



Your Voice

Omnibus Survey

Key final results for June 2024

June Omnibus Survey Insights

CFIB's June Omnibus survey highlights the substantial financial pressures on small businesses caused by high levels of taxation and costs, which present a significant challenge, especially for smaller enterprises, by reducing the funds available for reinvestment. This constraint hinders growth and innovation, as it can limit a business's ability to purchase new equipment, upgrade technology, expand their workforce, and raise wages.

When asked what they would do with the savings from a reduction in taxes and fees, a majority of business owners would increase employee compensation (56%) or pay down their business debt (54%). Other notable responses were to expand their business (46%), hire more employees (36%), lower or maintain prices (29%), and invest in employee training (28%).

The most burdensome taxes and costs according to business owners are payroll taxes (71%), insurance costs (62%), and corporate income tax (53%). Payroll taxes stand out due to their unique challenges as they represent a mandatory cost for employers independent of profitability, and often involve complex administrative requirements. Insurance expenses emerge as a particularly heavy burden for business owners given businesses are often required to have insurance, but obtaining coverage has become increasingly difficult and costly.

Among other burdensome taxes, 44% of business owners cite property taxes as particularly challenging. In the last 12 months nearly 3 in 4 businesses have experienced property tax or rent increases, with 33% seeing an increase of more than 10%. This has led to adverse effects on businesses, including price increases for consumers (57%) and impeded expansion and growth (40%). Nearly 9 in 10 business owners believe provincial governments should prioritize working with municipalities to address the rising cost of property taxes.

Reducing the tax burden and implementing cost-reduction initiatives could provide much-needed relief, enabling businesses to invest in their workforce, expand, and contribute more robustly to the economy.

Dive deeper into these findings in CFIB's InsightBiz Blog - [Empowering small businesses: The critical role of reducing taxes and costs](#)



Marvin Cruz
Director of Research
CFIB



Bérangère Fouqueray
Public Policy Intern
CFIB

Methodology

Your Voice June 2024

Type: An omnibus, controlled-access online CFIB survey.

Active dates: June 4 - 19, 2024.

Final results: Based on responses from 2,035 CFIB members who are owners of Canadian independent businesses, from all sectors and regions of the country.

For comparison purposes, a probability samples with the same number of respondents would have a margin of error of +/- 2.2%, 19 times out of 20.

Highlights

Tax burden and implication of tax reduction

- If governments reduced the overall burden of taxes and fees, business owners would be likely to use the savings to increase employee compensation (56%), pay down their business debt (54%) and expand their business (46%).
- The most harmful taxes and fees to small businesses' operations include payroll taxes (71%), insurance costs (62%), and corporate income tax (53%).

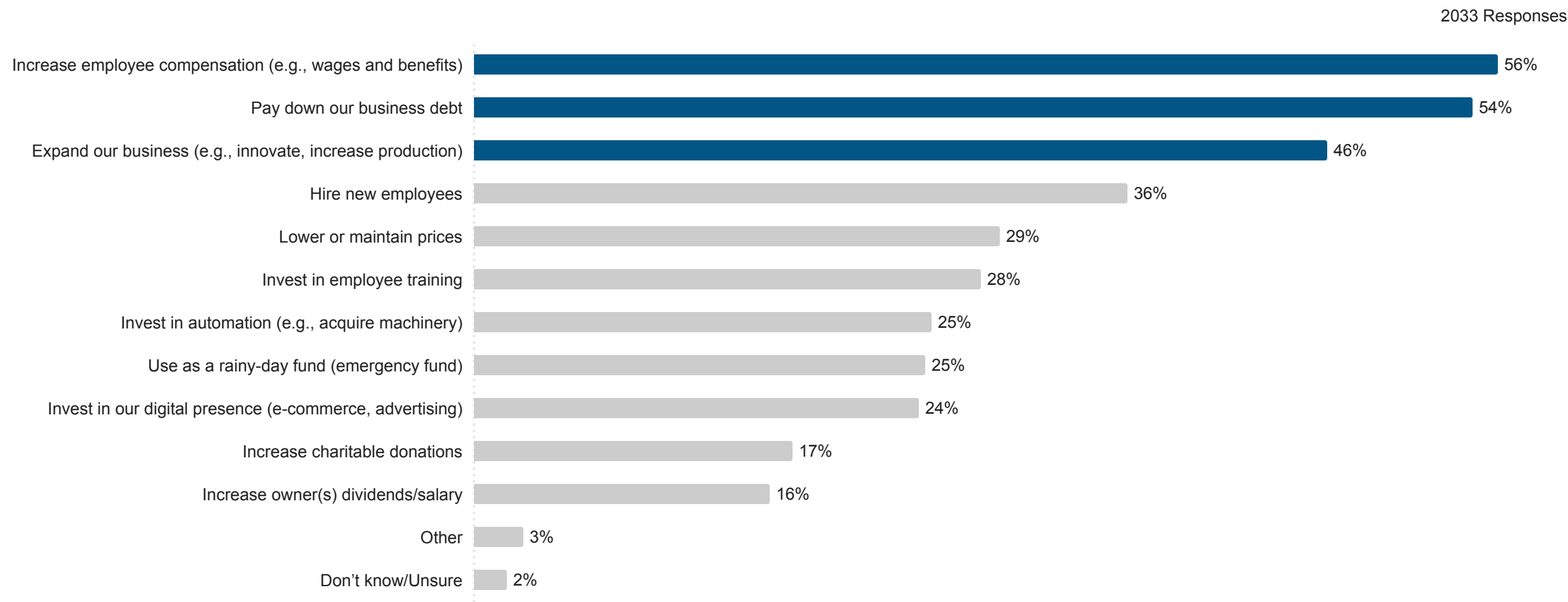
Property taxes and other municipal issues

- Nearly 3 in 4 of business owners saw their property tax or rent increase last year: over 12% of businesses experienced increases above 20%, 21% had increases between 11% and 20%, and 41% had increases between 3% and 10%.
- Nearly 6 in 10 businesses increased consumer prices to offset rising property taxes, while 4 in 10 had to forgo expanding their business. Only 8% of businesses report having felt no impact from the increase in property taxes.
- Business owners believe municipal governments should mitigate the impact of business property taxes by conducting a core review for efficiencies (51%), limiting spending growth to population growth (42%), and introducing property tax relief programs (34%).
- One third (33%) of business owners feel their business is not treated fairly by municipal governments, while about nine in ten (87%) agree that provincial governments should work more closely with municipalities to curb the rising cost of property taxes.

Tax burden and implications of tax reduction

If governments reduced the overall burden of taxes and fees, businesses would use the savings to increase employee compensation (56%), pay down their business debt (54%) and expand their business (46%).

