

# Making it easier and more affordable to start and grow a business

Small and medium-sized businesses are the drivers of Canada's economy — helping create the majority of jobs that Canadians rely on. Because of the hard work of the people in these businesses, Canada has hit historic lows in unemployment and led the G7 in economic growth. Yet for too many entrepreneurs ready to create even more jobs and support their families, the costs of doing business is a barrier.

To support the owners and creators of these businesses, our government cut the small business tax rate from 11 to 9 per cent — the lowest in the G7 — which saved businesses as much as \$7,500 per year. Moving forward, we will continue to make it easier and more affordable for people to start and grow a business in the community they call home.

To help small and medium-sized businesses create jobs and grow their local economies, a re-elected Liberal government will stand up for Canadian entrepreneurs.

## Cutting fees and reducing red tape

We want business owners to spend more on their business and less on fees.

- To help, we will eliminate the “swipe fee” on HST and GST that merchants must pay to credit card companies every time a credit card is swiped. According to the Canadian Federation of Independent Business, this will save businesses nearly \$500 million a year in fees.
- We will cut the cost of federal incorporation by 75 per cent, to \$50 from \$200.

→ We will eliminate all fees from the Business Development Bank of Canada (BDC), Export Development Canada (EDC), and Farm Credit Canada, for business advisory services like mentorship and training to business owners.

→ We will implement a voluntary, real-time payroll system to automate records of employment so that small businesses no longer have to submit detailed records to Service Canada.

## Helping entrepreneurs start, grow, and renew their businesses

We want to make it easier for business owners to have access to money to help grow their business.

→ We will create the Canada Entrepreneur Account — providing up to 2,000 entrepreneurs a year with as much as \$50,000 to launch a new business. The program will operate initially as a pilot project for the first 3 years. To help find other sources of financing, this program will be administered through the Business Development Bank of Canada. Consultations with entrepreneurs will help make sure the program is simple and effective, and reflects Canada's diversity.

## **Making it easier for small and medium-sized businesses to trade and do business online**

We want to make sure Canadian businesses can grow where their consumers are. In a digital economy, this means having a strong presence on the web and constantly looking for new markets.

- To help owners do more business online, we will provide every new business with a \$250 voucher in support services, such as developing your website or creating e-commerce platforms, from leading Canadian service providers.

## **Costs**

In total, these initiatives will cost \$129 million in 2020-21, rising to \$163 million in 2023-24. This includes one-time funding for the e-payroll system. Further details regarding costing will be announced over the course of the campaign.