

**Bridge, Jannea FIN:EX**

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**From:** Parkinson, Pat A FIN:EX  
**Sent:** Tuesday, November 25, 2014 10:54 AM  
**To:** Bridge, Jannea FIN:EX  
**Subject:** FW: Discussion with Heather

**Pat Parkinson**  
**Executive Lead LNG Tax Development**  
**Ministry of Finance**  
**Phone #: 250 387-8990**  
**Cell #** s17

---

**From:** Parkinson, Pat A FIN:EX  
**Sent:** Monday, September 29, 2014 8:13 AM  
**To:** Flanagan, Paul FIN:EX  
**Subject:** RE: Discussion with Heather

s13, s16

**Pat Parkinson**  
**Executive Lead LNG Tax Development**  
**Ministry of Finance**  
**Phone #: 250 387-8990**  
**Cell #** s17

---

**From:** Flanagan, Paul FIN:EX  
**Sent:** Monday, September 29, 2014 6:28 AM  
**To:** Parkinson, Pat A FIN:EX  
**Subject:** Re: Discussion with Heather

s13, s16

Paul Flanagan  
Executive Director, Tax Policy Branch  
BC Ministry of Finance

----- Original message -----

**From:** "Parkinson, Pat A FIN:EX"  
**Date:** 09-29-2014 6:19 AM (GMT-08:00)  
**To:** "Flanagan, Paul FIN:EX"  
**Subject:** Discussion with Heather

Did you talk to Heather about her conversation with Fed Finance ADM on CCA rates?

## Bridge, Jannea FIN:EX

---

**From:** Parkinson, Pat A FIN:EX  
**Sent:** Thursday, October 2, 2014 9:14 AM  
**To:** Dawkins, Christina FIN:EX  
**Cc:** Flanagan, Paul FIN:EX  
**Subject:** Re: Briefing material for MDJ/Minister Fast meeting Friday

Paul has all the materials. I am more concerned with getting the overview and TP done.

---

**From:** Dawkins, Christina FIN:EX  
**Sent:** Thursday, October 02, 2014 09:11 AM  
**To:** Bridge, Jannea FIN:EX  
**Cc:** Nelson, Aaron FIN:EX; Flanagan, Paul FIN:EX; Parkinson, Pat A FIN:EX; Hagar, Vanessa A. FIN:EX  
**Subject:** RE: Briefing material for MDJ/Minister Fast meeting Friday

I will do up something and run it by Paul

Chris Dawkins | Executive Director| LNG Taxation Development Branch | Ministry of Finance | T 250.356.5068

---

**From:** Bridge, Jannea FIN:EX  
**Sent:** Thursday, October 2, 2014 8:57 AM  
**To:** Dawkins, Christina FIN:EX  
**Cc:** Nelson, Aaron FIN:EX  
**Subject:** FW: Briefing material for MDJ/Minister Fast meeting Friday

Are you able to provide any insight on this request below?

---

**From:** Hagar, Vanessa A. FIN:EX  
**Sent:** Thursday, October 2, 2014 8:48 AM  
**To:** Bridge, Jannea FIN:EX  
**Cc:** Morgan, Melissa FIN:EX  
**Subject:** FW: Briefing material for MDJ/Minister Fast meeting Friday

Hi Jannea,

DMO has requested notes for the Minister's meeting with Minister Ed Fast on Friday. Can you confirm that your area will be providing the note re LNG Capital Cost Allowance (see incoming request below)? The notes are due by 3:00 pm today and Heather will need to review in advance.

Thank you,

**Vanessa Hagar**  
Office of the ADM, Policy and Legislation Division  
Tel. 250-356-9911

---

**From:** Morgan, Melissa FIN:EX  
**Sent:** Wednesday, October 1, 2014 4:29 PM  
**To:** Hagar, Vanessa A. FIN:EX  
**Subject:** FW: Briefing material for MDJ/Minister Fast meeting Friday

Hi Vanessa, perhaps pass this by Jannea? It may be difficult to get material out of Paul as he has back to back meetings tomorrow....

---

**From:** Purnell, Richard FIN:EX  
**Sent:** Wednesday, October 1, 2014 4:25 PM  
**To:** Morgan, Melissa FIN:EX  
**Subject:** RE: Briefing material for MDJ/Minister Fast meeting Friday

No, the LNG branch will though Paul I presume.

Richard Purnell  
Director, Income Tax  
Tax Policy Branch  
British Columbia Ministry of Finance  
Phone: (250) 387-9072  
Fax: (250) 387-9061

---

**From:** Morgan, Melissa FIN:EX  
**Sent:** Wednesday, October 1, 2014 4:15 PM  
**To:** Purnell, Richard FIN:EX  
**Cc:** Hagar, Vanessa A. FIN:EX  
**Subject:** FW: Briefing material for MDJ/Minister Fast meeting Friday

Hi Richard – will we be providing material on the LNG item?