Top priorities for small business tax savings

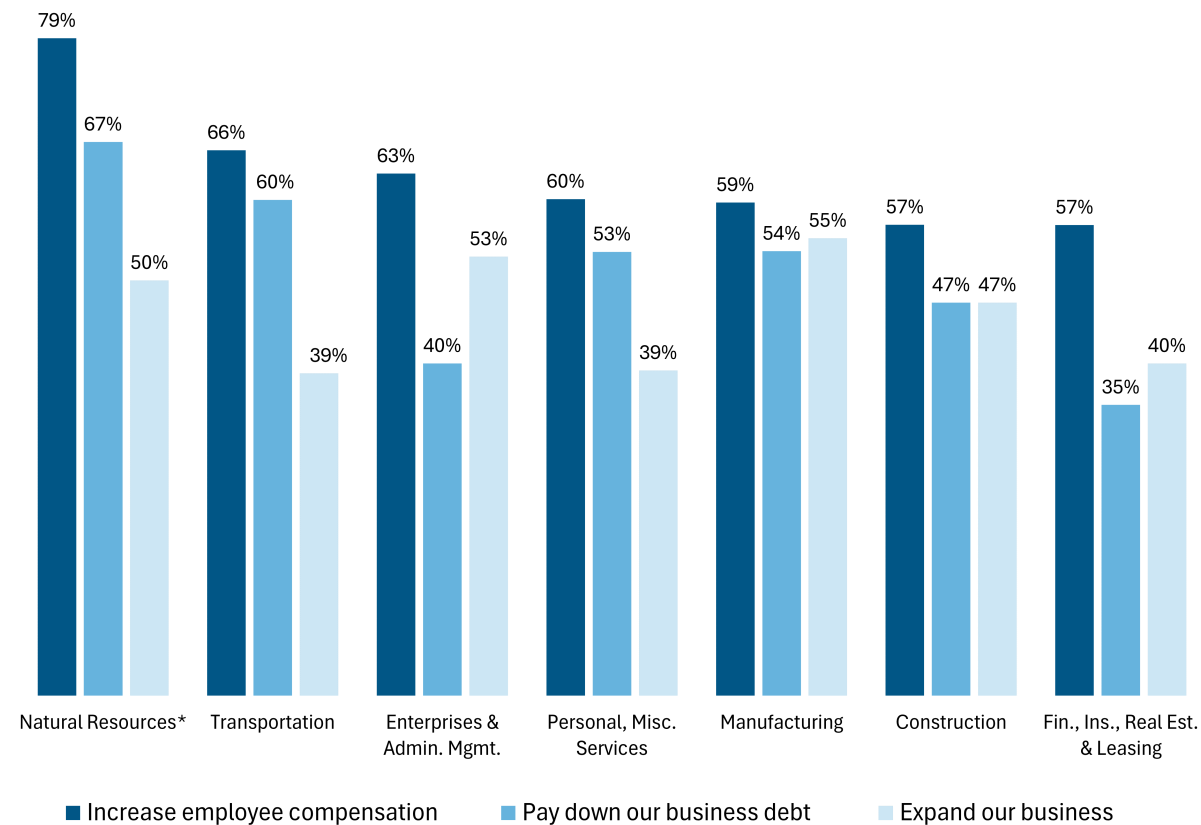


Source: CFIB, Your Voice – June 2024 survey, June 4-19 2024.

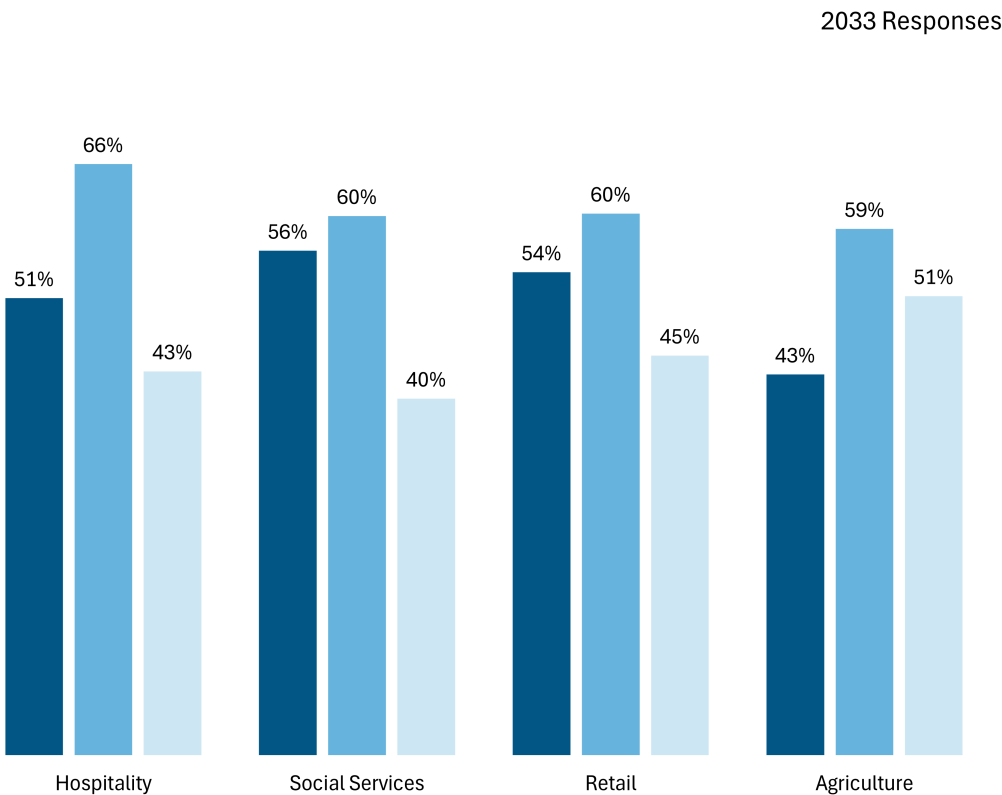
Question: If governments at any level were to reduce the overall burden of taxes and fees, what would your business do with the savings? (Select all that apply)

Predominant sectors prioritizing employee compensation include transportation (66%), enterprise & admin. (63%), manufacturing (59%), and construction (57%). Those prioritizing paying down business debt include hospitality (66%), social services (60%) and retail (60%).

