

Saskatchewan small business owners' priorities for the 2025-26 provincial budget

Brianna Solberg, Director, Prairies & the North
Tyler Slobogian, Senior Policy Analyst, Prairies & the North

As the Saskatchewan government determines its priorities for the 2025-26 budget, strong economic policy and affordability measures for small businesses must be at the forefront. Small businesses are facing many challenges including external trade threats, taxes and regulatory costs, high interest rates, wage pressures, labour shortages, and crime and community safety issues.

According to recent CFIB survey data, over half (55%) of Saskatchewan small business owners feel confident the 2025 provincial budget will include measures to support small businesses and strengthen the economic environment.¹ This can be achieved by ensuring small businesses get some much-needed financial relief, as 83 per cent of business owners say the rising cost of doing business is currently their biggest challenge.²

State of Small Business

According to CFIB's Monthly Business Barometer, business optimism in Saskatchewan fluctuated throughout the year due to multiple supply chain disruptions, difficulty finding and securing skilled labour, and inconsistent consumer demand.

As of January 2025, half (50%) of Saskatchewan small business owners said that a shortage of skilled labour was the top limitation on their sales or production growth, followed by insufficient consumer demand (49%). The top three major cost burdens identified were: tax and regulatory costs (76%), wage costs (66%), and insurance costs (63%).

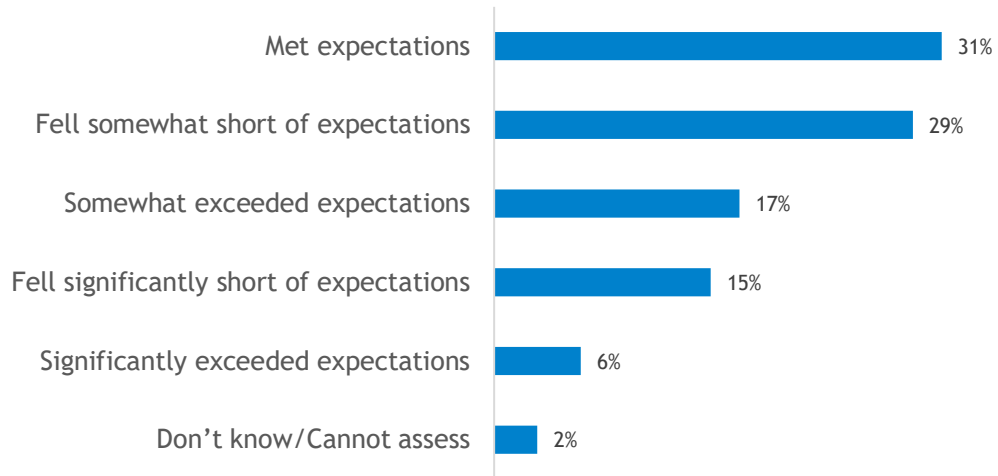
Nearly half (44%) of small business owners reported that their business performance fell short of expectations in 2024 [Figure 1]. However, despite persistent obstacles, the majority (78%) of Saskatchewan small businesses are optimistic that 2025 will be a successful year for their business [Figure 2].

¹ CFIB, *Your Voice Survey - December 5-29, 2024. Final Results.*

² CFIB, *Your Voice Survey - September 6-25, 2023, Final Results*

[Figure 1]

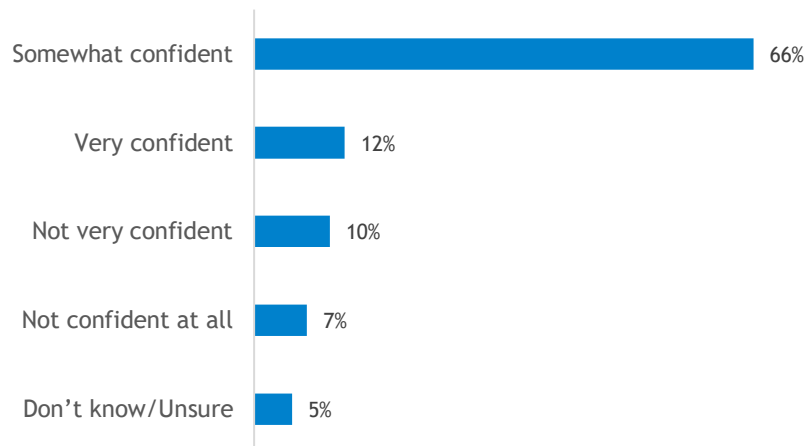
Over the past 12 months, how would you describe your business's performance (e.g., revenue, profits, sales) compared to your expectations? (Select one)



Source: CFIB, Your Voice Survey - December 5 - 29, 2024, Saskatchewan Final results, n=172.