---

**From:** Hagar, Vanessa A. FIN:EX  
**Sent:** Wednesday, October 1, 2014 3:06 PM  
**To:** Morgan, Melissa FIN:EX  
**Subject:** FW: Briefing material for MDJ/Minister Fast meeting Friday

Forwarding fyi. Do you know if there will be something coming from TPB re the LNG item? Thanks.

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**From:** MacLean, Shelley FIN:EX  
**Sent:** Wednesday, October 1, 2014 2:58 PM  
**To:** Purnell, Richard FIN:EX  
**Cc:** Wood, Heather FIN:EX; Hagar, Vanessa A. FIN:EX  
**Subject:** RE: Briefing material for MDJ/Minister Fast meeting Friday

Thanks Richard, I'll let the MO know.

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**From:** Purnell, Richard FIN:EX  
**Sent:** Wednesday, October 1, 2014 2:57 PM  
**To:** MacLean, Shelley FIN:EX  
**Cc:** Wood, Heather FIN:EX; Hagar, Vanessa A. FIN:EX  
**Subject:** FW: Briefing material for MDJ/Minister Fast meeting Friday  
**Importance:** High

Shelley,

Not Responsive

Not Responsive

Richard Purnell  
Director, Income Tax  
Tax Policy Branch  
British Columbia Ministry of Finance  
Phone: (250) 387-9072  
Fax: (250) 387-9061

---

**From:** MacLean, Shelley FIN:EX  
**Sent:** Wednesday, October 1, 2014 1:43 PM  
**To:** Wood, Heather FIN:EX; Flanagan, Paul FIN:EX; Bawa, Reg R FIN:EX; Purnell, Richard FIN:EX; Hopkins, Jim FIN:EX  
**Cc:** Hagar, Vanessa A. FIN:EX; Chand, Rita FIN:EX  
**Subject:** Briefing material for MDJ/Minister Fast meeting Friday  
**Importance:** High

Minister is meeting with The Honourable Ed Fast, Minister of International Trade on Friday and would like briefing material on the topics noted below. If there are existing notes they can just be updated. I apologize for the short turn around, but I will need these notes by 3:00 Thursday. Thank you

Not Responsive

LNG capital cost allowance

Not Responsive

---

Shelley MacLean  
Manager, Executive Operations & Strategic Initiatives  
Deputy Minister's Office  
Ministry of Finance  
Phone: 250-356-6696  
Fax: 250-387-1655

## Bridge, Jannea FIN:EX

---

**From:** Flanagan, Paul FIN:EX  
**Sent:** Thursday, October 2, 2014 9:34 AM  
**To:** Dawkins, Christina FIN:EX  
**Subject:** LNG CCA  
**Attachments:** LNG CCA.docx

**DATE PREPARED:** April 7, 2014

**TITLE:** Capital Cost Allowance and LNG facilities

**ISSUE:** The LNG industry would like the federal government to increase the capital cost allowance rate applicable to LNG facilities for purposes of income tax.

**BACKGROUND:**

Under federal income tax rules, capital assets are deducted at a specified rate that varies with the class of the assets. Currently, an LNG facility is deductible at a rate of 8 per cent on a declining balance basis. This means that the asset costs are fully deductible over a period of about 30 years.

The LNG industry would like the federal government to change the deductible rate to 30 per cent on a <sup>s13</sup> Their argument is that they are a manufacturer of LNG and should be afforded the same capital cost allowance rate as manufacturing which is 30 per cent. <sup>s13, s16</sup>

s13, s16

s13

**Suggested response**

s13

The province has set the tax rates for the LNG Income Tax in legislation and it will be introduced in October 2014 and <sup>s13</sup>

## Bridge, Jannea FIN:EX

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**From:** Parkinson, Pat A FIN:EX  
**Sent:** Thursday, November 20, 2014 12:03 PM  
**To:** Bridge, Jannea FIN:EX  
**Subject:** FW: Briefing material for MDJ/Minister Fast meeting Friday  
**Attachments:** LNG CCA October.docx  
  
**Importance:** High

**Pat Parkinson**  
**Executive Lead LNG Tax Development**  
**Ministry of Finance**  
**Phone #: 250 387-8990**  
**Cell #** s17

---

**From:** Dawkins, Christina FIN:EX  
**Sent:** Thursday, October 2, 2014 9:47 AM  
**To:** Flanagan, Paul FIN:EX  
**Cc:** Parkinson, Pat A FIN:EX; Bridge, Jannea FIN:EX  
**Subject:** FW: Briefing material for MDJ/Minister Fast meeting Friday  
**Importance:** High

Paul: If you are OK with this – could you let me know and I will ask somebody to cliff it and send to DMO.

