



## **FISCAL BALANCE AND STRATEGIC ACTION REQUIRED TO BUILD A STRONGER ONTARIO**

*Chamber urges provincial government to focus on spending smarter and evidence-based tax reforms to help businesses strive and grow in upcoming budget*

**Kingston ON/January 16 2019)** – Today, the Greater Kingston Chamber of Commerce and Ontario Chamber of Commerce (OCC) provided the Government of Ontario with thirteen tangible recommendations for the upcoming provincial budget to build a stronger Ontario and create a business climate which encourages growth. The submission calls on the government to prioritize small business tax reforms, strategic infrastructure investment, and value-based procurement in Budget 2019.

In an OCC survey last year, 48 percent of Ontario businesses indicated they were not confident about the province's economic outlook and 61 percent of these cited high tax rates as a reason. As the province heads into a time of economic uncertainty coupled with the province's staggering deficit, the submission calls on the government to focus on fiscally sustainable and long-term taxation priorities. Currently, business with an income of less than \$500,000 are taxed at a flat rate. To create an environment which encourages small and medium business to successfully scale, the Kingston Chamber and OCC recommend the government create a variable small business deduction in Budget 2019.

"Small businesses are the backbone of the economy and the heart of communities in all regions of the province. Yet, cumulative red tape, U.S. tax reforms, economic uncertainty, and a system that discourage growth have led to a staggering scale-up challenge for businesses of all sizes across Ontario," said Michelle Eaton, Vice President of Communications and Government Relations of the Ontario Chamber of Commerce. "We are encouraging the government to address these challenges, focusing on fiscal balance and smarter spending in the upcoming budget to help Ontarians today and into the future."

The Kingston Chamber and OCC are also urging the government to strategically spend in key areas that will help grow the economy and have the highest return on taxpayer dollars such as expanding broadband access and strengthening critical transportation infrastructure. The Kingston Chamber and the OCC also recommend removing red tape for small and medium businesses to access procurement opportunities, leading to employment, economic growth, innovation, and cluster development.

“We are encouraged at the government’s commitment to reduce the debt and deficit as well as cut red tape by 25 percent by 2022 in the 2018 Fall Economic Statement. Yet, more work must be done to build a stronger Ontario and create an environment which encourages growth,” said Karen Cross, Executive Director at the Greater Kingston Chamber of Commerce. In particular, it is good to see that our local work on increasing the payment in lieu of taxes (Heads and Beds Levy) in the provincial Chamber’s pre-budget submission. Just this week at our State of the City address, we were reminded by our local MP Mark Gerretsen that this was a topic of great interest while he was mayor of our city”. Cross continued, This would allow over one million dollars in additional revenue for City Hall and assist in keeping our residential and business taxes lower and continue our competitiveness at a regional level. We look forward to working with the government to support evidence-based policies that drive growth and contribute to a stronger province for all.”

The pre-budget recommendations stem directly from the Ontario Chamber Network’s policy resolutions presented at the OCC’s Annual General Meeting.

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