



Dr. Colin Carrie MP Oshawa

Conservative Government Introduces Small Business Job Credit

For Immediate Release

Ottawa, ON Sept 22, 2014 – Minister of Finance Joe Oliver today announced more action by the Conservative Government to create jobs, growth and long-term prosperity: the introduction of the new Small Business Job Credit which is expected to save small businesses more than \$550 million over the next two years.

The Small Business Job Credit will effectively lower small businesses' Employment Insurance (EI) premiums from the current legislated rate of \$1.88 to \$1.60 per \$100 of insurable earnings in 2015 and 2016. Any firm that pays employer EI premiums equal to or less than \$15,000 in those years will be eligible for the credit. Almost 90% of all EI premium-paying businesses in Canada will receive the credit, reducing their EI payroll taxes by nearly 15%.

The Canada Revenue Agency will automatically calculate the credit on a business' return, ensuring no new paper burden will be imposed on business owners.

In addition, all employers and employees will benefit from a substantial reduction in the EI premium rate in 2017 when the new seven-year break-even rate-setting mechanism takes effect. This will ensure that EI premiums are no higher than needed to pay for the EI program over time.

Quick Facts

- Canada has created more than 1.1 million net new jobs since the height of the recession—one of the strongest job creation records in the Group of Seven (G-7).
- In 2013, Canada leapt from sixth to second place in Bloomberg's ranking of the most attractive destinations for business.
- According to KPMG, total business tax costs in Canada are the lowest in the G-7 and 46% lower than those in the United States.
- In September 2013, the Government announced a three-year freeze of the EI rate at its 2013 level of \$1.88 to prevent it from rising to \$1.93 in 2014, saving employers and employees an expected \$660 million in 2014 alone.

Quotes

“Small businesses drive Canadian prosperity, representing about 50% of jobs in the private sector and a third of Canada’s gross domestic product. That is why we are taking action to make small businesses stronger. Our new Small Business Job Credit will lower taxes for business owners and make it easier for them to create jobs for Canadians. Canada has become an economic success story, but the global economy is fragile and there are geopolitical tensions. Therefore, we must continue taking action, as we have today, to create jobs, growth and long-term prosperity.”

- *Joe Oliver, Minister of Finance*

“Economic growth has always been a top priority for our Conservative Government. Small businesses are the cornerstone of our economy – creating jobs that support families in our communities. With today’s announcement, the Government is taking further steps to recognize the important contribution that small businesses in Oshawa and across the country make to job creation and economic growth.”

- *Dr. Colin Carrie, Member of Parliament for Oshawa and Parliamentary Secretary to the Minister of the Environment*

“This is very exciting news. Everyone is aware of the importance small businesses have on the local economy. With this announcement, small businesses in Oshawa and Durham Region will now have more money available to hire new employees.”

- *Bob Malcolmson, CEO & General Manager, Greater Oshawa Chamber of Commerce*

“This is a big one. This announcement will result in a 15% net reduction in Employment Insurance premiums paid by small businesses over the next two years. I couldn’t be more pleased to stand beside Finance Minister Oliver as he announces half a billion for small firms in payroll tax cuts—the most harmful form of taxation affecting job creation and employee wages. A 15% reduction in EI premiums will make it easier to hire new workers or invest in additional training to help entrepreneurs grow their business.”

- *Dan Kelly, President of the Canadian Federation of Independent Business*

-30-

FOR FURTHER INFORMATION

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