Chris Dawkins | Executive Director| LNG Taxation Development Branch | Ministry of Finance | T 250.356.5068

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**From:** Hagar, Vanessa A. FIN:EX  
**Sent:** Thursday, October 2, 2014 9:45 AM  
**To:** Dawkins, Christina FIN:EX  
**Subject:** FW: Briefing material for MDJ/Minister Fast meeting Friday  
**Importance:** High

Thanks Chris.

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**From:** MacLean, Shelley FIN:EX  
**Sent:** Wednesday, October 1, 2014 1:43 PM  
**To:** Wood, Heather FIN:EX; Flanagan, Paul FIN:EX; Bawa, Reg R FIN:EX; Purnell, Richard FIN:EX; Hopkins, Jim FIN:EX  
**Cc:** Hagar, Vanessa A. FIN:EX; Chand, Rita FIN:EX  
**Subject:** Briefing material for MDJ/Minister Fast meeting Friday  
**Importance:** High

Minister is meeting with The Honourable Ed Fast, Minister of International Trade on Friday and would like briefing material on the topics noted below. If there are existing notes they can just be updated. I apologize for the short turn around, but I will need these notes by 3:00 Thursday. Thank you

Not Responsive

LNG capital cost allowance

Not Responsive



Not Responsive

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Shelley MacLean  
Manager, Executive Operations & Strategic Initiatives  
Deputy Minister's Office  
Ministry of Finance  
Phone: 250-356-6696  
Fax: 250-387-1655

**DATE PREPARED:** April 7, 2014

**TITLE:** Capital Cost Allowance and LNG facilities

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s13

**Suggested response**

s13

The province has set the tax rates for the LNG Income Tax in legislation that will be introduced in October 2014. <sup>s13</sup>

**Bridge, Jannea FIN:EX**

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**From:** Flanagan, Paul FIN:EX  
**Sent:** Thursday, October 2, 2014 9:51 AM  
**To:** Dawkins, Christina FIN:EX  
**Subject:** LNG CCA October  
**Attachments:** LNG CCA October.docx

Just added a sentence to say why it is important to the industry.

**DATE PREPARED:** April 7, 2014

**TITLE:** Capital Cost Allowance and LNG facilities

**ISSUE:** The LNG industry would like the federal government to increase the capital cost allowance rate applicable to LNG facilities for purposes of income tax.

**BACKGROUND:**

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s13

**Suggested response**

s13

The province has set the tax rates for the LNG Income Tax in legislation that will be introduced in October 2014. <sup>s13</sup>

## Bridge, Jannea FIN:EX

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**From:** Flanagan, Paul FIN:EX  
**Sent:** Thursday, October 2, 2014 10:31 AM  
**To:** Dawkins, Christina FIN:EX; Bridge, Jannea FIN:EX  
**Subject:** FW: 85090 MO to Federal Minister Oliver  
**Attachments:** 85090 MO NGD LNG Federal Minister Oliver - LNG Tax FINAL.pdf

Here is the letter if you want to include it as an attachment. I am fine with the BN.

Have a nice day.

Paul



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**From:** Walowina, Terri MNGD:EX  
**Sent:** Thursday, July 31, 2014 3:44 PM  
**To:** Flanagan, Paul FIN:EX  
**Cc:** Hansen, Brian MNGD:EX; Calder, Kursti D MNGD:EX; Symes, Leslie MEM:EX  
**Subject:** RE: 85090 MO to Federal Minister Oliver

Hi Paul,

Here is the signed and final copy of the letter.

Terri Walowina  
Administrative Assistant  
250 953-3743

---

**From:** Flanagan, Paul FIN:EX  
**Sent:** Thursday, July 31, 2014 3:34 PM  
**To:** Hansen, Brian MNGD:EX; Calder, Kursti D MNGD:EX  
**Cc:** Walowina, Terri MNGD:EX  
**Subject:** RE: 85090 MO to Federal Minister Oliver

Can you send me the signed version of this letter?

Paul

**From:** Hansen, Brian MNGD:EX  
**Sent:** Tuesday, May 27, 2014 3:33 PM  
**To:** Calder, Kursti D MNGD:EX  
**Cc:** Walowina, Terri MNGD:EX; Flanagan, Paul FIN:EX; Foster, Doug FIN:EX  
**Subject:** Fwd: 85090 MO to Federal Minister Oliver

Hi Kursti. Should run this past Paul Flanagan and Doug Foster to ensure that finance is fine with the way this is being characterized. I've copied them here for any comments they might have on the text. If Canada adopts this it hits federal

revenues and bc revenues. Notwithstanding we have committed to support this advocacy with the federal finance minister.