[Figure 2]

How would you describe your level of confidence about 2025 being a successful year for your business? (Select one)

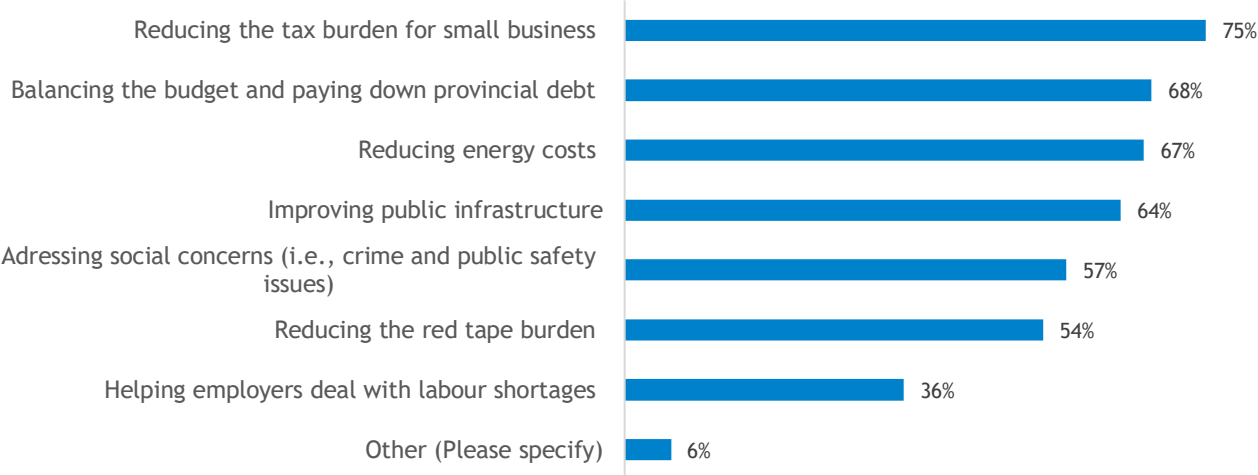


Source: CFIB, Your Voice Survey - January 5 - 16, 2024, Saskatchewan preliminary results, n=60.

Saskatchewan Small Business Priorities for the 2025-26 Budget

Saskatchewan small business owners have indicated the top priorities for the provincial government should be to: reduce the tax burden; balance the budget; pay down provincial debt; and reduce energy costs (i.e., utility & fuel costs) [Figure 3].

[Figure 3]
Which of the following priorities would you like to see governments focus on? (Select all that apply)



Source: CFIB, Saskatchewan Pre-Election Survey 2024, June 20-July 17, 2024. Final Results, SK n= 120

