

## BBOT POLICY BULLETIN

### 2015 Federal Budget

#### **Burnaby Board of Trade Reviews First Balanced Federal Budget since 2008; Pleased with Tax Measures for Small Business, Manufacturers and Families**

April 21, 2015 --- The 2015-16 federal budget was announced today by the Honourable Joe Oliver, Minister of Finance, and the Burnaby Board of Trade (BBOT) has reviewed key elements of this first balanced federal budget since 2008. The BBOT is pleased to see several business-friendly announcements contained in the budget, including a reduction in the small business tax rate and an accelerated capital cost allowance for industry.

The approximately \$290 billion federal budget contains a projected surplus of \$1.4 billion for fiscal year 2015-16 and projected surpluses of \$13.1 billion through fiscal year 2019-20.

The BBOT notes that the budget contains tax relief for small businesses and specific support for manufacturers.

The federal government is proposing a phased-in cut to the small business tax rate from the current 11% to a rate of 9% by 2019 (see table.) The BBOT is pleased to see the federal government recognizing the importance of small business to the Canadian economy and working to provide additional tax relief to those businesses.

<i>Small Business Tax Rate</i>	<i>Proposed Effective Date</i>
11%	Today
10.5%	January 1, 2016
10.0%	January 1, 2017
9.5%	January 1, 2018
9.0%	January 1, 2019

The budget also contained an accelerated capital cost allowance for the manufacturing industry--- allowing businesses to write-off the capital cost of manufacturing and processing machinery and equipment more quickly. As noted in the BBOT's recent [PST Input Tax Credit Statement](#), encouraging business investment in machinery and equipment is essential to increasing Canada's productivity and innovation.

Other highlights of the budget include increased funding for trade development and export promotion; increased financing for small businesses, and support for young and women entrepreneurs. In addition, the creation of a new Public Transit Fund (reaching \$1 billion annually by 2019) is welcomed by the BBOT which has advocated for increased transportation and transit investment in the past.

The budget contained some announcements relevant to social and environmental concerns, such as the Family Tax Cut for families with children (which can provide up to \$2000 in additional tax savings) and the enhanced Universal Child Care Benefit (which will provide an additional \$60 per month for each child under 17). The BBOT will work with its *Social Development Committee* and

*Environmental Sustainability Committee* to review whether these measures are sufficient and to advocate that additional focus be given to particular issues within these areas by the federal government.

As part of its review of the federal budget, the BBOT also sought analysis and information to share with its members:

**Canadian Chamber of Commerce  
2015 Federal Budget Statement & Analysis**

[Click here to read their statement in full](#) and [click here for their full budget analysis](#)

*“We salute the fact that the government presented a balanced budget. But this only serves to bring us to base camp; we still have a mountain to climb. To keep the budget balanced in the future and give us a fighting chance against international competitors, the government’s priority must now shift to economic growth and global competitiveness. Our prosperity depends on Canadian business winning in the global marketplace.”*

**KPMG  
2015 Federal Budget Highlights**

[Click here to read in full](#)

*“The major tax changes contained in the budget include increasing the annual TFSA limit to \$10,000 (from \$5,500) beginning in 2015, relaxing the annual RRIF withdrawal limits, reducing the small business tax rate to 9% (from 11%) over four years, and extending the accelerated 50% CCA rate for manufacturing and processing machinery and equipment for another 10 years.”*

**Additional Budget Material:**

[Government of Canada Budget 2015 Webpage](#)

[The Budget in Brief – Government of Canada](#)

[Minister Oliver’s Full Budget Speech](#)

[The full 2015-16 Federal Budget](#)