Brian

Sent from my iPhone

Begin forwarded message:

**From:** "Calder, Kursti D MNGD:EX" <[Kursti.Calder@gov.bc.ca](mailto:Kursti.Calder@gov.bc.ca)>  
**Date:** May 27, 2014 at 4:09:24 PM CST  
**To:** "Hansen, Brian MNGD:EX" <[Brian.Hansen@gov.bc.ca](mailto:Brian.Hansen@gov.bc.ca)>  
**Cc:** "Walowina, Terri MNGD:EX" <[Terri.Walowina@gov.bc.ca](mailto:Terri.Walowina@gov.bc.ca)>  
**Subject:** 85090 MO to Federal Minister Oliver

Hi Brian,

Terri has taken the language from the letter that went to Minister Flaherty and put it into a new letter for Minister Oliver. I have highlighted the sections that don't make sense in this letter and was wondering if there was another way we should frame it. I don't really have a lot of context or understanding of the topic so let me know if you want me to vet this by Finance.

Thanks,

Kursti

JUN 04 2014



Ref: 85090

The Honourable Joe Oliver, P.C., M.P.  
Minister of Finance  
Government of Canada  
House of Commons  
Ottawa, ON K1A 0A6

Dear Minister Oliver:

Thank you for meeting with me in Ottawa on March 31, 2014. I was pleased to be able to congratulate you in person on your appointment to Minister of Finance.

As you are aware, British Columbia is aggressively pursuing the creation of a new liquefied natural gas (LNG) industry that has the capacity to generate enormous economic benefits for the people of British Columbia and Canada over the next 40 years. The window of opportunity to capture a share of the growth in Asian LNG demand is currently open to us; however, Canada needs to out-compete other countries to ensure it maximizes its share of this market opportunity.

To this end, I am writing to re-iterate the Province of British Columbia's support of the submission from the Canadian Association of Petroleum Producers (CAPP) for a change in the tax treatment of LNG liquefaction facilities in the federal 2015 Budget. Treating LNG facilities as a manufacturing and processing facility with a tax category of Class 43 (30 percent declining balance) provides consistency with other natural gas processing facilities, but more importantly, it will make Canadian LNG facilities more competitive in the global LNG race. A positive response to the CAPP proposal will help spur final investment decisions for LNG plants on the West Coast, so that Canada can become a major global LNG competitor.

I view the CAPP proposal as beneficial to our collective interests and I hope you are able to incorporate this change in your upcoming budget.

Thank you for your attention to this issue.

Sincerely yours,

Rich Coleman  
Minister & Deputy Premier  
Pc: Honourable Greg Rickford

---

Minister of  
Natural Gas Development  
and Minister Responsible  
for Housing  
and Deputy Premier

Office of the Minister

Mailing Address:  
PO Box 9052, Stn Prov Govt  
Victoria, BC V8W 9E2

Telephone: 250 953-0900  
Facsimile: 250 953-0927

## Bridge, Jannea FIN:EX

---

**From:** Parkinson, Pat A FIN:EX  
**Sent:** Thursday, November 20, 2014 2:48 PM  
**To:** Bridge, Jannea FIN:EX  
**Subject:** FW: LNG BN -CCA Oct 2  
**Attachments:** LNG BN -CCA Oct 2.docx

**Pat Parkinson**  
**Executive Lead LNG Tax Development**  
**Ministry of Finance**  
**Phone #: 250 387-8990**  
**Cell #** s17

---

**From:** Dawkins, Christina FIN:EX  
**Sent:** Thursday, October 2, 2014 10:41 AM  
**To:** Bridge, Jannea FIN:EX  
**Cc:** Parkinson, Pat A FIN:EX; Hagar, Vanessa A. FIN:EX  
**Subject:** LNG BN -CCA Oct 2

Jannea:

Here is the BN as approved by Paul. He sent the letter from Hon Coleman by separate email but it should be attached

Cheers  
Chris



## **Bridge, Jannea FIN:EX**

---

**From:** Bridge, Jannea FIN:EX  
**Sent:** Thursday, October 2, 2014 11:08 AM  
**To:** MacLean, Shelley FIN:EX  
**Cc:** Parkinson, Pat A FIN:EX; Hagar, Vanessa A. FIN:EX; Dawkins, Christina FIN:EX; Flanagan, Paul FIN:EX  
**Subject:** RE: LNG BN -CCA Oct 2  
**Attachments:** 338829 Capital Cost Allowance for the LNG Industry.docx; 338829 Capital Cost Allowance for the LNG Industry.pdf

Hello Shelley,

Please find attached briefing note "338829 Capital Cost Allowance for the LNG Industry" as per request (in both word and pdf format).