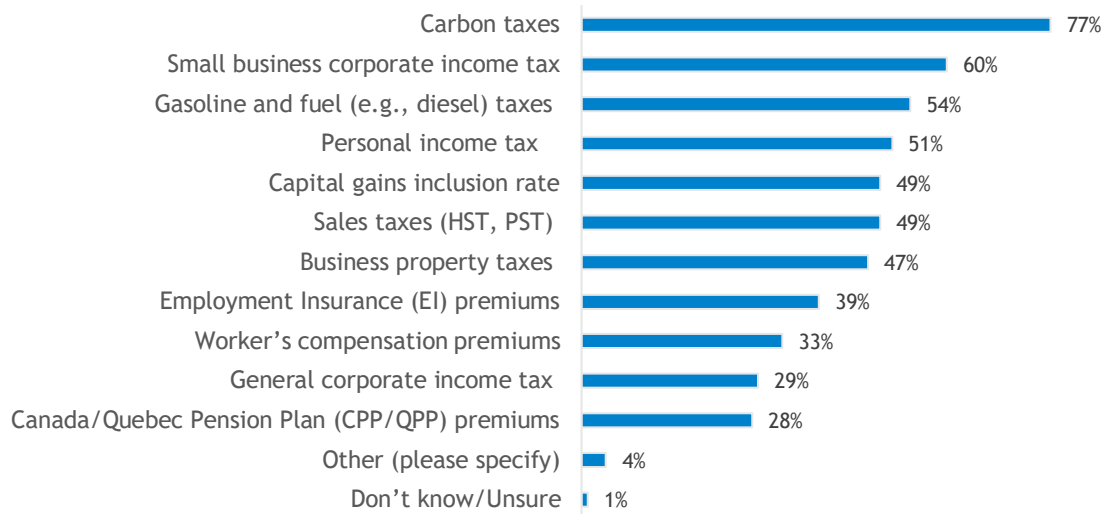
1. Reducing the tax burden

Small business owners in Saskatchewan appreciate the provincial government’s efforts to provide some affordability relief through measures such as stopping the collection of the carbon tax on residential heating, and they hope to see the province follow through on promises to freeze the small business corporate tax rate at 1%, and deliver the largest personal income tax reduction since 2008. These steps will provide much-needed financial relief and support for small business growth.

The next step to further alleviate financial pressures would be to look at cutting the provincial fuel tax. The potential tax savings would create meaningful opportunities for small businesses to increase employee compensation (59%), pay down business debt (51%), and pursue ambitious expansion plans (47%) that drive economic growth [Figure 5].

[Figure 4]

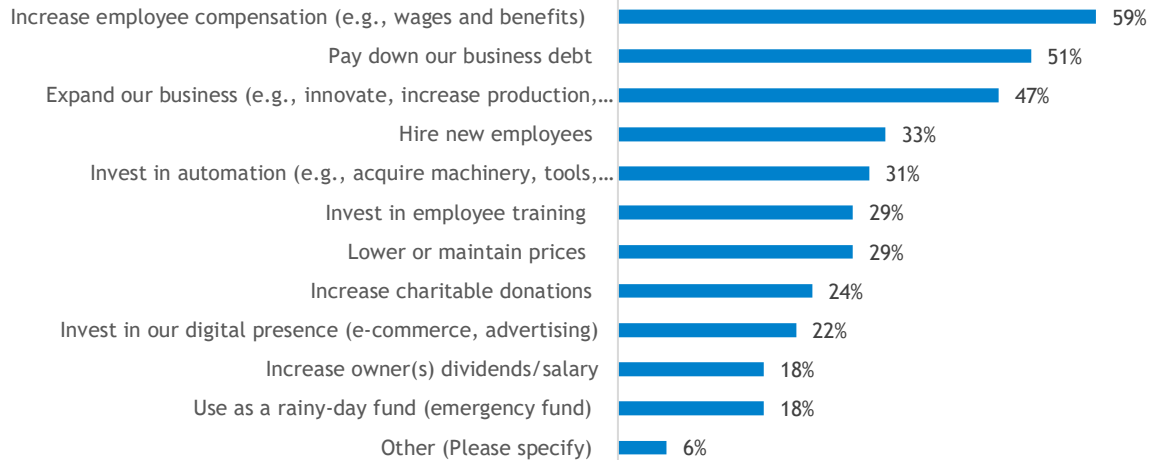
If governments (federal, provincial/territorial and/or municipal) were to reduce taxes, which areas should be prioritized for tax cuts? (Select all that apply)



Source: CFIB, Your Voice Survey - October 10 - November 7, 2024, Final Results, SK, n=122

[Figure 5]

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)



