

# MEDIA RELEASE



**ONTARIO  
CHAMBER of  
COMMERCE**

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## **CORPORATE TAX CONSOLIDATION A BIG WIN FOR ONTARIO CHAMBER OF COMMERCE**

TORONTO - Ontario businesses will benefit from one tax return, one set of rules and one point of contact as a result of a new federal-provincial corporate income tax collection agreement.

"This is a huge win for business," says Len Crispino, President and CEO of the Ontario Chamber of Commerce. "Consolidating corporate tax collection and auditing services is welcome news for the business community, and is an issue that was long called for by the Ontario Chamber of Commerce. Today's announcement will result in increased savings and efficiencies for both business and government, improving the competitive position of our province."

The Ontario Chamber of Commerce estimates that consolidation of corporate income tax administrations will save Ontario businesses approximately \$100 million to \$150 million a year. Such savings can be used by business to increase investments in human capital, new equipment and research and development, thereby growing Ontario's economy.

"We are pleased that the federal and provincial governments have heeded our call to provide efficiencies in the corporate tax system," says Ken Petersen, 2005-2006 Timmins Chamber President.

Federal Finance Minister Jim Flaherty and Ontario Finance Minister Greg Sorbara today signed a Memorandum of Agreement, under which the federal government would collect and administer Ontario's corporate income tax. Under the agreement, businesses would make combined payments starting in 2008 and file a single return beginning in 2009 for taxation years ending after December 31, 2008.

This agreement will reduce compliance costs for businesses and enable the Canada Revenue Agency (CRA) to streamline service and reduce administrative costs. Benefits to Ontario businesses will include:

- A single tax form.
- A single tax collector. The CRA will collect both federal and Ontario corporate income tax and administer the province's capital tax.
- One set of income tax rules.

The federal government already collects corporate income tax for seven provinces and three territories. Provisions in the agreement signed today, such as Canada's enhanced enforcement efforts in the areas of provincial income allocation and interprovincial tax avoidance, will benefit these provinces and territories.

Copies of the Memorandum of Agreement are available on the Department of Finance website at [www.fin.gc.ca/toce/2006/TxMOA\\_e.html](http://www.fin.gc.ca/toce/2006/TxMOA_e.html).

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The OCC represents over 57,000 businesses through 160 local Chambers of Commerce and Boards of Trade, and has been Ontario's business advocate since 1911. Its advocacy and policy initiatives focus on six areas key to the economic well-being of the province: health; education; energy; finance & taxation; transportation & infrastructure; and border issues.

For further information:

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