Thanks,

Jannea

---

**From:** Hagar, Vanessa A. FIN:EX  
**Sent:** Thursday, October 2, 2014 10:53 AM  
**To:** Dawkins, Christina FIN:EX; Bridge, Jannea FIN:EX  
**Cc:** Parkinson, Pat A FIN:EX  
**Subject:** RE: LNG BN -CCA Oct 2

Thanks Chris – that was fast!

Jannea – can you please send directly to Shelley with a copy to me (with the attachment). Heather said she does not need to see in advance (although she would like to see a copy). I will also need the document password to open...

Thanks again,

Vanessa

---

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**Sent:** Thursday, October 2, 2014 10:41 AM  
**To:** Bridge, Jannea FIN:EX  
**Cc:** Parkinson, Pat A FIN:EX; Hagar, Vanessa A. FIN:EX  
**Subject:** LNG BN -CCA Oct 2

Jannea:

Here is the BN as approved by Paul. He sent the letter from Hon Coleman by separate email but it should be attached

Cheers  
Chris

**Ministry of Finance**  
**BRIEFING DOCUMENT**

**To:** Honourable Michael de Jong, Q.C.  
Minister of Finance

**Date Required:** October 2, 2014

**Date Prepared:** October 2, 2014

**Ministry Contact:** Paul Flanagan  
Tax Policy Branch

**Phone Number:** 250-387-9014  
**Email:** Paul.Flanagan@gov.bc.ca

**CLIFF:** 338829

---

**TITLE:** Capital Cost Allowance for the LNG Industry

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**PURPOSE:**

**(X) FOR INFORMATION**

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Executive Director approval: \_\_\_\_\_

ADM approval: \_\_\_\_\_

DM approval: \_\_\_\_\_

**DATE PREPARED:** October 2, 2014

**TITLE:** Capital Cost Allowance for the LNG Industry

**ISSUE:** The LNG industry would like the federal government to increase the capital cost allowance rate applicable to LNG facilities for purposes of income tax.

**BACKGROUND:**

Under federal income tax rules, capital assets are deducted at a specified rate that varies with the class of the assets. Currently, an LNG facility is deductible at a rate of 8 per cent on a declining balance basis. This means that the asset costs are fully deductible over a period of about 30 years.

The LNG industry would like the federal government to change the deductible rate to 30 per cent on a <sup>s13</sup> . The benefit of a higher capital cost allowance rate is that taxpayers can defer more income taxes payable to future years. The industry argues that they are a manufacturer of LNG and should be afforded the same capital cost allowance rate as manufacturing which is 30 per cent. <sup>s13, s16</sup>

s13

**Suggested response**

s13

The province has set the tax rates for the LNG Income Tax in legislation that will be introduced in October 2014. <sup>s13</sup>

**Ministry of Finance**

**BRIEFING DOCUMENT**

**To:** Honourable Michael de Jong, Q.C.  
Minister of Finance

**Date Requested:**  
**Date Required:** October 2, 2014

**Initiated by:**

**Date Prepared:** October 2, 2014

**Ministry Contact:** Paul Flanagan  
Tax policy Branch

**Phone Number:** 250-387-9014  
**Email:** Paul .Flanagan@gov.bc.ca

---

**TITLE:** Capital Cost Allowance for the LNG Industry

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**PURPOSE:**

**(X) FOR INFORMATION**

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---

---

Executive Director approval: \_\_\_\_\_

ADM approval: \_\_\_\_\_

DM approval: \_\_\_\_\_

**DATE PREPARED:** October 2, 2014

**TITLE:** Capital Cost Allowance and LNG facilities

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s13

**Suggested response**

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## Appendix 1:

JUN 04 2014



Ref: 85090

The Honourable Joe Oliver, P.C., M.P.  
Minister of Finance  
Government of Canada  
House of Commons  
Ottawa, ON K1A 0A6

Dear Minister Oliver:

Thank you for meeting with me in Ottawa on March 31, 2014. I was pleased to be able to congratulate you in person on your appointment to Minister of Finance.

As you are aware, British Columbia is aggressively pursuing the creation of a new liquefied natural gas (LNG) industry that has the capacity to generate enormous economic benefits for the people of British Columbia and Canada over the next 40 years. The window of opportunity to capture a share of the growth in Asian LNG demand is currently open to us; however, Canada needs to out-compete other countries to ensure it maximizes its share of this market opportunity.

To this end, I am writing to re-iterate the Province of British Columbia's support of the submission from the Canadian Association of Petroleum Producers (CAPP) for a change in the tax treatment of LNG liquefaction facilities in the federal 2015 Budget. Treating LNG facilities as a manufacturing and processing facility with a tax category of Class 43 (30 percent declining balance) provides consistency with other natural gas processing facilities, but more importantly, it will make Canadian LNG facilities more competitive in the global LNG race. A positive response to the CAPP proposal will help spur final investment decisions for LNG plants on the West Coast, so that Canada can become a major global LNG competitor.