Sectors that prioritize increasing employee compensation



Sectors that prioritize paying down business debt

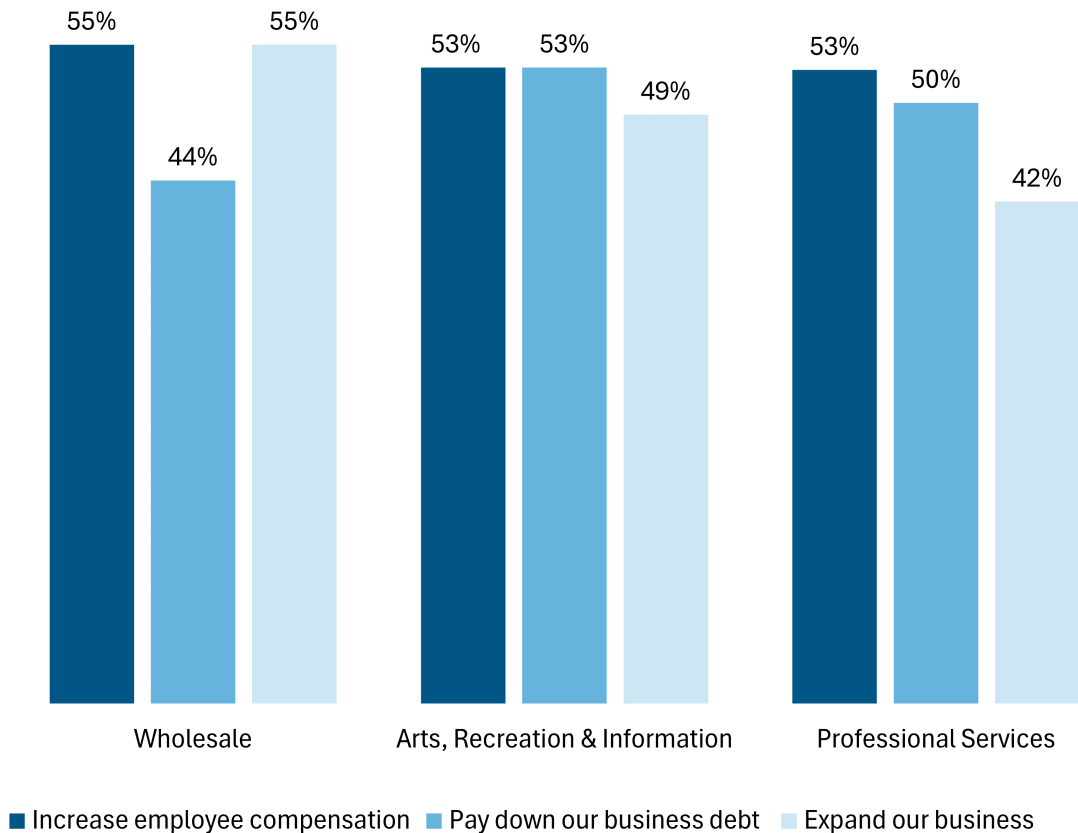


2033 Responses

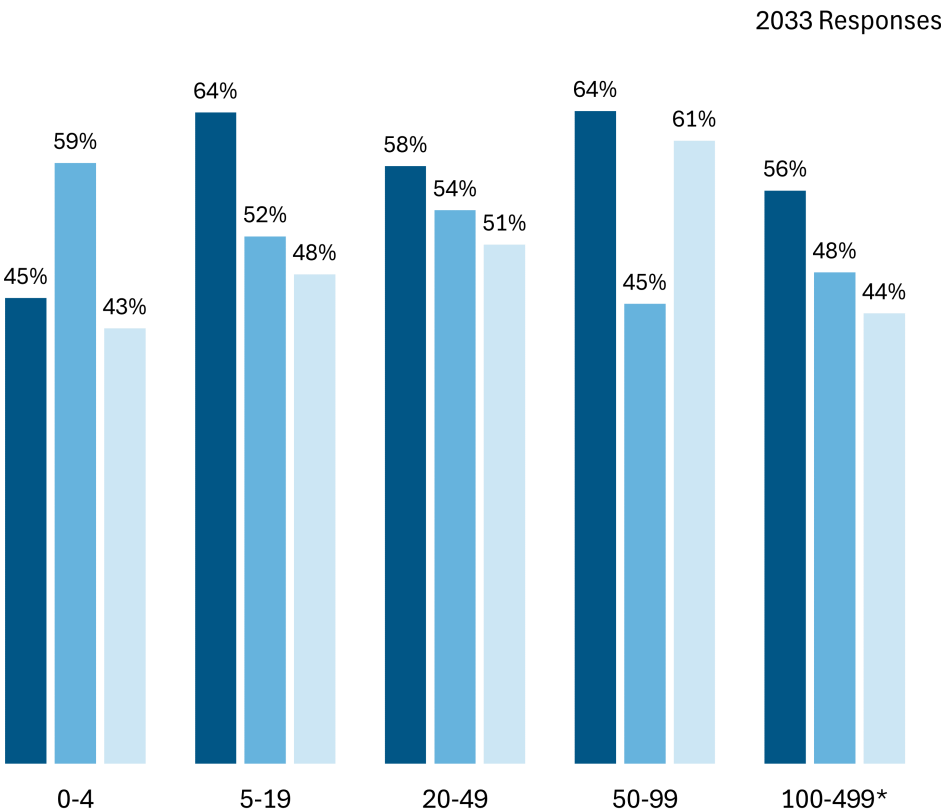
Source: CFIB, Your Voice – June 2024 survey, June 4-19 2024.
Question: If governments at any level were to reduce the overall burden of taxes and fees, what would your business do with the savings? (Select all that apply)
Note: *Small sample size (<40)

Sectors displaying a more even distribution of priorities include wholesale, arts, recreation & information, and professional services. The smallest of businesses (0-4 employees) would prioritize paying down business debt, while businesses with more employees would focus on increasing employee compensation.

Top priorities for small business tax savings, other sectors



Top priorities for small business tax savings, by size of business



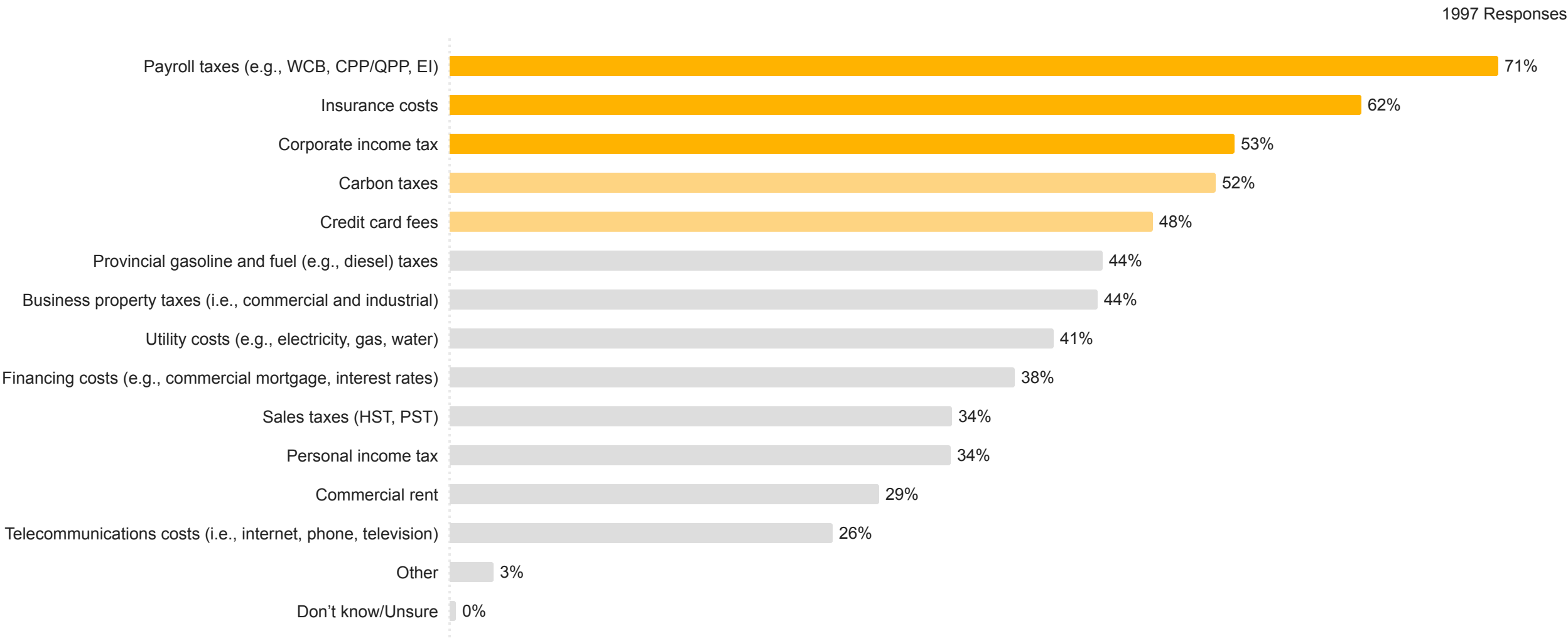
Source: CFIB, Your Voice – June 2024 survey, June 4-19 2024.

