

Ontario Supporting Small Business

Province Reduces Alcohol Fees for Independent Grocers

NEWS

May 29, 2017

Ontario is levelling the playing field for small, independent grocers by reducing the fee required to sell beer, wine and cider by \$2,000 per year. The cut represents a 66 per cent savings for qualified businesses.

The Government of Ontario is committed to ensuring that the sale and service of beverage alcohol in the province are conducted in accordance with the principles of honesty, integrity, transparency and in the public interest.

Other proposed measures to help small businesses grow and cut red tape, to be introduced in new legislation this fall, include:

1. **Reducing regulatory costs:** Requiring all ministries introducing new regulations that result in new administrative costs on business provide an offset through other regulatory or non-regulatory cost reduction. ~~\$1.25~~
2. **Streamlining compliance for small business:** Ensuring that undue burdens aren't placed on small businesses when new or amended regulations are introduced, while maintaining robust environmental, health and safety requirements and other public interest protections.
3. **Reviewing fees and other costs:** Reviewing fees paid by small- and medium-sized businesses and exploring options to reduce costs.

These proposed changes support Ontario's five-year, \$650-million [Business Growth Initiative](#) that is helping to grow the economy and create jobs by promoting an innovation-based economy, helping small companies scale-up and modernizing regulations for businesses.

Supporting small businesses is part of Ontario's plan to create jobs, grow our economy and help people in their everyday lives.

QUOTE

"We want to ensure Ontario's economic climate continues to thrive and grow. We are doing that by reducing barriers and unnecessary fees. That's why we are working towards a transformational shift in the way we approach regulations. We are committed to reducing red tape which will help create jobs and build a competitive business environment."

— Brad Duguid, Minister of Economic Development and Growth

Commented [TC(1)]: Note that TB/MBC has the jurisdiction to determine the fees that are charged by the AGCO, and under the Financial Administration Act, Treasury Board can compel the Attorney General to seek TB's approval before granting any approval under the Alcohol and Gaming Regulation & Public Protection Act (AGRPPA) if necessary.

Commented [SM(2)]: Note that the final Cabinet minute indicated that the specific offsetting costs required to introduce a dollar of new regulatory costs would be determined at a later time through regulation.

The \$1 for every \$1.25 was noted as an example in the minute but is subject to further work/analysis and leg/reg design.

Commented [SM(3)]: Note the Cabinet minute requires ministries to report back with options for reducing fees. Announcing that fees would be reduced may be premature prior to the report back to TB/MBC.

“We heard from the small business community that the fee to sell alcohol was too high for small grocers. So, we took action. Our independent grocers are critical component of a prosperous province. These business owners contribute by creating jobs and strengthening local economies. Supporting these business owners by cutting red tape and reducing fees will create new opportunities for growth across Ontario.”

— Jeff Leal, Minister Responsible for Small Business

QUICK FACTS

- Starting in fall 2016, 70 grocery stores across the province were authorized to sell wine, beer and cider. This is in addition to the 60 grocery stores already selling beer.
- Ontario is committed to reducing business costs and burdens while maintaining a competitive tax environment. The government's recent business tax reforms have cut taxes and lowered compliance costs to encourage investment and job creation.
- Ontario has introduced [legislation](#) that would, if passed, lower electricity bills by 25 per cent on average, with rates being held to inflation for four years. The proposed Fair Hydro Act, 2017, would result in lower electricity bills for all residential consumers and as many as half a million small businesses and farms, starting this summer.

LEARN MORE

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[Burden Reduction Act, 2017](#)

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