
NEWS RELEASE

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Office of the Premier

PROVINCE TO LOWER BUSINESS TAX, INCREASE TRADE TRAINING

VANCOUVER – The Province will double the British Columbia Training Tax Credit effective July 1, 2009, giving employers new incentives to hire and train apprentices, and reduce the small business income tax to the lowest in Canada, Premier Gordon Campbell announced today.

“We expect to have 47,000 apprentices registered this year, triple the number of registered apprentices in 2001,” said Premier Campbell. “By doubling the B.C. Training Tax Credit we are helping employers find places for those apprentices so they can get the work experience they need and ultimately find the job they want to support themselves and their families. Increasing the tax credit will create new incentives for job creation that will help trades workers and employers alike in these challenging economic times.”

The training tax credit program started in 2007 to encourage employers to take on apprentices. The program provides refundable income tax credits equal to 10 per cent of salary and wages paid up to \$2,000, for each apprentice enrolled in any of the more than 100 apprentice programs that cover 140 careers. Effective July 1, employers will be eligible to claim up to \$4,000 annually per employee.

Premier Campbell also announced that the Small Business Income Tax will be reduced to the lowest in Canada by April 1, 2012, to be paid for by Carbon Tax revenues. The Province will also raise the small business income threshold from the current \$400,000 to \$500,000 on January 1, 2010 – the highest threshold in Canada. That represents a 150 per cent increase in the threshold from \$200,000 since 2002.

“B.C.’s small businesses employ more than one million people in every corner of the province, and since 2001 small businesses in B.C. have created close to 160,000 jobs,” said Premier Campbell. “We are going to do everything we can to secure those jobs and make sure British Columbia is ahead of Canada and North America when it comes to creating a strong, competitive economy. Reducing this tax and raising the threshold will make more businesses eligible for what will be the lowest tax rate in the country.”

Today’s announcements build on other government economic initiatives which include:

- Reducing small business income taxes by 44 per cent in 2008.
- Reducing the general corporate income tax rate to the lowest rate in Canada by 2011.
- Creating the new Industrial Property Tax Credit of 50 per cent of provincial school property tax payable by light and heavy industries.
- Extending the BC Mining Flow-through Share Tax Credit.
- Extending film tax credits and expanding eligibility for the Film Incentive BC tax credit.

For more information on B.C.'s Economic Plan, go to www.gov.bc.ca.

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