

January 12, 2007

## **Capital Gains Rollover Provision in Income Tax Act**

### ***The Issue***

During the 2006 federal election, the Conservative Party of Canada promised to introduce a “Capital Gains Rollover” provision within the Income Tax Act. The promise has not yet been kept by the minority government.

### ***VREB Position***

The 2007 VREB President, Bev McIvor, wrote local MP, Hon. Gary Lunn on January 12, 2007 to remind him of the campaign promise and notify him of the Board’s strong support for introduction of the deferral opportunity for small investors. The letter also made reference to the position taken by the Canadian Real Estate Association as part of their ‘Pre-Budget Submission 2007’. It recommends deferral of both the capital gains tax and the capital cost recovery of all real property investments when an investment property is sold and the proceeds are reinvested in another real property within a specified time period.

The position was reiterated in face-to-face meetings with all three local MPs when VREB representatives traveled to Ottawa in March, 2007.

*News Release:* January 26, 2006 - REALTORS® Look to New Government to Place High Priority on Housing Issues.

### ***Update***

During the March 2007 meeting with Hon. Gary Lunn in Ottawa, the VREB representatives were urged to be patient while the minority government continued to work on this issue.

### ***Ratification***

Position ratified by the VREB Directors, September 2007.