in of federal spending was sought by the Canadian Federation of Independent Business, which represents more than 105,000 small and medium businesses nationwide.

They were hoping the federal Liberals would turn back the clock to 2000, when their pre-election mini-budget envisioned \$100 billion in tax savings over five years.

Those cuts bolstered the Canadian economy and small business job creation, according to the organization.

But opposition Conservative leader Stephen Harper told reporters the cuts were deep enough that his party wouldn't vote down the budget and force an election.

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