I view the CAPP proposal as beneficial to our collective interests and I hope you are able to incorporate this change in your upcoming budget.

Thank you for your attention to this issue.

Sincerely yours,

Rich Coleman  
Minister & Deputy Premier  
Pc: Honourable Greg Rickford

Minister of  
Natural Gas Development  
and Minister Responsible  
for Housing  
and Deputy Premier

Office of the Minister

Mailing Address:  
PO Box 9052, Stn Prov Govt  
Victoria, BC V8W 9E2

Telephone: 250 953-0900  
Facsimile: 250 953-0927

## Bridge, Jannea FIN:EX

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**Sent:** Thursday, October 2, 2014 11:13 AM  
**To:** Dawkins, Christina FIN:EX  
**Cc:** Flanagan, Paul FIN:EX; Bridge, Jannea FIN:EX  
**Subject:** FW: LNG BN -CCA Oct 2  
**Attachments:** 338829 Capital Cost Allowance for the LNG Industry.docx; 338829 Capital Cost Allowance for the LNG Industry.pdf

I would note our comments on the 30% CCA rate states that the rate is s13 This is inconsistent with the letter which indicates the rate would be s13 . Note sure which is correct.

---

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**To:** MacLean, Shelley FIN:EX  
**Cc:** Parkinson, Pat A FIN:EX; Hagar, Vanessa A. FIN:EX; Dawkins, Christina FIN:EX; Flanagan, Paul FIN:EX  
**Subject:** RE: LNG BN -CCA Oct 2

Hello Shelley,

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Vanessa

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**Cc:** Parkinson, Pat A FIN:EX; Hagar, Vanessa A. FIN:EX  
**Subject:** LNG BN -CCA Oct 2

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Cheers  
Chris



**Ministry of Finance**  
**BRIEFING DOCUMENT**

**To:** Honourable Michael de Jong, Q.C.  
Minister of Finance

**Date Required:** October 2, 2014

**Date Prepared:** October 2, 2014

**Ministry Contact:** Paul Flanagan  
Tax Policy Branch

**Phone Number:** 250-387-9014  
**Email:** Paul .Flanagan@gov.bc.ca

**CLIFF:** 338829

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**TITLE:** Capital Cost Allowance for the LNG Industry

---

**PURPOSE:**

**(X) FOR INFORMATION**

---

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Executive Director approval: \_\_\_\_\_

ADM approval: \_\_\_\_\_

DM approval: \_\_\_\_\_

**DATE PREPARED:** October 2, 2014

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## Appendix 1:

JUN 04 2014



Ref: 85090

The Honourable Joe Oliver, P.C., M.P.  
Minister of Finance  
Government of Canada  
House of Commons  
Ottawa, ON K1A 0A6

Dear Minister Oliver:

Thank you for meeting with me in Ottawa on March 31, 2014. I was pleased to be able to congratulate you in person on your appointment to Minister of Finance.

As you are aware, British Columbia is aggressively pursuing the creation of a new liquefied natural gas (LNG) industry that has the capacity to generate enormous economic benefits for the people of British Columbia and Canada over the next 40 years. The window of opportunity to capture a share of the growth in Asian LNG demand is currently open to us; however, Canada needs to out-compete other countries to ensure it maximizes its share of this market opportunity.

To this end, I am writing to re-iterate the Province of British Columbia's support of the submission from the Canadian Association of Petroleum Producers (CAPP) for a change in the tax treatment of LNG liquefaction facilities in the federal 2015 Budget. Treating LNG facilities as a manufacturing and processing facility with a tax category of Class 43 (30 percent declining balance) provides consistency with other natural gas processing facilities, but more importantly, it will make Canadian LNG facilities more competitive in the global LNG race. A positive response to the CAPP proposal will help spur final investment decisions for LNG plants on the West Coast, so that Canada can become a major global LNG competitor.

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Thank you for your attention to this issue.

Sincerely yours,

Rich Coleman  
Minister & Deputy Premier  
Cc: Honourable Greg Rickford

Minister of  
Natural Gas Development  
and Minister Responsible  
for Housing  
and Deputy Premier

Office of the Minister

Mailing Address:  
PO Box 9052, Stn Prov Govt  
Victoria, BC V8W 9E2

Telephone: 250 953-0900  
Facsimile: 250 953-0927

## Bridge, Jannea FIN:EX

---

**From:** Flanagan, Paul FIN:EX  
**Sent:** Thursday, October 2, 2014 11:22 AM  
**To:** Dawkins, Christina FIN:EX  
**Subject:** Re: LNG BN -CCA Oct 2

Let's take those words out in the note

Paul Flanagan  
Executive Director, Tax Policy Branch  
BC Ministry of Finance

----- Original message -----

**From:** "Dawkins, Christina FIN:EX"  
**Date:** 10-02-2014 11:19 AM (GMT-08:00)  
**To:** "Flanagan, Paul FIN:EX"  
**Subject:** FW: LNG BN -CCA Oct 2

Paul – not sure – MNGD asks for 30% s13 and your note says they want 30% s13 Not necessarily inconsistent (they may ask for less than they want) but not sure..