Question: If governments at any level were to reduce the overall burden of taxes and fees, what would your business do with the savings? (Select all that apply)

Note: *Small sample size (<40)

The most harmful taxes and costs to small businesses' operations include payroll taxes (71%), insurance costs (62%), and corporate income tax (53%). Other notable taxes/fees costs include carbon taxes (52%), and credit card fees (48%).

Most harmful taxes and costs to business operations



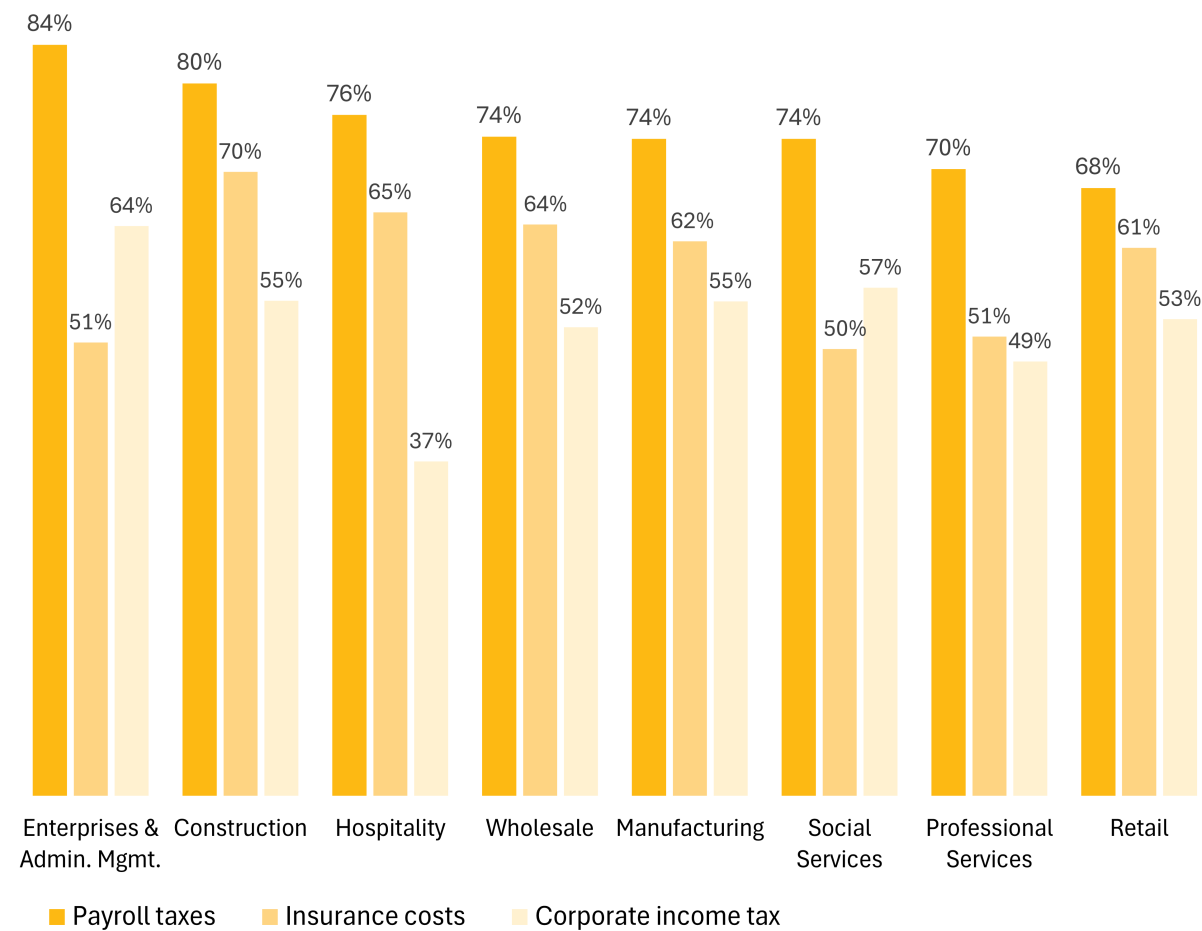
Source: CFIB, Your Voice – June 2024 survey, June 4-19 2024.

Question: Which of the following taxes and costs are the most harmful to the operation of your business? (Select all that apply)

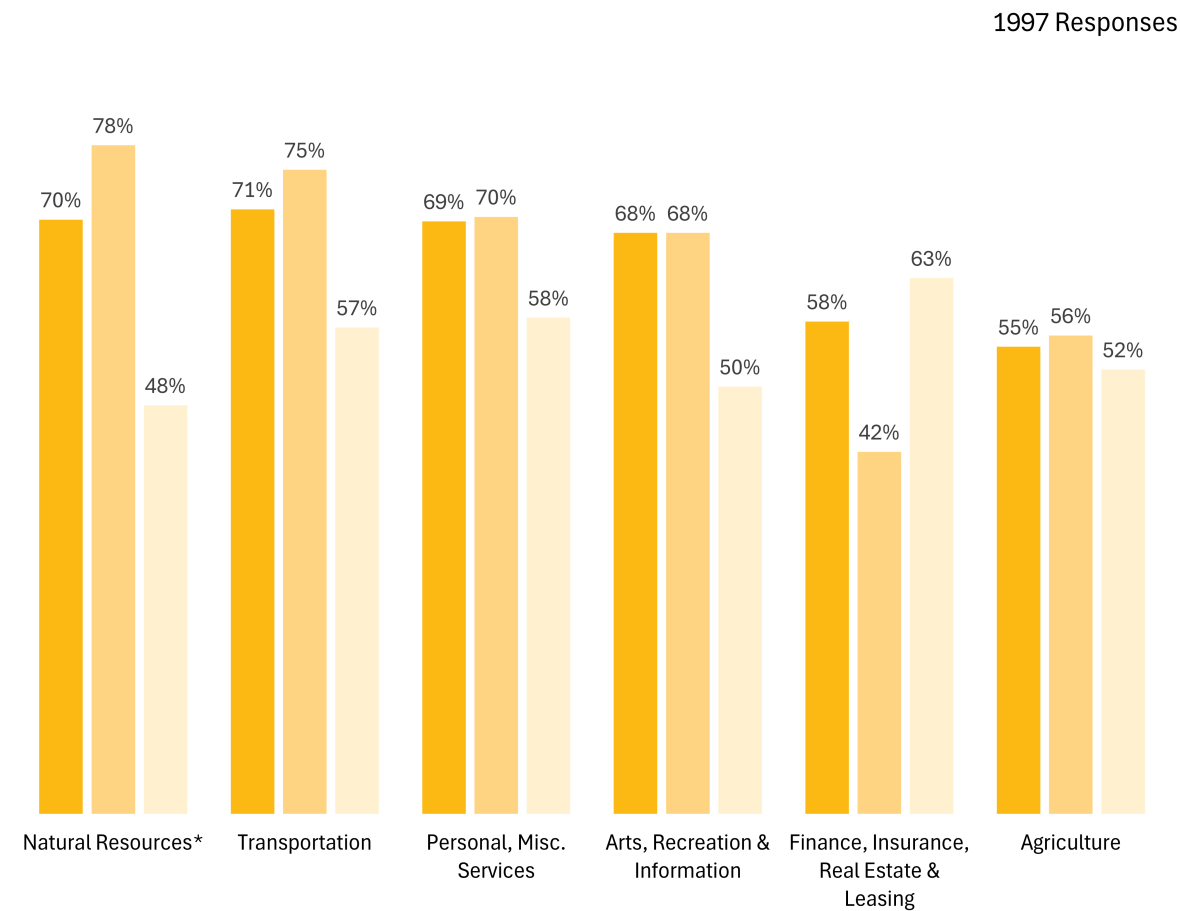


Payroll taxes are most harmful to businesses in the admin. management, construction, and hospitality sectors. Insurance costs are most harmful to the transportation sector, while corporate taxes are most harmful to the financial sector.

