



Federal Budget 2010

What Small and Medium Businesses in the Board of Trade need to know

Budget 2010 was brought down by the Government of Canada on Thursday, March 4. Below are highlights of what small and medium sized businesses of the St. John's Board of Trade should know about how the Budget might affect them.

General Support

- Budget 2010 will provide ACOA with \$19 million per year, ongoing starting in 2010–11

Workers

- \$1.6 billion to strengthen benefits for the unemployed.
- \$1 billion for enhanced training opportunities for all Canadian workers, including additional support to the provinces and territories to expand training and skills development. It also includes helping youth gain work experience and more opportunities for Aboriginal Canadians.
- Work-sharing to avoid layoffs by offering EI benefits to qualifying workers willing to work a reduced work week while their employer recovers will be extended. Existing or recently terminated work-sharing agreements will be extended to a maximum of 78 weeks. New work-sharing agreements will see greater flexibility in qualifying criteria. Both enhancements will be in place until March 31, 2011.
- Budget 2010 provides \$10 million in 2009–10 to the Canadian Youth Business Foundation to support its work with Canada's young entrepreneurs

Rates and Taxes

- A freeze on the Employment Insurance premium rate at \$1.73 per \$100 of insurable earnings to the end of 2010
- Lowering the federal general corporate income tax rate from 22.12 per cent (including the corporate surtax) in 2007 to 15 per cent in 2012. The Government of Canada, provinces and territories are progressing toward the goal of a 25-per-cent combined federal-provincial corporate income tax rate

Stimulus

- \$2.2 billion in stimulus spending in 2010–11 to support adjustment and secure job opportunities in regions, communities and industries that have been hard hit by the economic downturn.
- In 2010–11, \$1.3 billion in support to affected sectors, including forestry, agriculture, small business, tourism, shipbuilding and culture

Red Tape and Regulations

- A new Red Tape Reduction Commission of Parliamentarians and private sector representatives to review federal regulations to reduce the compliance burden, especially on small businesses
- A new private sector Advisory Committee on Small Business and Entrepreneurship, which will provide advice on how to further improve business access to federal programs and information
- Legislation to allow certain small excise remitters (those, other than tobacco licensees, with less than \$10,000 in excise tax or duty monthly remittances) to file and remit semi-annually rather than monthly. With this change, most licensees will be able to file semi-annually rather than monthly

Innovation

- A new Small and Medium-sized Enterprise Innovation Commercialization Program, a two-year pilot initiative through which federal departments and agencies will adopt and demonstrate the use of innovative prototype products and technologies developed by small and medium-sized businesses.
- \$40 million over two years to support up to 20 demonstration projects.
- Regional trade shows so that companies can showcase their innovative concepts to federal departments. Further details will be announced in the spring of 2010.