Your view?

Chris Dawkins | Executive Director | LNG Taxation Development Branch | Ministry of Finance | T 250.356.5068

---

**From:** Parkinson, Pat A FIN:EX  
**Sent:** Thursday, October 2, 2014 11:13 AM  
**To:** Dawkins, Christina FIN:EX  
**Cc:** Flanagan, Paul FIN:EX; Bridge, Jannea FIN:EX  
**Subject:** FW: LNG BN -CCA Oct 2

I would note our comments on the 30% CCA rate states that the rate is s13 This is inconsistent with the letter which indicates the rate would be s13 Note sure which is correct.

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**From:** Bridge, Jannea FIN:EX  
**Sent:** Thursday, October 2, 2014 11:08 AM  
**To:** MacLean, Shelley FIN:EX  
**Cc:** Parkinson, Pat A FIN:EX; Hagar, Vanessa A. FIN:EX; Dawkins, Christina FIN:EX; Flanagan, Paul FIN:EX  
**Subject:** RE: LNG BN -CCA Oct 2

Hello Shelley,

Please find attached briefing note "338829 Capital Cost Allowance for the LNG Industry" as per request (in both word and pdf format).

Thanks,

Jannea

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**From:** Hagar, Vanessa A. FIN:EX  
**Sent:** Thursday, October 2, 2014 10:53 AM  
**To:** Dawkins, Christina FIN:EX; Bridge, Jannea FIN:EX  
**Cc:** Parkinson, Pat A FIN:EX  
**Subject:** RE: LNG BN -CCA Oct 2

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Jannea – can you please send directly to Shelley with a copy to me (with the attachment). Heather said she does not need to see in advance (although she would like to see a copy). I will also need the document password to open...

Thanks again,

Vanessa

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**From:** Dawkins, Christina FIN:EX  
**Sent:** Thursday, October 2, 2014 10:41 AM  
**To:** Bridge, Jannea FIN:EX  
**Cc:** Parkinson, Pat A FIN:EX; Hagar, Vanessa A. FIN:EX  
**Subject:** LNG BN -CCA Oct 2

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Here is the BN as approved by Paul. He sent the letter from Hon Coleman by separate email but it should be attached

Cheers  
Chris

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"The LNG industry would like the federal government to change the deductible rate to 30 per cent s13

s13

To

"The LNG industry would like the federal government to change the deductible rate to 30 per cent on a declining balance basis."

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**To:** Bridge, Jannea FIN:EX; Parkinson, Pat A FIN:EX; Dawkins, Christina FIN:EX  
**Subject:** Re: LNG BN -CCA Oct 2

Ok

Paul Flanagan  
Executive Director, Tax Policy Branch  
BC Ministry of Finance

----- Original message -----

**From:** "Bridge, Jannea FIN:EX"  
**Date:** 10-02-2014 11:21 AM (GMT-08:00)  
**To:** "Parkinson, Pat A FIN:EX", "Dawkins, Christina FIN:EX"  
**Cc:** "Flanagan, Paul FIN:EX"  
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**Ministry of Finance**  
**BRIEFING DOCUMENT**

**To:** Honourable Michael de Jong, Q.C.  
Minister of Finance

**Date Required:** October 2, 2014

**Date Prepared:** October 2, 2014

**Ministry Contact:** Paul Flanagan  
Tax Policy Branch

**Phone Number:** 250-387-9014  
**Email:** Paul.Flanagan@gov.bc.ca

**CLIFF:** 338829

---

**TITLE:** Capital Cost Allowance for the LNG Industry

---

**PURPOSE:**

**(X) FOR INFORMATION**

---

---

---

Executive Director approval: \_\_\_\_\_

ADM approval: \_\_\_\_\_

DM approval: \_\_\_\_\_

**DATE PREPARED:** October 2, 2014

**TITLE:** Capital Cost Allowance for the LNG Industry

**ISSUE:** The LNG industry would like the federal government to increase the capital cost allowance rate applicable to LNG facilities for purposes of income tax.

**BACKGROUND:**

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s13

Appendix 1).