Sectors most impacted by payroll taxes



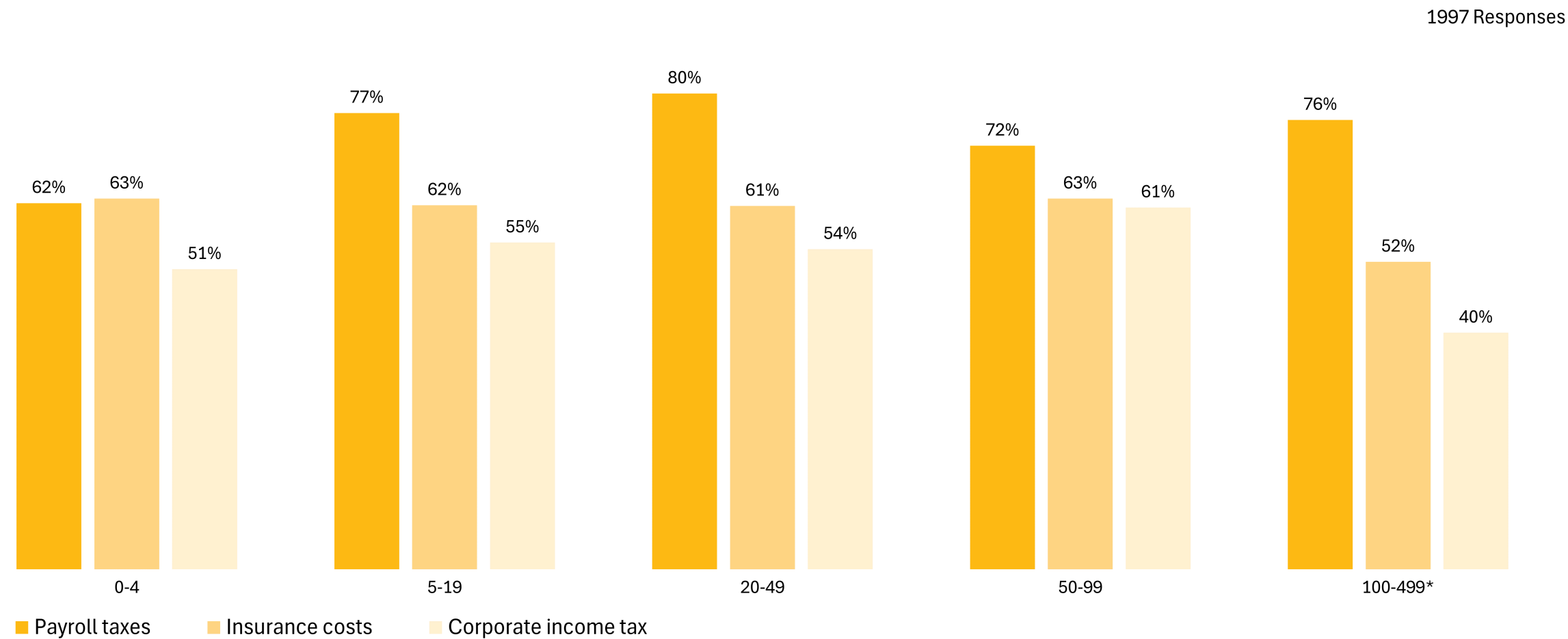
Sectors most impacted by insurance costs / corporate income tax



Source: CFIB, Your Voice – June 2024 survey, June 4-19 2024.
Question: Which of the following taxes and costs are the most harmful to the operation of your business? (Select all that apply)
Note: *Small sample size (<40)

Across business sizes, payroll taxes and insurance costs present significant challenges. The impact of payroll taxes becomes more pronounced as a business grows. Corporate taxes present a consistent challenge across business sizes.