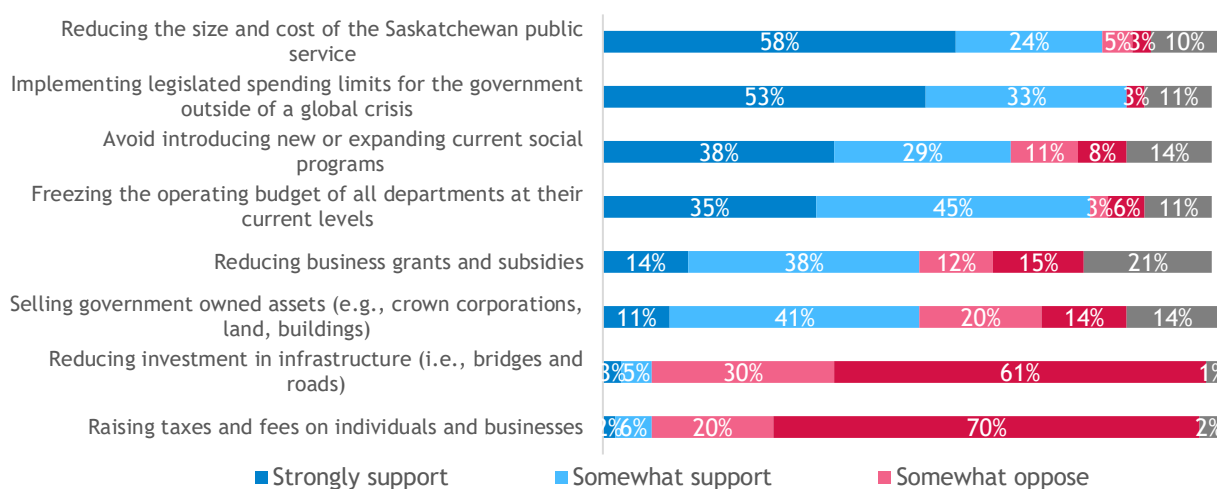
Source: CFIB, Your Voice Survey - June 6-19, 2024, Saskatchewan Final Results, n=151.

2. Balancing the budget and paying down provincial debt

Prudent management of government spending is essential for creating a stable economic environment that allows small businesses to succeed. Many small business owners in Saskatchewan believe that the high cost of government operations is contributing to their financial burdens through higher taxes and fees. Over three-quarters (82%) of Saskatchewan small businesses support reducing the size and cost of government to help balance the provincial budget and lower debt. [Figure 6].

[Figure 6]

To what extent do you support or oppose each of the following potential measures for the Saskatchewan government to achieve a balanced budget and reduce its debt? (Select one for each line)



Source: CFIB, Saskatchewan December Your Voice Survey - Dec 5 - Dec 29, 2024, Final Results, SK n= 70

3. Reducing energy costs

Over half (52%) of Saskatchewan business owners have indicated that fuel costs are a significant burden on their operations, while another 43% say general electricity/utility costs are becoming too costly.³ Saskatchewan business owners are calling on the provincial government to avoid any SaskPower or SaskEnergy rate increases to help businesses cope with the rising utility costs. In addition - as previously mentioned above - cutting the provincial fuel tax (or permanently reducing as Manitoba has done) would provide meaningful affordability relief for Saskatchewan businesses and residents.

Addressing Insurance Cost Concerns

Insurance premium costs have become a significant burden for many Saskatchewan small businesses. Nearly half (45%) of Saskatchewan small businesses reported experiencing a 10% or greater increase in their commercial property insurance premiums over the past year. For a typical small firm, a 10% increase in total annual insurance premiums equates to approximately **\$1,500 more** in insurance costs.⁴

In Saskatchewan, the median annual costs of insurance premiums are the highest for: commercial property, general liability, and auto insurance [Figure 7].

Many Saskatchewan business owners have expressed concerns about the double taxation of insurance premiums (i.e. the 4% Insurance Premiums Tax is charged in addition to the 6% Provincial Sales Tax). Almost all (95%) of Saskatchewan small businesses indicated they want this “tax on a tax” removed [Figure 8].

³ Source: CFIB’s [Monthly Business Barometer](#)

⁴ Source: CFIB, Insurance Survey, March 18 - May 9, 2024, SK, n = 91

[Figure 7]

Roughly how much does your business pay annually in insurance premium(s) for each of the following?



Source: CFIB, Insurance Survey, March 18 - May 9, 2024, SK, n = 91. Note: The amounts used reflect the median answer from survey responses.

[Figure 8]

Please indicate your level of support for the following measure:



Source: CFIB, Saskatchewan pre-election survey - June 20- July 19, 2024, Final Results, SK n= 120

According to a recent CFIB survey on insurance costs, increased insurance premiums have forced many Saskatchewan small businesses to cut back. Nearly half (41%) of Saskatchewan small businesses say they have reduced investments in their operations due to high insurance costs, with many scaling back expansion plans [Figure 9].