**Suggested response**

s13

The province has set the tax rates for the LNG Income Tax in legislation that will be introduced in October 2014.

s13

## Appendix 1:

JUN 04 2014



Ref: 85090

The Honourable Joe Oliver, P.C., M.P.  
Minister of Finance  
Government of Canada  
House of Commons  
Ottawa, ON K1A 0A6

Dear Minister Oliver:

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Minister & Deputy Premier  
Pc: Honourable Greg Rickford

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Office of the Minister

Mailing Address:  
PO Box 9052, Stn Prov Govt  
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Telephone: 250 953-0900  
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## Bridge, Jannea FIN:EX

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**From:** Bridge, Jannea FIN:EX  
**Sent:** Thursday, October 2, 2014 11:29 AM  
**To:** MacLean, Shelley FIN:EX  
**Cc:** Parkinson, Pat A FIN:EX; Hagar, Vanessa A. FIN:EX; Dawkins, Christina FIN:EX; Flanagan, Paul FIN:EX  
**Subject:** RE: LNG BN -CCA Oct 2  
**Attachments:** 338829 Capital Cost Allowance for the LNG Industry.docx; 338829 Capital Cost Allowance for the LNG Industry.pdf

Attached revised version for use.

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**Subject:** LNG BN -CCA Oct 2

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**BRIEFING DOCUMENT**

**To:** Honourable Michael de Jong, Q.C.  
Minister of Finance

**Date Required:** October 2, 2014

**Date Prepared:** October 2, 2014

**Ministry Contact:** Paul Flanagan  
Tax Policy Branch

**Phone Number:** 250-387-9014  
**Email:** Paul.Flanagan@gov.bc.ca

**CLIFF:** 338829

---

**TITLE:** Capital Cost Allowance for the LNG Industry

---

**PURPOSE:**

**(X) FOR INFORMATION**

---

---

---

Executive Director approval: \_\_\_\_\_

ADM approval: \_\_\_\_\_

DM approval: \_\_\_\_\_

**DATE PREPARED:** October 2, 2014

**TITLE:** Capital Cost Allowance for the LNG Industry

**ISSUE:** The LNG industry would like the federal government to increase the capital cost allowance rate applicable to LNG facilities for purposes of income tax.

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s16

s13

Appendix 1).

**Suggested response**

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JUN 04 2014



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Minister of Finance  
Government of Canada  
House of Commons  
Ottawa, ON K1A 0A6

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Telephone: 250 953-0900  
Facsimile: 250 953-0927

## **Bridge, Jannea FIN:EX**

---

**From:** Parkinson, Pat A FIN:EX  
**Sent:** Thursday, November 20, 2014 12:00 PM  
**To:** Bridge, Jannea FIN:EX  
**Subject:** FW: LNG BN -CCA Oct 2  
**Attachments:** 338829 Capital Cost Allowance for the LNG Industry.docx; 338829 Capital Cost Allowance for the LNG Industry.pdf

**Pat Parkinson**  
**Executive Lead LNG Tax Development**  
**Ministry of Finance**  
**Phone #: 250 387-8990**  
**Cell #** s17

---

**From:** Bridge, Jannea FIN:EX  
**Sent:** Thursday, October 23, 2014 10:44 AM  
**To:** Parkinson, Pat A FIN:EX  
**Subject:** FW: LNG BN -CCA Oct 2

Hi Pat,

This is the version that went to Shelley at the beginning of October.

---

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**To:** MacLean, Shelley FIN:EX  
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**(X) FOR INFORMATION**

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## Bridge, Jannea FIN:EX

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**To:** Bridge, Jannea FIN:EX  
**Subject:** RE: LNG Capital Cost Allowance BN

**From:** MacLean, Shelley FIN:EX  
**Sent:** Friday, October 17, 2014 4:36 PM  
**To:** Mazure, John C FIN:EX; Flanagan, Paul FIN:EX; Parkinson, Pat A FIN:EX; Cole, Elizabeth FIN:EX; Gill, Marcus A FIN:EX  
**Cc:** Wenezenki-Yolland, Cheryl FIN:EX; Freeman, Lisa FIN:EX; Hagar, Vanessa A. FIN:EX; Salling, Tammy L FIN:EX; Wood, Heather FIN:EX  
**Subject:** Briefing Material for Minister/Minister Campbell of Alberta

MDJ is meeting with Minister Campbell, Minister of Finance, Alberta on October 28 in Calgary. Below are the items MDJ would like to discuss and is asking for meeting materials:

- LNG, capital cost allowance. (LNG - Pat Parkinson/Paul Flanagan)

Not Responsive

If I could please have your Meeting Notes by the 23<sup>rd</sup> it would be appreciated. Thank you

---

Shelley MacLean  
Manager, Executive Operations & Strategic Initiatives  
Deputy Minister's Office  
Ministry of Finance  
Phone: 250-356-6696  
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