Most harmful taxes, by size of business

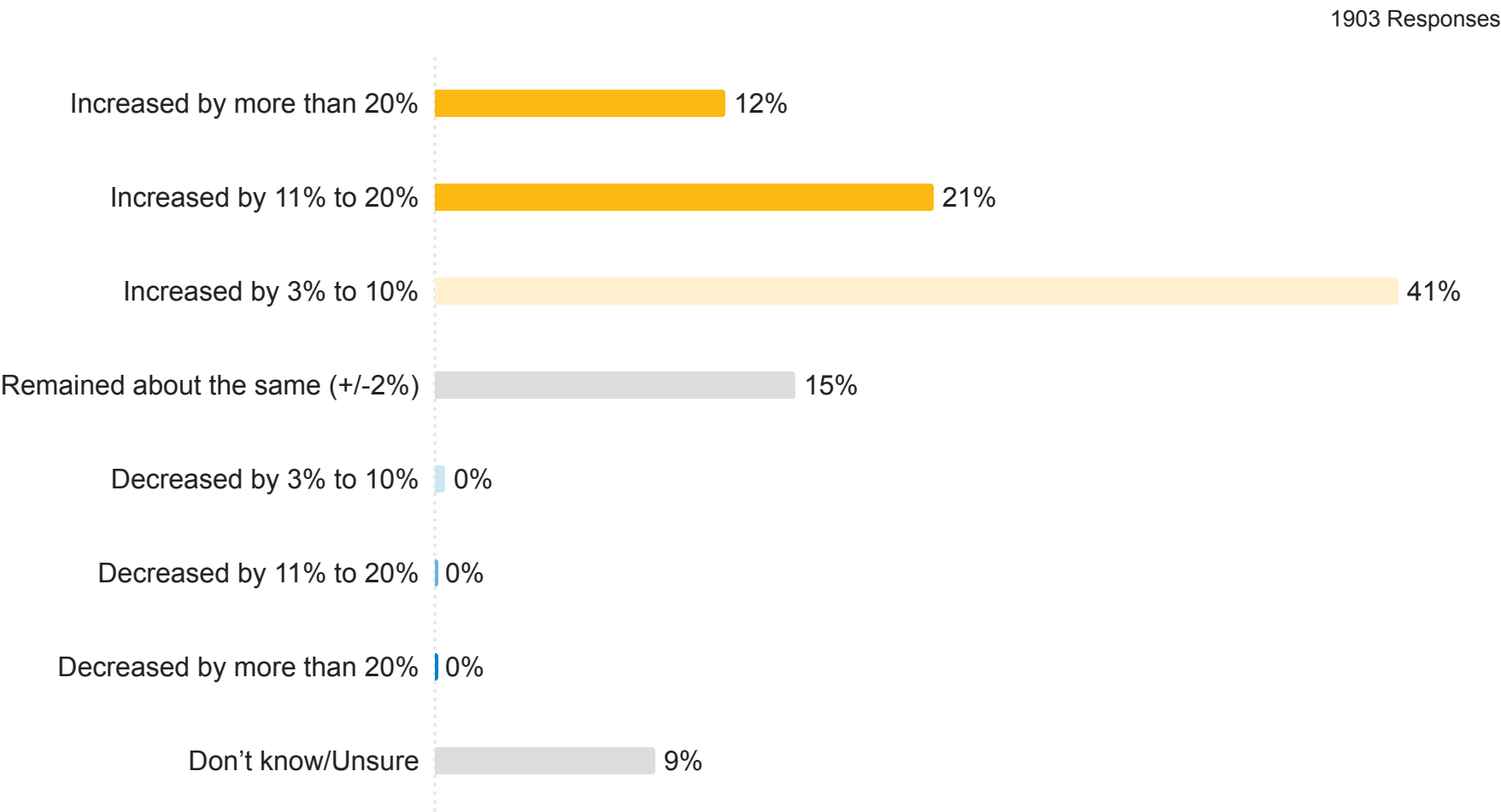


Source: CFIB, Your Voice – June 2024 survey, June 4-19 2024.
Question: Which of the following taxes and costs are the most harmful to the operation of your business? (Select all that apply)
Note: *Small sample size (<40 responses)

Property taxes and other municipal issues

One-third (33%) of business owners saw their property tax/rent increase by more than 10% in the past year, with 12% seeing an increase of more than 20%.

Percentage by which business property tax/rent has increased in the past year

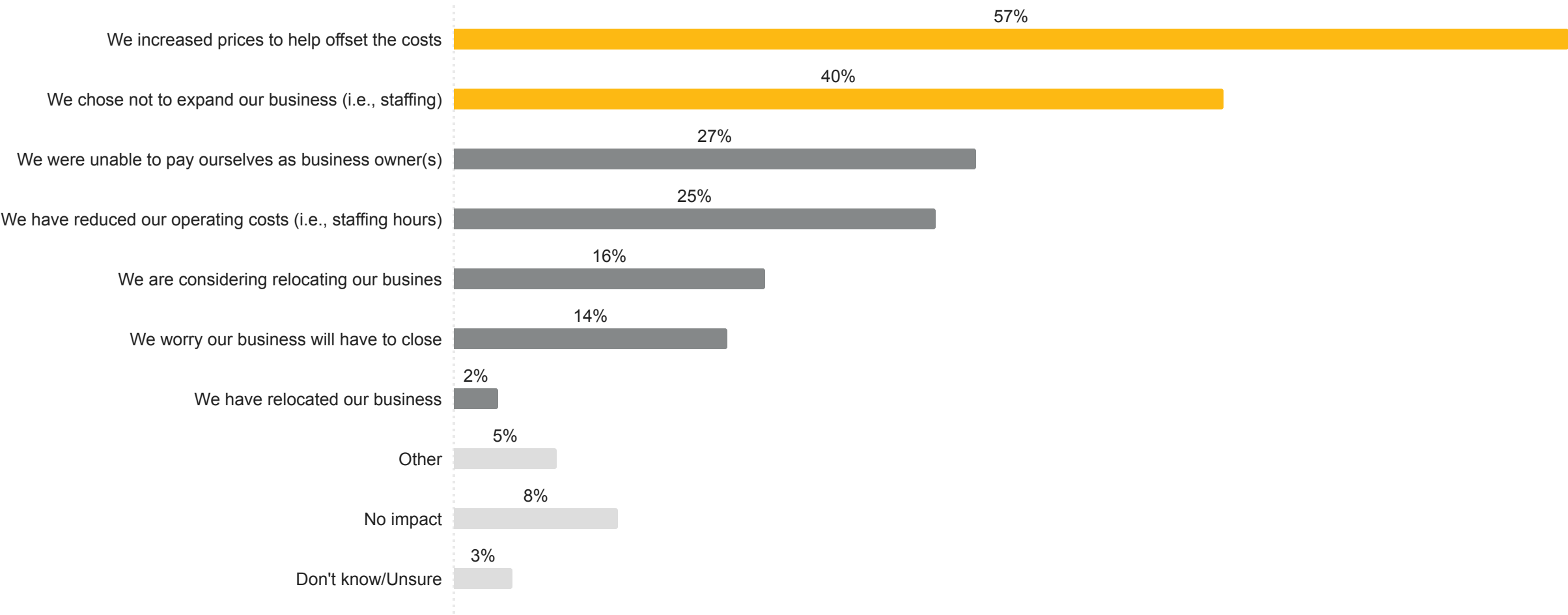


Source: CFIB, Your Voice – June 2024 survey, June 4-19 2024.
Question: Over the last year, how has your business’s property tax or lease/rent bill changed? (Select one)

Rising property taxes can have various adverse effects on businesses which can lead to price increases for consumers (57%) and impede business expansion and growth (40%).

Effects of business property tax/rent increases

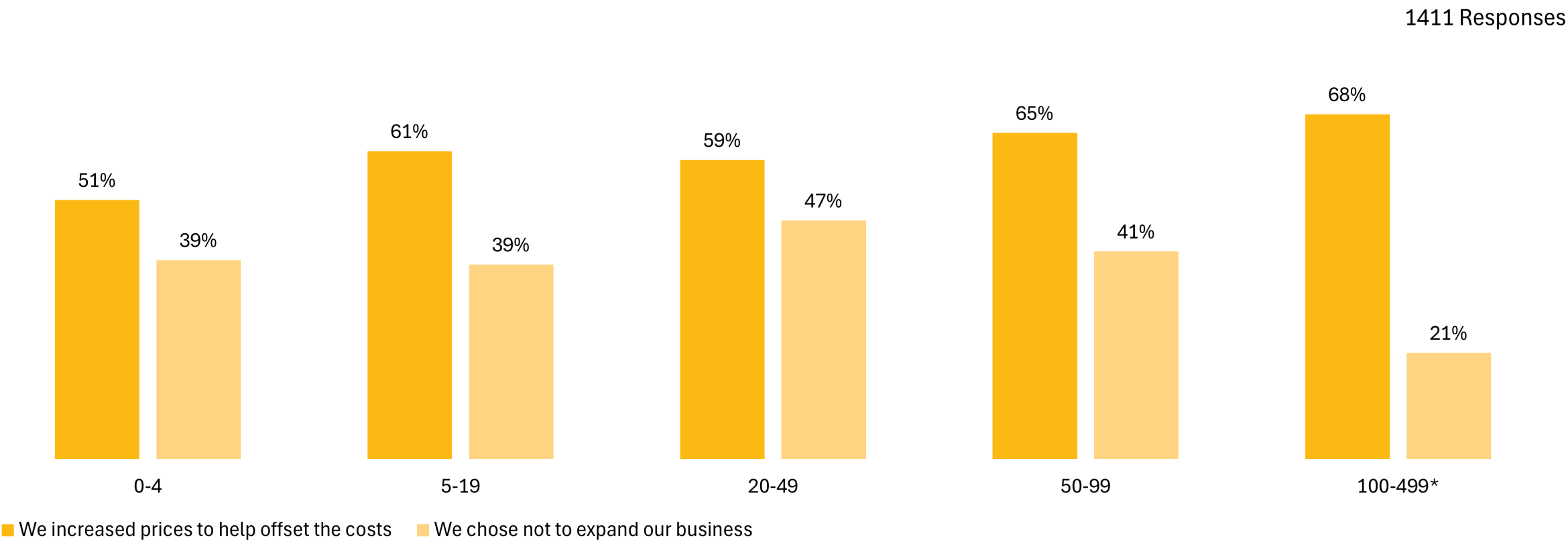
1411 Responses



Source: CFIB, Your Voice – June 2024 survey, June 4-19 2024.
Question: How have rising property taxes impacted your business? (Select all that apply)

Larger businesses are more likely to offset rising property taxes by increasing prices. The decision to forgo expansion remains relatively constant across different business sizes.

