

Ministry of Finance
Office of the Minister
Frost Building S, 7th Floor
7 Queen's Park Crescent
Toronto ON M7A 1Y7
Tel.: 416-325-0400



Ministère des Finances
Bureau du ministre
Édifice Frost Sud 7e étage
7 Queen's Park Crescent
Toronto (Ontario) M7A 1Y7
Tél.: 416-325-0400

Minister of Finance | Ministre des Finances
PETER BETHLENFALVY

880-2023-1758

Mr. Tony Elenis
President and CEO
Ontario Restaurant Hotel & Motel Association
2600 Skymark Avenue, Suite 8-201
Mississauga, ON L4W 5B2
telenis@orhma.com

Dear Mr. Elenis:

Thank you for your letter about the critical business climate in the restaurant sector in the post-pandemic period, including increased costs and severe inflationary pressures. I appreciate you taking the time to write.

Our government is committed to supporting business, including the restaurant sector. Since 2018, our government has undertaken significant actions to lower costs for business. In 2023, the government is enabling an estimated \$8.0 billion in cost savings and support for Ontario employers, with \$3.6 billion going to small businesses, through actions that include:

- supporting Workplace Safety and Insurance Board premium reductions;
- increasing the Employer Health Tax (EHT) exemption from \$490,000 to \$1 million;
- reducing the small business Corporate Income Tax rate to 3.2 per cent and expanding access to this preferential rate;
- allowing businesses to accelerate write-offs of capital investments for tax purposes, including immediate expensing of up to \$1.5 million annually for eligible capital investments.

The Workplace Safety and Insurance Board (WSIB) Premium rate reductions made since 2019 are estimated to have resulted in savings of about \$90 million in 2023 for businesses in the accommodation and food services sector.

Since 2018, our government has also reduced red tape by enacting initiatives that removed an estimated \$939 million in gross annual compliance costs that would have otherwise been incurred by businesses, not-for-profit organizations, and the broader public sector.

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In addition, since December 2021, the government has supported bars, restaurants and licenced liquor consumption premises, by cutting wholesale prices for the alcohol they purchase from the LCBO and other businesses with a licence to operate a liquor consumption premises by cutting wholesale prices for the alcohol they purchase from the LCBO, saving these businesses an effective 20 per cent when compared to retail prices. This change provides approximately \$60 million in annual support to restaurants, bars and other businesses. And, as of December 2020, the government has permanently allowed more than 18,000 restaurants and bars to include alcohol with food as part of a takeout and delivery order.

These actions continue to support businesses today and contribute to a competitive economic environment that will attract investment and create opportunities for the future. I see that you have also copied the Honourable Neil Lumsden, Minister of Tourism, Culture and Sport, on your letter as the restaurant sector is critical to tourism in Ontario. We will continue to explore opportunities to further support your sector, including a careful consideration of the recommendations you provided in your letter.

Our government is constantly engaged with the Government of Canada to help ensure the necessary federal support is available for all Ontario businesses. We will continue to advocate on behalf of Ontario businesses across the province to help them compete and thrive.

Thank you again for writing.

Sincerely,



Peter Bethlenfalvy
Minister of Finance

c: The Honourable Neil Lumsden, Minister of Tourism, Culture and Sport