

CFIB

We know there is no economic recovery without a small business recovery. However, the recovery has been slow for most small businesses. In Saskatchewan, while 79 per cent of small businesses are fully open and 46 per cent are fully staffed, only 29 per cent of small firms are making normal sales. The majority of small business owners (67%) in the province believe it is very important for the next government to provide tax relief to help small businesses recover, even if it delays balancing the budget.

1. What is your plan to deliver immediate provincial tax relief for small businesses to help speed up Saskatchewan's economic recovery?

A re-elected Saskatchewan Party government will introduce a three-year reduction to the small business tax rate, as part of the Saskatchewan Party's plan to support Saskatchewan's economic recovery from COVID.

To support Saskatchewan small businesses as they sustain operations, retain and hire new employees and grow their businesses, a Saskatchewan Party government will:

- **Reduce the small business tax rate from two percent to zero, beginning October 1, 2020.**
 - **Move the small business tax rate to one percent beginning July 1st, 2022.**
 - **Move the small business tax rate back to its current two percent, beginning July 1st 2023.**
 - **The amount which small business can earn at the small business tax rate will remain at \$600,000 – the highest in Canada.**
2. Will you introduce a plan to reduce Saskatchewan's small business corporate income tax rate from 2% to 0% on the first \$600,000 of annual business income?

The Saskatchewan Party has committed to reducing Saskatchewan's small business tax rate to 0% beginning October 1, 2020.

3. Do you support giving municipalities new taxation powers (e.g. local fuel, income, or sales taxes)?

The Saskatchewan Party is not currently considering any expansion of taxation powers for municipalities.

This budget provides a record \$278 million in Municipal Revenue Sharing—up nearly \$27 million from last year, or 11 percent.

4. Will you oppose any federal government measures to continue increasing Canada Pension Plan (CPP) premiums, Employment Insurance premiums and carbon tax rates over the next four years?

The CPP is jointly controlled by the federal and provincial governments. Legislation requires the federal and provincial finance Ministers, as joint stewards of the CPP, to review the Plan's financial status every three years. Any legislative changes to the CPP require the agreement of the federal government and the governments of two-thirds of the provinces having two-thirds of the population of all the provinces.

Premier Scott Moe and the Saskatchewan Party government have consistently opposed a federal carbon tax.

Spend sustainably

Small businesses understand the need to have larger than normal deficits to deal with COVID19, but do not want to see unsustainable spending outside of that. Small business owners work hard to operate within their means, and they expect their governments to do the same. In fact, the majority (67%) of Saskatchewan small business owners say it is a priority for the next provincial government to balance its budget without raising taxes.

5. What is your plan to balance the budget and when will this happen?

The Saskatchewan Party has a plan for a balanced budget by 2024. Balance will be achieved through a strong economic recovery and a growing economy, without tax increases or reductions in programs and services.

The NDP does not have a plan to balance the budget.

6. Will you commit to limit annual spending increases to rate of GDP growth?

These are unprecedented times with all provincial economies being negatively impacted by the pandemic and economic downturn. As a result, Saskatchewan will have a deficit for the 2020-21 year. This is not a structural deficit and debt remains manageable. Saskatchewan's 2020-21 First Quarter Budget Update and Medium-Term Outlook shows an improving economy, a smaller deficit and a return to surplus in 2024-25. We acknowledge Saskatchewan's net debt-to-GDP ratio will remain as one of the lowest in the country throughout the forecast period.

Sustained improvement in the deficit is forecast in each of the next 3 years, with a \$125 million surplus forecast in 2024-25. A strong rebound in the economy is expected to drive revenue growth, and expense growth at 1.5 per cent over the medium term, requiring careful management of spending.

Strategic investments:

COVID-19 has amplified the need for strategic investments to be made to help Saskatchewan businesses recover and to grow our economy. Small business owners need better technological infrastructure to connect their business with staff and customers regardless of where they live. In fact, almost 60 per cent of the province's small business owners agree that their business needs better internet service in their area. Furthermore, a strong majority (89%) of Saskatchewan small businesses agree the provincial government should increase spending on crime prevention across Saskatchewan.

7. What is your plan to improve access to high speed internet across Saskatchewan?

A SaskParty government is committed to the continued expansion of reliable connectivity across Saskatchewan. Currently, SaskTel covers 99% of the population of Saskatchewan with Internet services including DSL (Digital Subscriber Line), Fibre, Fusion, and wireless technologies. DSL is currently available in 459 communities throughout the province. There are technological limitations that limit the distance of DSL internet to four kilometres from the nearest distribution point. SaskTel's Fibre to the Premises (FTTP) program upgraded the broadband network in the residential areas of Saskatoon, Regina, Moose Jaw, Prince Albert, Weyburn, Estevan, Swift Current, Yorkton, and North

Battleford. FTTP was expanded in 2020 and will be deployed in the communities of Humboldt, Melfort, Melville, Nipawin, and Tisdale.

In the last three years over \$100 million has been invested in rural connectivity through the SaskParty government's wireless Saskatchewan initiative. Since 2017, Sasktel has constructed over 34 new High Speed Fusion Internet network towers, constructed small cell sites in 105 locations, finished 14 of the 15 macro cell towers and recently announced an additional 74 new macro tower sites with an anticipated completion date of summer 2021. Sasktel recently established a working group with SARM to examine different ways of increasing rural connectivity.