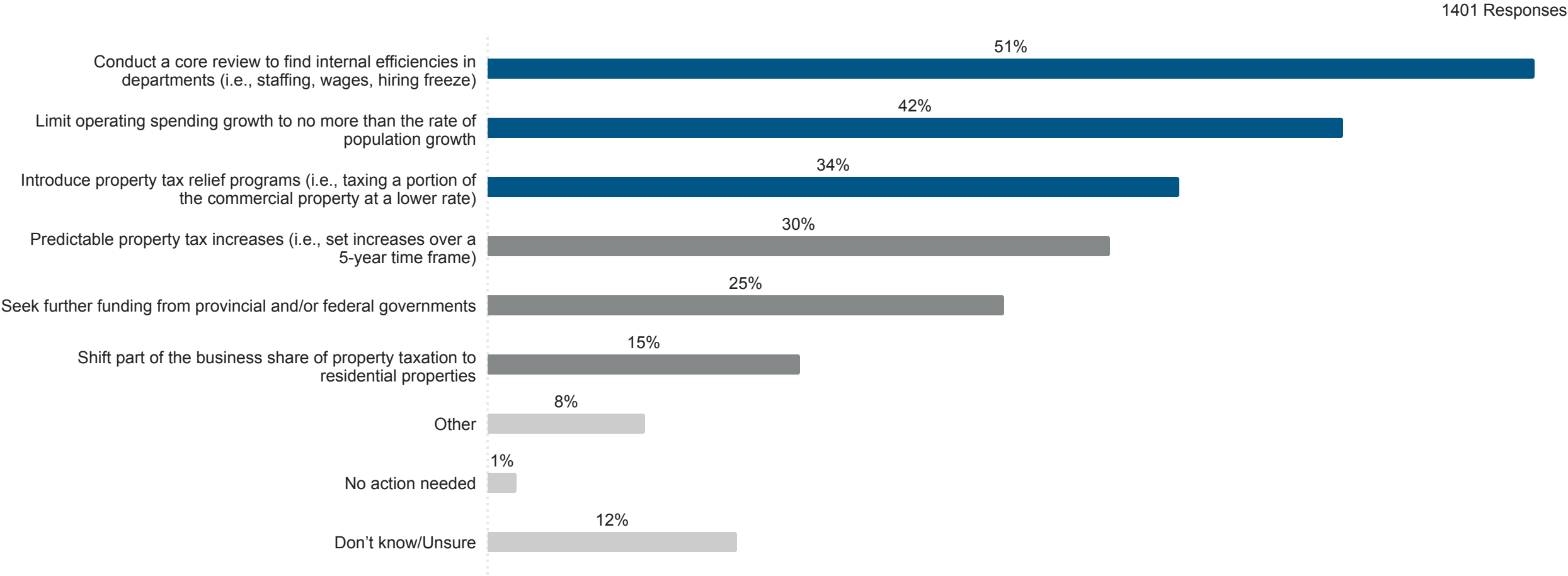
Effects of business property tax/rent increases, by size of business



Source: CFIB, Your Voice – June 2024 survey, June 4-19 2024.
Question: How have rising property taxes impacted your business? (Select all that apply)
Note: *Small sample size (<40)

Business owners believe municipal governments should mitigate the impact of business property taxes by conducting a core review for efficiencies (51%), limiting spending growth to population growth (42%), and introducing property tax relief programs (34%).

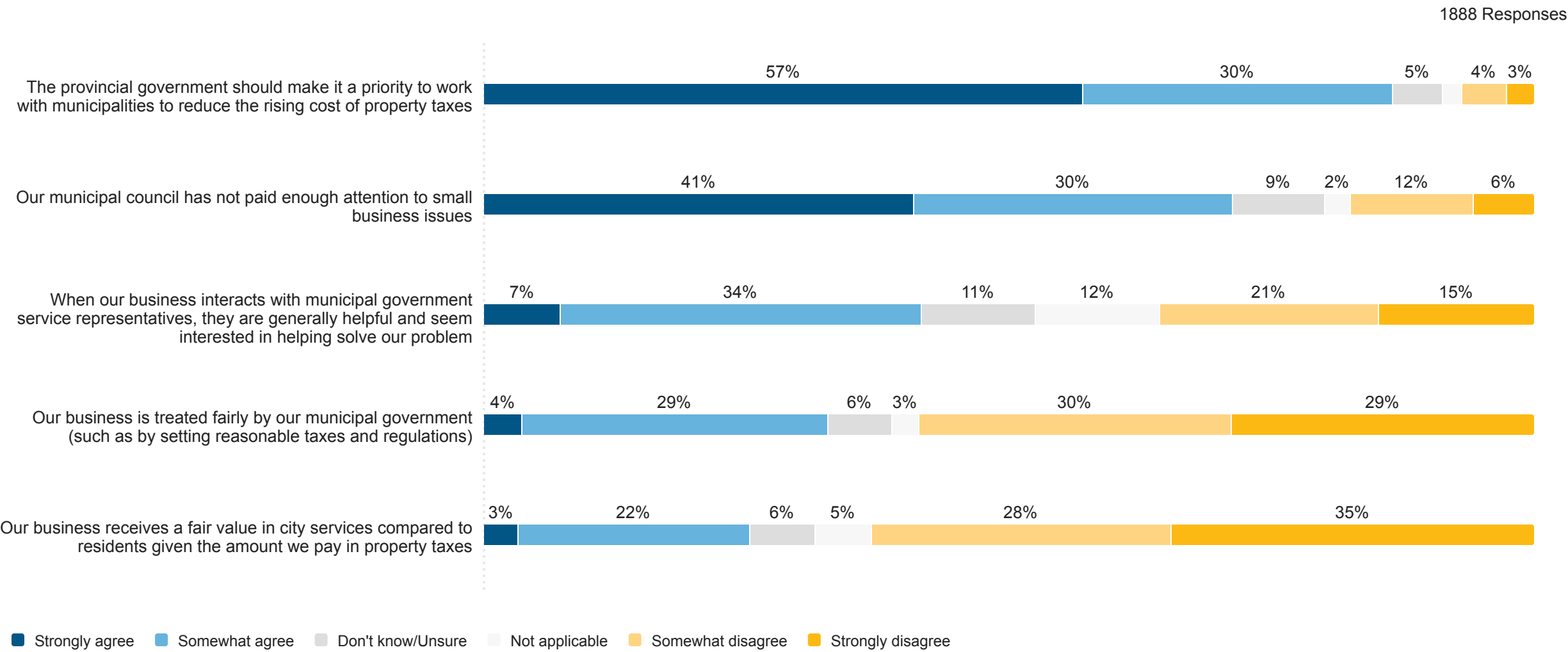
Actions municipal governments should take to address business property taxes according to business owners



Source: CFIB, Your Voice – June 2024 survey, June 4-19 2024.
Question: How should your municipal government mitigate the impacts of business property taxes? (Select all that apply)

Almost nine in ten businesses (87%) agree that provincial governments should work more closely with municipalities to curb the rising cost of property taxes, while one third (33%) feel their business is not treated fairly by municipal governments.

