

Small biz FPC Sept. 20/17

From: "Greenberg, Martha (CAB)" </o=govon/ou=exchange administrative group (fydibohf23spdlt)/cn=recipients/cn=greenberg, martha (cab)3ff">
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Date: Wed, 20 Sep 2017 12:24:43 -0400
Attachments: Status of decision items 2017-09-19_Revised.pptx (67.02 kB); Small Biz_Decision Deck v19.pptx (359.93 kB); Small Biz_Cabinet Presentation_Abridged v7 2017-09-19.pptx (173.36 kB)

Worth the paper they are written on...ha!

Small biz FPC Sept. 20/17

September-20-17
10:21 AM

Subject	FPC
From	Greenberg, Martha (CAB)
To	Davidson, Steven (CAB)
Cc	Foster, Robert (CAB); Brezer, David (CAB); Wittman, Nancy (CAB); Johnston, John (CAB)
Sent	September-19-17 3:47 PM
Attachments	<<Small Biz_Cabinet Presentation_Abridged v7 2017-09-19.pptx>> <<Small Biz_Decision Deck v19.pptx>> <<Status of decision items 2017-09-19_Revised.pptx>>

MOF

- Option 1 - tax credit to support payroll costs based on CPP contributions
 - o Two options - both for 5% credit up to 5000 per employer, but difference is a) for all corp and unincorporated biz vs b) for small canadian controlled private corps
 - o 1b is recommended
 - o But can you skew it to business with fewer employees? Or can you target to those who have more minimum wage workers?
 - o Concerned if this is central pillar, could be taken as walking back on pension support?
 - o Could work in combo with another but as it stands, doesn't stand on it's own as main pillar
 - o 1c - focused for hospitality/restaurant sector
- Option 2 - reduce the small business CIT rate
 - o Can play with what % reduction?
 - o Need to consider gap between corporate and unincorporated and finding some are starting to incorporate
- Option 3 - extent the apprenticeship training tax credit to additional trades
 - o There is a savings target associated with ACCT, been public for last 2 years, to make it more efficient, this would go against that, MAESD looking at targeting or transitioning to a grant
 - 60M growing to 90M
- Other tax ideas?

- o Tax credit on restaurant tips?
- o Accommodation for ag sector? Support for ag
- o Something on room and board?
- o Target manufacturing?
- Totals??
- Package: Do 25% reduction in CIT, plus a more specific payroll cut (WSIB) and this CPP offset plus any more specific for sectors (agriculture, accommodation/food services, retail (training piece?))
 - o WSIB - expect for those sectors with minimum wage, the rate decrease won't impact them, will actually see an increase but less sharp of an increase than would have been
- What is the size of assistance that is needed? Not looking to offset but need to see some weight behind it, fiscal plan can't accommodate full offset
 - o Need to focus on the right package and then can scale up/down as needed
 - o Do like a stack bar - show for the sectors how big each element is and then can see cumulatively what the proposed impact is

MEDG

- Access to capital - no fiscal impact
- Main street - 2 elements
 - o Expansion of omafra program
 - o Some digital enhancement/support
 - o Funding for energy audits to improve efficiencies
 - Could greenon focus some program to small biz/retail?
- MAESD
 - o Canada Ontario Job grant - redirect funding into sector based strategy, opportunity to consider some specific sectors
 - Can you require small biz to provide a smaller contribution
 - § They are now 16% cash and 16% in-kind, could reduce that?
 - Already additional support for small biz
 - Timing fits well - are in process of redesigning
 - Is there demand for access to program from small biz? They are primary users of program
 - § Matrix vets applications, point system, including what employees they are looking to train
 - Is not currently sectorally focused but could be
 - Is an ability for regional sectoral strategies
 - PO - interested to see what that strategy could look like that provide bigger incentive for small biz, maybe improve general one and one more specific
 - o Graduated apprenticeship grant
 - Shift tax credit to grant, through budget
 - o Sponsorship program
 - Problem now, can't meet ratios,
 - Probably a good thing to do regardless of whether totally meets this specific problem of small biz
 - Seems to be receptive audiences, union
 - Group sponsorship is already allowed
 - To be an apprentice, have to be sponsored, either from union or employer
 - Union model is work with all employers
 - OCOT has written this model up as a promising practice
 - What is proposal here? Provide funding for back support to enable this
 - § This isn't really expansion but more about subsidizing small biz to get involved in this
 - o Small biz stakeholder like the three MAESD proposals, doesn't directly respond but good ideas
- Voucher

- o Eligible: Doesn't matter if you are incorporated or unincorporated
- o Have to self-identify, but will be size of firm on it
 - Have to enrol in the system and provide proof of fees
- o Can design the program as you'd like - scale up, scale down, how much proof you want to see from them before they get the credit
 - Can be less burdensome as we have sense
- o 50-60M at 660/firm
- o HST credit cost more, why?
 - Defined small biz differently
- o Is this better than a pay/wage subsidy through taxes?
 - No relation to # of employees here, not sure this would be the tool to get away from taxes
- Equivalency and other burden reduction pieces
 - o Efforts to lighten touch
- Coordination of inspections
 - o Have done pilots, but need to expand that effort
- Small biz "service" - one window
 - o While looks small, could be big hit if done right
- Wage subsidy
 - o Is a seasonal workers
 - Feds have contracts and we have to pay wages as stated in the contracts, can't change those but you can subsidize the employers who pay those wages in contracts