[Figure 9]

What impacts have increases to insurance premiums had on your business? (Select all that apply)

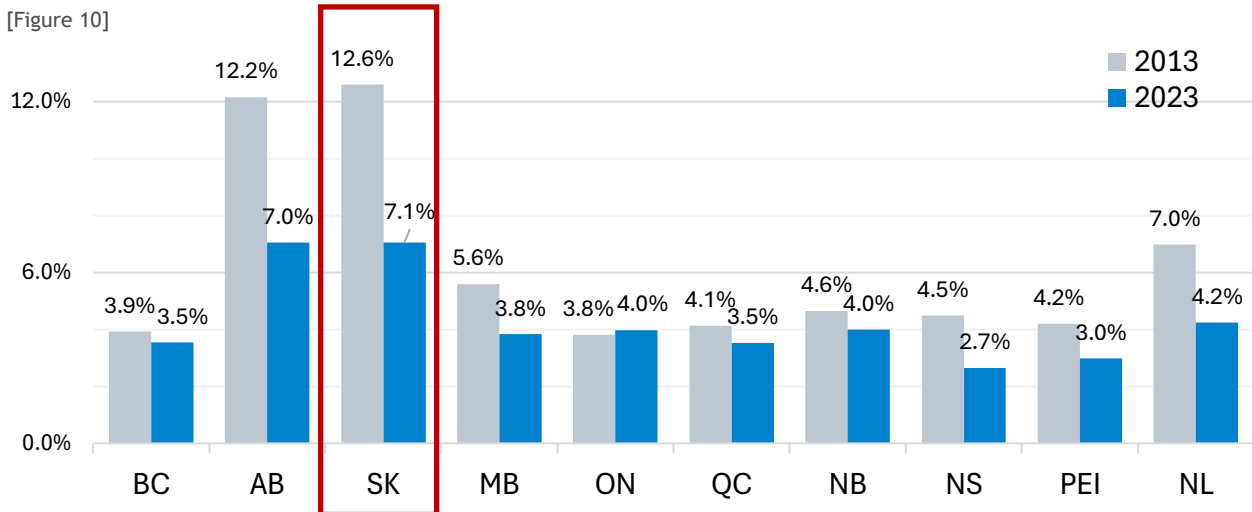


Source: CFIB, Insurance Survey, March 18 - May 9, 2024, SK, n = 91. Note: Respondents who selected “Don’t know/Unsure” and “No impact” could not be combined with other responses. As such, 68% of SMEs reported experiencing an increase in insurance premiums that has impacted their business.

Promoting Capital Investment

Over the past decade, Saskatchewan has experienced a significant decline in small business investment in machinery and equipment (M&E) [Figure 10]. This decline is particularly concerning as M&E investments are vital for fostering innovation, improving productivity, and driving economic growth across the province.

[Figure 10]



According to Saskatchewan small businesses, the most significant barrier to investment is the high cost of equipment.⁵ The issue of high equipment costs is further exacerbated by the fact that the provincial sales tax (PST) is charged on top of capital expenditures.

Exempting all capital expenditures - like machinery and equipment - from the PST in Saskatchewan could have a transformative effect. By alleviating some of the financial pressures businesses face when looking to expand, we can increase Saskatchewan's overall productivity and grow the economy. A recent [CFIB report](#) shows how removing the PST on capital expenditures in Saskatchewan has the potential to boost small business investment by as much as \$197 million [Figure 11].

[Figure 11]

Province	Number of SMEs	Current Projected M&E Investment by SMEs, Next 12 Months (\$M)	M&E Investment Increase Following PST/RST Exemption		
			y/y change	\$M	\$ per private sector worker
British Columbia	215,894	\$9,489	17.2%	\$1,635	\$920
Saskatchewan	42,932	\$1,465	13.4%	\$197	\$562
Manitoba	43,722	\$1,847	18.0%	\$332	\$751
Total	302,548	\$12,800	16.8%	\$2,164	\$842

Source: CFIB analysis of [Statistics Canada data](#) on small business counts, CFIB survey responses (third column: BC n = 467, SK n = 111, MB n = 171; fourth column: BC n = 350, SK n = 89, MB n = 133), own calculations.

⁵ Source: CFIB, Your Voice Survey - August 2024, final results, SK, n = 80.

