

Ontario Provides Urgent Relief for Small Businesses and Landlords

Rent Assistance in Addition to Billions in Measures to Support Business During the COVID-19 Outbreak

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TORONTO — The Ontario government is partnering with the federal government to provide urgent relief for small businesses and landlords affected by the COVID-19 outbreak. The province is committing \$241 million through the new Ontario-Canada Emergency Commercial Rent Assistance Program (OCECRA). The total amount of provincial-federal relief that would be provided is more than \$900 million, helping to ensure small businesses are ready to reopen their doors when the emergency measures are lifted.

Details of the new program were announced today by Premier Doug Ford, Rod Phillips, Minister of Finance, Christine Elliott, Deputy Premier and Minister of Health, and Dr. Merrilee Fullerton, Minister of Long-Term Care.

"The vast majority of Ontario's small businesses and landlords are struggling during this extraordinary public health emergency," said Premier Ford. "That's why we are doing everything we can to support them through these tough economic times, so they can hit the ground running when we are in a position to open up the provincial economy. I want to thank the federal government for partnering with us to help our small businesses and commercial landlords. I look forward to working together to also provide much-needed support to residential renters ahead of May 1."

The OCECRA will provide forgivable loans to eligible commercial property owners experiencing potential rent shortfalls because their small business tenants have been heavily impacted by the COVID-19 crisis. To receive the loan, property owners will be required to reduce the rental costs of small business tenants for April to June 2020 by at least 75 per cent and commit to a moratorium on evictions for three months.

Partnering with the federal government on the OCECRA builds on the provincial government's approach to supporting business during COVID-19. As part of *Ontario's Action Plan: Responding to COVID-19*, the government has implemented a series of cash flow supports amounting to \$10 billion to help support jobs and the economy, including:

- Doubling the Employer Health Tax exemption for 2020, cutting taxes by \$355 million, benefiting roughly 57,000 employers;
- Eliminating penalties and interest to businesses who miss filing or remittance deadlines for various provincially administered taxes for five months starting April 1, 2020, providing up to \$6 billion in cashflow for about 100,000 Ontario businesses;

- Postponing the planned property tax reassessment for 2021, providing stability for Ontario's property taxpayers;
- Deferring the upcoming quarterly (June 30) remittance of education property tax to school boards by 90 days, providing municipalities with the flexibility to, in turn, provide property tax deferrals of over \$1.8 billion to local residents and businesses;
- Implementing the new Regional Opportunities Investment Tax Credit for businesses that make eligible capital investments in designated regions of the province where employment growth has significantly lagged behind below the provincial average.

Ontario has also suspended time-of-use electricity rates for eligible small businesses, as well as residential and farm time-of-use customers, holding electricity prices to the off-peak rate of 10.1 cents-per-kilowatt-hour, for 24 hours per day, seven days a week for 45 days, for all time-of-use customers, who make up the majority of electricity consumers in the province. By switching to a fixed off-peak rate, time-of-use customers will see rate reductions of over 50 per cent compared to on-peak rates.

"To help stop the spread of COVID-19, businesses have closed their doors and employees have stayed home and that has been working, but it has also created significant financial hardship," said Rod Phillips, Minister of Finance. "By subsidizing rent payments, reducing taxes, extending deadlines, and eliminating penalties and interest, we're helping to ensure businesses can start up quickly when the time is right."

The Ontario government has also worked with the federal government to develop the Small and Medium-sized Enterprise Loan that will enable up to \$40 billion in lending, supported through Export Development Canada and the Business Development Bank. This program will help businesses meet cash flow requirements through guaranteed loans.

"Ontario's small and medium-sized businesses are vital to our economy and include some of the hardest-working people in the world who have rolled up their sleeves to support our frontline healthcare workers, and beat this virus," said Vic Fedeli, Minister of Economic Development, Job Creation and Trade. "This package of supports will help them get through these difficult days and resume normal operations as soon as possible."

"In the months ahead, small businesses will be critical to Ontario's economic recovery. Together with our federal partners, we are ensuring we support our small businesses today, so that they can continue to create opportunities for hardworking Ontario families tomorrow," said Prabmeet Sarkaria, Associate Minister of Small Business and Red Tape Reduction. "With rents coming due, it's extremely important that the federal government move quickly to implement this program and get small businesses and property owners the support they urgently need."

QUICK FACTS

- The Province's \$241 million investment in OCECRA is part of the \$17 billion Ontario's Action Plan: Responding to COVID-19.
- The government has retroactively, to January 1, 2020, raised the Employer Health Tax (EHT) exemption to \$1 million from \$490,000 for 2020, providing additional EHT relief of up to \$9,945 per eligible employer.
- Starting January 1, 2020, Ontario reduced the small business Corporate Income Tax rate from 3.5 per cent to 3.2 per cent.

LEARN MORE

- [Canada Emergency Commercial Rent Assistance for Small Businesses](#)
- [See how your organization can help fight COVID-19.](#)
- [Information and advice to help your business navigate the economy during COVID-19.](#)
- [Learn more about Ontario's Action Plan: Responding to COVID-19.](#)
- [Visit Ontario's website to learn more about how the province continues to protect Ontarians from COVID-19.](#)

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