



BACKGROUND

Today, the Government of Ontario announced its 2020 Fiscal Update. This is a 1-year plan for the economy, totaling \$17 billion. The provincial budget will be on November 15, 2020.

The deficit in 2019-2020 will be \$9.2 billion and 20.5 billion in 2020-2021.

Most of CME's recommendations were adopted by the Government of Ontario after aggressively lobbying with officials at the political and civil service level over the last couple of weeks. They are hearing and understanding our concerns during these unprecedented times.

The focus of this fiscal update is primarily focused on supporting the health care system first. However, these are only the first steps, and more economic actions are expected to come later. Additional economic relief measures (i.e., Pension Reforms) are still under consideration.

REPRESENTATION

Ontario Fiscal Update – March 2020

OVERVIEW

- Today's fiscal update is a 1-year plan for the economy, totaling \$17 billion.
- \$3.3 billion of additional resources to healthcare (e.g., Long-Term Care Homes)
- \$1 billion COVID-19 contingency fund
- \$3.7 billion in direct supports for workers and jobs
- \$10 billion in measures to improve cash flow

KEY HIGHLIGHTS

- \$10 billion in measures to improve cash flow
 - 10 provincial taxes that will be deferred, including the Employer Health Tax (a payroll tax) from April 1st to August 31st
 - Freezing WSIB premiums effective immediately for 6 months, which accounts for \$1.9 billion.
 - Freezing the Business Education Tax (BET) for 90 days, which accounts for \$1.8 billion.
 - A tax cut to the Employer Health Tax (EHT).
 - The exemption threshold associated with the tax will be doubled to \$1 million
 - There will be a 1-year retroactive to the start of the calendar year
 - 27,000 businesses will pay less EHT and 30,000 businesses will pay no EHT
- A \$3.7 billion business support package for improving cash flow for industry
 - A new regional opportunities investment tax credit as part of a new program for economically depressed regions
 - Property tax assessments are being delayed

OTHER MEASURES

- Guaranteed Annual Income System (GAINS) program for seniors will be doubled
- A 1-time payment of \$200 per child up to age 12 will be made available with parents, with a slightly increased amount for families with special needs
- A loan payment reprieve from student loans
- Protection on electricity prices for low income residents of Ontario
- Reducing electricity bills for small business consumers by providing approximately \$5.6 billion for electricity cost relief programs in 2020-21

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