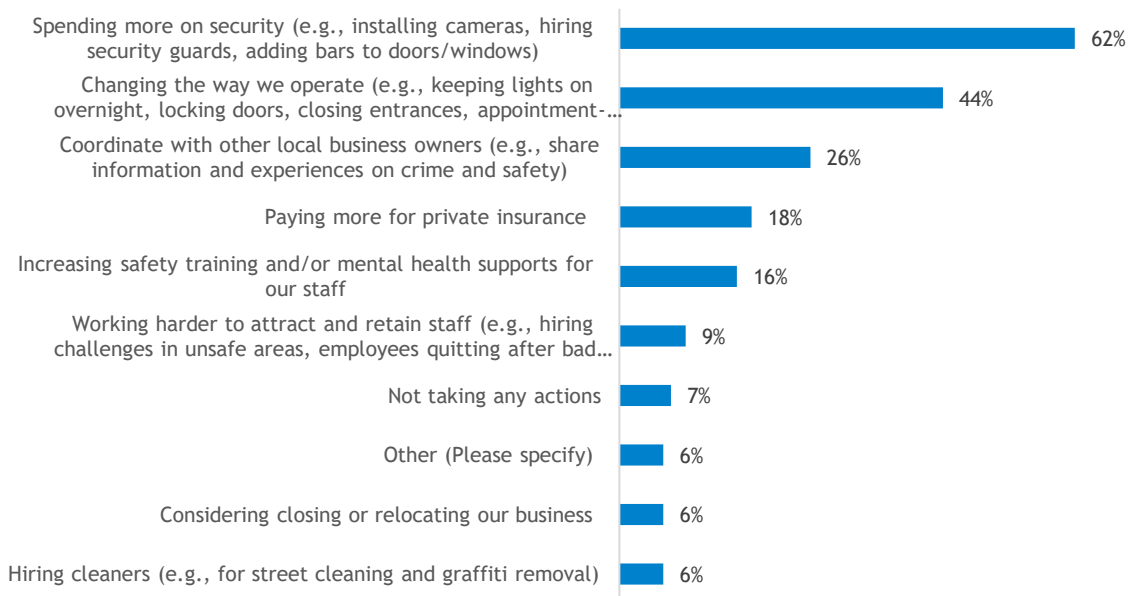
Addressing Crime & Safety Concerns

Crime and community safety challenges have become increasingly concerning for Saskatchewan's small businesses, with crime rates rising sharply in 2024. According to CFIB data, the number of Saskatchewan businesses impacted by crime more than doubled over the past year, going from 25% in 2023, to 51% in 2024.⁶

The majority (62%) of small businesses report they have been spending more on security in response to crime, and many have been forced to change the way they operate in order to protect their businesses from theft, vandalism, and other crimes [Figure 12].

[Figure 12]

What actions is your business taking in response to crime and community safety issues? (Select all that apply)



Source: CFIB, Special Crime Survey - July 25 -September 6, 2024, Final Results, SK, n=140.

For many small businesses, there has been a significant financial burden associated with crime and community safety issues. In Saskatchewan, businesses have reported spending a median of \$8,000 on crime-related expenses in the last three years (i.e. replacing stolen inventory or equipment and vandalism repairs). This median spend ranks the highest compared to all other provinces.⁷

⁶ Source: CFIB, Special Crime Survey - July 25 -September 6, 2024, Final Results, SK, n=140.