Business opinion on municipal governments and property taxes

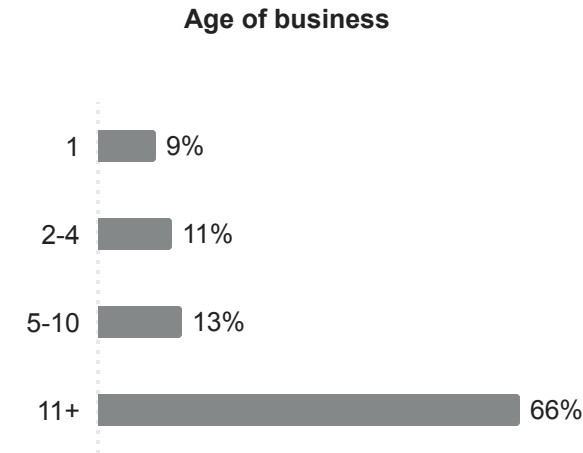
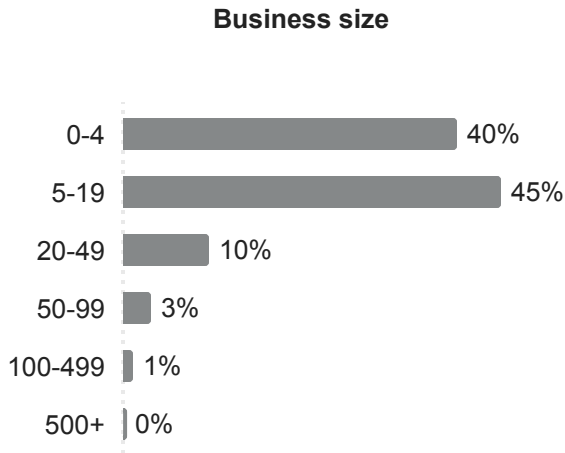
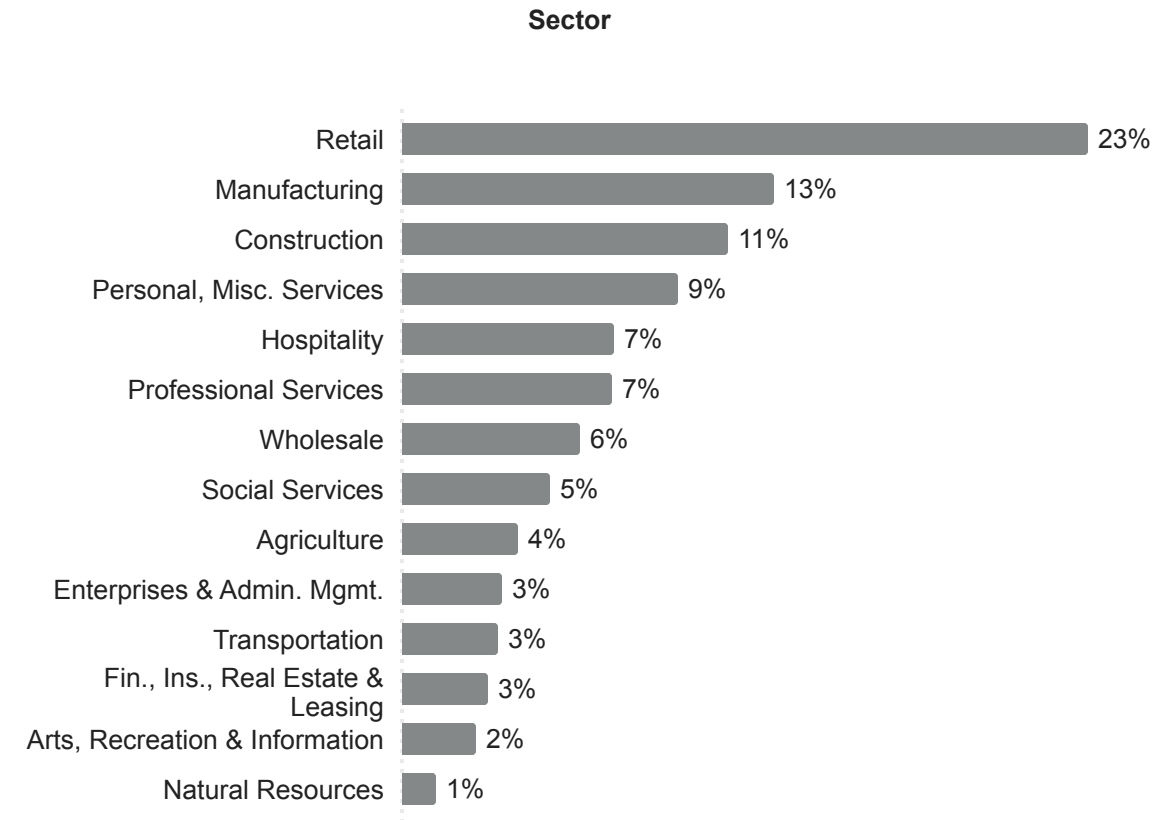
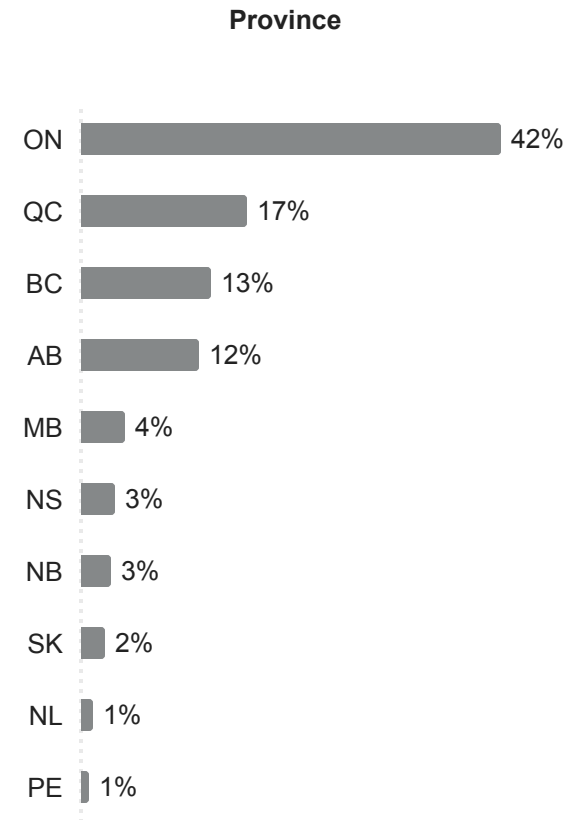


Source: CFIB, Your Voice – June 2024 survey, June 4-19 2024.
Question: Please indicate the extent to which you agree or disagree with the following statements on municipal issues. (Select one for each line)



Respondent Profile

2,044 respondents



Questions or data requests

Simon Gaudreault

Chief Economist and Vice-President,
Research
simon.gaudreault@cfib.ca



Marvin Cruz

Director, Research
marvin.cruz@cfib.ca



Additional information

All CFIB research



cfib.ca/research



[@CFIB_FCEI_Stats](https://twitter.com/CFIB_FCEI_Stats)



research@cfib.ca