



PRESS RELEASE

For immediate release

Income trusts

PIERRE PAQUETTE ASKS MINISTER FLAHERTY TO EXTEND THE TRANSITION PERIOD TO TEN YEARS

Ottawa, Wednesday, November 29, 2006 – In light of the strong stock market response to the Harper government’s decision to tax the revenues of limited partnerships, **Pierre Paquette**, the Bloc Québécois Finance Critic and MP for Joliette, asked Finance Minister Jim Flaherty to extend the transition period for existing limited partnerships.

“We must give existing limited partnerships time to absorb the blow of this tax, which amounts to 34%. That is why the Bloc Québécois has asked Mr. Flaherty to extend the transition period from four to ten years. This approach will have a positive effect on the stock prices of existing income trusts and will help to reduce the impact” said **Pierre Paquette**.

The Bloc Québécois Critic agrees with the Harper government that it would have been irresponsible not to take action with regard to limited partnerships, whose revenues were not being taxed. The Bloc stressed, however, that the fate of small investors and pensioners must also be considered.

“The tax revenues being lost as a result of corporations converting to income trusts was of great concern; however, extending the existing four-year transition period will be of benefit to small investors and pensioners. The U.S. made a similar decision and opted for a ten-year transition period,” said **Pierre Paquette**.

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