Sasktel will invest \$73.0 million in their Fibre to the Premise and Fibre to the Business programs this fiscal year. \$50.0 million will be invested in Fibre to the Premises Program (FTTP) in the nine major cities with 100% homes passed by the end of 2022/23. A further \$12.0 million for the Fibre to the Premises Program (FTTP) outside of the nine majors with 100% of the homes having in Emerald Park, Humboldt, Martensville, Melfort, Melville, Nipawin, Tisdale, Warman, and White City having access by the end of the 2021/22 fiscal year. Fibre to the Business will see an \$11 million increase this year with a goal of having 1,300 businesses having access and 1,200 connected to Sasktel's fastest broadband service.

8. Will you increase annual spending on crime prevention across the province?

The Saskatchewan Party government has increased funding to the RCMP for provincial policing services by \$40.7 million since 2011. This has allowed the RCMP to add an additional 215.5 officers responsible for provincial policing. With the investment the Saskatchewan Party government has made in the Protection and Response Team, there are over 300 more uniformed officers able to address public safety concerns along our highways.

Since 2007, the Saskatchewan Party government has invested over \$165 million to fund 129 frontline municipal police positions. Important, specialized units which include:

- **Enhanced Community Policing**
- **Missing Persons**
- **Internet Child Exploitation units**
- **Combined Traffic Services Saskatchewan**
- **Integrated Crime Reduction Teams, formerly called the Combined Forces Special Enforcement Units**

The Saskatchewan Party government has also introduced a number of initiatives to reduce crime and increase public safety:

- **Police and Crisis Teams (PACT);**
- **Investment of \$5.9 million annually to fund Protection and Response Team (PRT);**
- **Investment of \$5.57 million annually to the RCMP for the Crime Reduction Teams (CRT).**

Reduce red tape for small businesses

As all levels of government shift their focus to help businesses recover, red tape reduction has never been more important or necessary. Red tape is a huge cost to small businesses. In fact, CFIB estimates that it costs Canadian businesses approximately \$36 billion per year to comply with regulations from all levels of government in 2017 – about \$10 billion of that is red tape (about \$340 million in Saskatchewan alone).

9. What is your plan to reduce red tape for small businesses?

The Saskatchewan Party believes in cutting red tape as much as possible. We established a red tape committee that reviews and examines all legislation and regulations in government, and we will

continue to do so to make sure that reduce red tape across all sectors wherever possible. Please continue to bring forward areas of red tape that concern you.

The Saskatchewan Party government received an A grade for red tape reduction from CFIB in 2019 and 2020. CFIB also noted that Saskatchewan has publicly reported over \$450 million in cumulative, forecasted red tape savings over the next 10 years, far exceeding the province's initial targeted objective of at least \$5 million annually.

Employment & training

Many businesses are still struggling to recover from the COVID-19 pandemic, and nearly all are adapting to new ways of doing business. This means they need to help their staff develop new skills or onboard new staff with different training.

10. What is your plan to better prepare graduates to meet the needs of small businesses?

A Saskatchewan Party government will continue to fund the Canada-Saskatchewan Job Grant which provides up to \$10,000 to train employees, up to \$100,000 per employer. Funding is provided 1/3 by the province, 1/3 by the Government of Canada and 1/3 by the employer.

All Saskatchewan school divisions now have the opportunity to offer financial literacy courses to their students. Financial Literacy 20 and 30 addresses financial topics and decisions that students may already be facing, while highlighting others they are likely to face within the first few years of leaving high school.

11. Will you commit to not increase Saskatchewan's minimum wage to \$15.00 per hour?

Both political parties and stakeholders supported indexing the minimum wage. We use a formula because it is sustainable, predictable and depoliticizes the process.

12. What is your plan to help the province's low-income earners? (e.g. introduce an income tax credit for low-income earners such as no PIT paid under \$25,000 on a graduated basis)

A re-elected Saskatchewan Party government will introduce a one-year, 10 per cent rebate on electricity charges on power bills for all SaskPower customers. The rebate applies to everyone – residential customers, farm customers, businesses and institutions like hospitals, schools and universities, meaning everyone benefits.

If re-elected, the Saskatchewan Party government will make it more affordable for low to moderate income families to enroll their children and youth under the age of 18 in sports, recreation and cultural activities by restarting the Active Families Benefit.

A re-elected Saskatchewan Party government will increase the Seniors Income Plan from a maximum of \$270 per month to a maximum of \$360 per month.

When the increase is fully implemented the Saskatchewan Party government will have quadrupled the benefit for low income seniors over 16 years in government – a sharp contrast from the previous NDP government which did not increase the benefit at all for 16 years.

Under the Saskatchewan Party, personal and business taxes continue to be among the lowest in the country, giving Saskatchewan an advantage to attract new business investment, create jobs and keep the cost of living affordable. A re-elected Saskatchewan Party government will continue to monitor our tax competitiveness during our economic recovery.

The Saskatchewan Party government removed 112,000 low-income people off of the provincial income tax rolls. Personal, spousal and child exemption amounts have increased twice in the last decade and a family of four in Saskatchewan pays no income tax on their first \$51,675 of income – making this one of the highest tax-free thresholds in Canada. Not only that, in every personal income tax bracket, Saskatchewan families are paying less personal income tax now than they did a decade ago.

Under a re-elected Saskatchewan Party government, there will be no tax increases. This is in sharp contrast to the Saskatchewan NDP who hiked taxes during their time in government and will not rule out further tax increases if they are successful in this election.

The Saskatchewan Party government increased the Saskatchewan Low-Income Tax Credit (SLITC) to help offset the cost of the PST. Families earning less than \$32,634 receive the maximum benefit of \$964 per year. The maximum benefit for adults increased from \$246 to \$346 per year and the child component increased from \$96 to \$136 per year.