

May 25, 2018

Turning Small Business Talk into Action

CFIB's 2018 Small Business Ontario Election Platform

Two words have defined Ontario small business owners' priorities leading up to this election: **affordability** and **competitiveness**.

Business owners have told us the cost of doing business and creating jobs is sky-rocketing. The struggle to rise above competitors in the global marketplace is more challenging. The outlook for the next generation of entrepreneurs is darkening.

It's not enough for small businesses to be acknowledged as Ontario's economic engine: these words must be backed with actions. On behalf of 42,000 CFIB business members representing all sectors across the province, we present CFIB's small business platform – our list of recommended actions for the next government in Ontario.

Affordability

Public Finances

- Make balancing the budget an immediate priority.
- Quickly deliver a clear plan with timelines to reduce Ontario's ballooning debt through prudent government spending and future balanced budgets.

Tax Measures

- Reduce the small business corporate income tax rate from 3.5 per cent to 0 per cent; increase the threshold for access to this rate from \$500,000 to \$750,000 and index it to inflation thereafter.
- Lower the provincial general corporate income tax rate from 11.5 per cent to 10 per cent.
- **Federal tax changes**
 - Reverse the decision to parallel the federal tax measures on income-splitting and passive investment income.

- **Employer Health Tax (EHT)**
 - Increase the EHT exemption threshold from \$450,000 to \$1 million in Ontario payroll and keep it indexed to inflation; reduce the EHT rate for businesses above the threshold.
 - Do **not** proceed with the EHT exemption changes announced in the 2018 Budget.

- **Property taxes**
 - Reduce the Business Education Tax rate to better align with the Residential Education Tax rate.
 - Conduct a full review of the Assessment Act and the provincial role in property tax assessments and classifications that are conducted by the Municipal Property Assessment Corporation.

- **New equipment tax deduction**
 - Introduce a tax deduction that would allow businesses to claim up to \$100,000 per year for qualifying new equipment and/or technology, all in the year of purchase.

Energy and Electric Vehicles

- Eliminate time-of-use (Smart Meter) pricing for small businesses and implement a lower cost rate system on the first 3,000 kilowatt hours of energy used per month.
- Make the Global Adjustment visible on all hydro bills.
- Work with Local Distribution Companies (LDCs) to reduce distribution and delivery charges.
- Commit to **not** introducing a new debt retirement charge to offset the cost of the “Fair Hydro Plan”.
- Work with small businesses and LDCs to determine the average monthly costs of electric vehicle (EV) charging at businesses during on-peak hours.
- Determine the cost of charging EVs at homes and businesses and provide an updated per-household and per-business cost estimate forecast to Ontarians.
- Consider the impact of lower gas tax revenues on municipal funding in future Long-Term Energy Plans.

Recycling

- Review the Ontario government’s new recycling framework under Bill 151, 2016 to ensure an affordable, fair and accountable system.

Competitiveness

Minimum Wage

- Halt the minimum wage at \$14 per hour and immediately conduct an analysis of the impact on small businesses of the jump from \$11.60-\$14 per hour.
- Tie future minimum wage increases to an economic indicator (e.g., CPI/inflation rate) to take politics out of the process and avoid future sudden and steep hikes.
- Return to businesses the additional \$3 billion in revenue that the Ontario government expects to generate next year due to the minimum wage increase.

Employment Standards

- Maintain the pre-Bill 148 formula for calculating public holiday pay beyond December 31, 2019. No changes to this formula (or any other sections under “Public Holidays” in the Employment Standards Act) should be made without meaningful and fulsome consultations.
- Do **not** implement Bill 148’s scheduling and on-call provisions.
- Maintain all existing industry-specific exemptions under Bill 148, including those for the agricultural industry.
- Make the Ministry of Labour accountable for all written responses, so that business owners are not penalized for acting on incorrect or conflicting advice.

Labour Relations

- Re-instate the secret ballot voting process for unionization in all industries.
- Eliminate the “20 per cent rule” that requires employers to hand over their employees’ personal contact information to union organizers if only 20 per cent of the workforce signs union cards.
- Maintain all existing labour relations exemptions for the agricultural industry.

Jobs

- Enhance and strengthen work-integrated learning programs at the university level through broadened co-op partnerships with small- and medium-sized businesses.
- Create a targeted jobs strategy to fill labour gaps in northern and rural Ontario.

Red Tape

- Conduct a hard count of the number of regulations government-wide and keep the regulations registry updated annually.
- Determine the overall cost of provincial regulations, and place a hard cap on the cost of rules in the system.

- Create a common corporate registry with provisions for information-sharing between provinces to eliminate the need to register a business multiple times.
- Broaden mutual recognition of trade and professional certifications to allow people to work in different provinces without having to be recertified (e.g., elevator technicians and dental hygienists).

Apprenticeship

- Move quickly to reduce journeyman-to-apprentice ratios.

Workers' Compensation

- Repeal or amend mandatory Workplace Safety and Insurance Board (WSIB) coverage to exclude business owners, directors and independent operators in the construction sector who already have private insurance (Bill 119, 2008).
- Amend the Workplace Safety and Insurance Act to allow the WSIB to re-open cases after the 72-month deadline where there is noted improvement in work-related injuries.
- Reduce WSIB premium rates by 30 per cent once the WSIB's unfunded liability (UFL) is eliminated in 2020 (since 30 per cent of these rates currently goes towards paying down the UFL).

Financial Literacy

- Build on the existing financial literacy pilot program and introduce a mandatory, full semester, practical financial literacy course at the high school level.

Legalization of Recreational Cannabis

- Create an avenue for licensed, regulated private sector retail in the recreational cannabis market.
- Ban the sale of cannabis accessories by Ontario Cannabis Stores to stop the Ontario Cannabis Retail Corporation from infringing on existing legitimate markets.
- Establish a workplace cannabis education program to clearly outline employer and employee responsibilities relating to recreational and medicinal cannabis consumption.

Liquor Control Board of Ontario (LCBO)/The Beer Store

- Broaden access by Ontario's craft distillers to LCBO stores, so they may compete fairly for shelf space with other larger distillers.
- Explore a Beer Store alternative for Ontario's craft brewers.

High Speed Rail

- Hold meaningful public consultations with local land owners in southwestern Ontario who will be affected by the construction and use of the proposed high speed rail network.

Construction Mitigation

- When financing municipal infrastructure projects that have a significant impact on local small businesses, include funding for construction mitigation programs.