

MEDIA RELEASE



**ONTARIO
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CORPORATE TAX CONSOLIDATION MEANS BIG SAVINGS FOR BUSINESS

TORONTO - Ontario businesses are one step closer to millions in savings with the introduction today of legislation that would designate a single corporate tax collector for the province.

"Corporate tax consolidation is a big win for the Chamber of Commerce network who lobbied for the change and an even bigger win for Ontario businesses," says Len Crispino, President and CEO of the Ontario Chamber of Commerce. "We estimate that this streamlining will save Ontario businesses \$100 to \$150 million each year in time and money, creating room for more investment in the things that will make our economy grow - like human capital, new equipment and research and development."

The legislation, introduced by Ontario Finance Minister Greg Sorbara, follows from a Memorandum of Understanding signed with Federal Minister of Finance Jim Flaherty in October. It will transfer the collection and administration of Ontario's corporate income tax to the federal government. 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.

"We have long called for one tax return, one set of rules and one point of contact," explains Crispino. "We are pleased to see the government act on this advice."

"The single tax collector will mean savings and efficiencies for businesses and government, and ultimately make our province more competitive," says Ken Petersen, 2006-2007 Chamber President.

This legislation 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.

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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