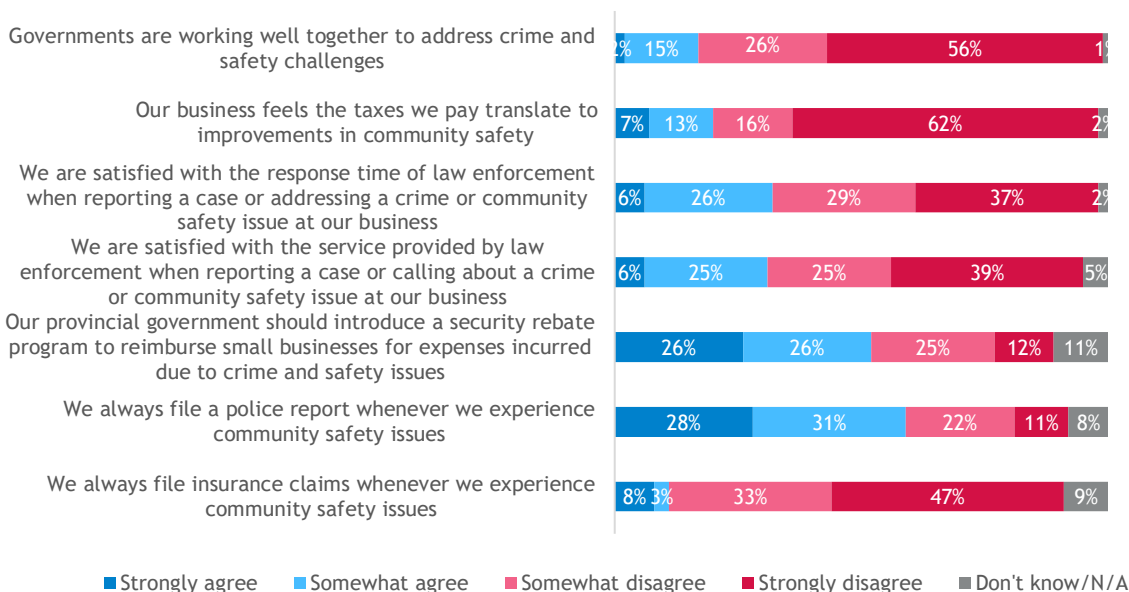
⁷ Source: CFIB, Special Crime Survey - July 25 -September 6, 2024, Final Results, SK, n=140.

In addition to the direct financial burden of crime, over three quarters (78%) of business owners have indicated that they do not feel their tax contributions are translating into noticeable improvements in public safety [Figure 13]. This underscores the need for more targeted and collaborative measures to address crime and its underlying causes.

In the short term, small businesses are calling for financial support to help them offset the costs they are dealing with related to crime prevention and repairs. Over the long term, small business owners believe it is crucial for governments to address broader social challenges, such as affordable housing, mental health, and addictions, to create safer communities where businesses can thrive.

[Figure 13]

Please indicate the extent to which you agree or disagree with the following statements. (Select one for each line)



Adopt Mutual Recognition & Eliminate Internal Trade Barriers

In light of escalating U.S. tariff threats, eliminating barriers to internal trade is more critical than ever. For years, mutual recognition has been a topic of conversation, yet consumers and businesses have seen little progress on the ground. High-profile barriers, such as shipping liquor products directly to consumers and allowing the sale of provincially inspected meat food to be sold between provinces, continue to burden small businesses.

CFIB research shows that 88% of small business owners across Canada say they want federal, provincial, and territorial governments to prioritize removing as many barriers as possible to the flow of goods, services, and workers between all jurisdictions. Additionally, over half of small business owners report

lost productivity due to navigating multiple regulatory frameworks, which also often deters them from expanding into new domestic markets.⁸

CFIB strongly urges the Saskatchewan government to **work with other provinces/territories to adopt mutual recognition agreements encompassing all federal, provincial and territorial regulatory measures that impose requirements on the sale or use of all goods and services** — such that any good or service that may be sold or used in other provinces and territories, may be sold or used in Saskatchewan without having to meet any additional requirements.

Summary of Recommendations

Reduce Costs for Small Businesses:

- Consider removing PST on dine-in restaurant meals while avoiding any PST expansions.
- Suspend the provincial fuel tax to help offset increased fuel and energy costs.

Reduce Insurance Costs

- Eliminate the “tax on a tax” and remove the PST on commercial property insurance.

Promote Capital Investment:

- Exempt all capital expenditures, including machinery and equipment, from PST to encourage growth and investment.

Control Government Spending:

- Introduce a solid plan to balance the provincial budget and pay down government debt.

Address Crime and Safety Issues:

- Introduce a securing small business rebate program (e.g., British Columbia and Manitoba) to support increased costs due to crime and vandalism.
- Address underlying social issues, including affordable housing, mental health, and addictions.

Quickly Adopt Mutual Recognition & Reduce Internal Trade Barriers:

- Prioritize removing as many barriers as possible to the flow of goods, services, and workers between Saskatchewan and all other jurisdictions.
- Work with other provinces/territories to adopt mutual recognition agreements encompassing all federal, provincial and territorial regulatory measures that impose requirements on the sale or use of all goods and services.