

Ontario Building on Supports for Employers During COVID-19

New Ontario Small Business Support Grant to Provide up to \$20,000 for Eligible Businesses

BACKGROUND

December 21, 2020

The Ontario government continues to provide a variety of supports to employers facing challenges as a result of COVID-19. The government will now be providing even more support to small businesses that are required to close or severely restrict their operations due to the necessary Provincewide Shutdown. This will help ensure they can continue serving their communities and employing people once COVID-19 has been eradicated.

The New Ontario Small Business Support Grant

The government is announcing the new Ontario Small Business Support Grant, which will provide a minimum of \$10,000 and up to \$20,000 to help small business owners during this challenging period.

Small businesses required to close or restrict services under the Provincewide Shutdown will be able to apply for this one-time grant. Each small business will be able to use the support in whatever way makes the most sense for their individual business. For example, some businesses will need support paying employee wages or rent, while others will need support maintaining their inventory.

Eligible small businesses include those that:

- Are required to close or significantly restrict services due to the Provincewide Shutdown being imposed across the province effective 12:01 a.m. on December 26, 2020;
- Have fewer than 100 employees at the enterprise level; and
- Have experienced a minimum of 20 per cent revenue decline in April 2020 compared to April 2019.

Starting at \$10,000 for all eligible businesses, the grant will provide businesses with dollar for dollar funding to a maximum of \$20,000 to help cover decreased revenue expected as a result of the Provincewide Shutdown. The business must demonstrate they experienced a revenue decline of at least 20 per cent when comparing monthly revenue in April 2019 and April 2020. This time period was selected because it reflects the impact of the public health measures in spring 2020, and as such provides a representation of the possible impact of these latest measures on small businesses.

For small businesses not in operation in April 2019 or April 2020, eligibility criteria will be announced in January 2021.

Businesses that are not eligible include those that were already required to close prior to the introduction of modified Stage 2 measures, and essential business permitted to operate with capacity restrictions (e.g., discount and big box stores selling groceries, supermarkets, grocery stores, convenience stores, pharmacies, and beer, wine and liquor stores).

Further details, including how to apply for the Ontario Small Business Support Grant will be announced in January 2021.

Other Supports for Businesses During COVID-19

Other ongoing supports for businesses include measures announced in [Ontario's Action Plan: Protect, Support, Recover](#):

- Ending a tax on jobs for an additional 30,000 employers by making permanent the Employer Health Tax (EHT) exemption increase from \$490,000 to \$1 million. With this additional relief about 90 per cent of employers would pay no EHT, saving private sector employers \$360 million in 2021–22 that could be reinvested in jobs and growth.
- Reducing property taxes on job creators and levelling the playing field by lowering high Business Education Tax (BET) rates for over 200,000 employers, or 94 per cent of all business properties in Ontario, to a rate of 0.88 per cent. This is creating \$450 million in immediate annual savings and representing a reduction of 30 per cent for many businesses currently subject to the highest BET rate in the province.
- Introducing a comprehensive plan to address the job-killing high costs of electricity, saving medium-size and larger industrial and commercial employers about 15 and 16 per cent respectively, on average, on their electricity bills.

Ongoing supports include:

- Helping eligible small businesses with the unexpected costs of personal protective equipment with one-time grants up to \$1,000 through [Ontario's Main Street Relief Grant](#).
- Making available \$600 million in [property tax and energy cost rebates](#) to help eligible businesses in control or lockdown regions (or previously in modified stage 2 regions).
- Helping small businesses create and enhance their online presence to reach more customers through the \$57 million [Digital Main Street](#) program.
- Providing \$8 million to help small business and registered charity customers with energy bills through the [COVID-19 Energy Assistance Program for Small Business](#).
- Supporting jobs at local restaurants, bars, breweries, wineries and distilleries during the COVID-19 pandemic [by expanding opportunities in alcohol sales](#), including making the sale of alcohol with food takeout and delivery orders permanent.
- Permanently allowing off-peak deliveries to retail stores, restaurants, hotels and distribution facilities to help ensure that shelves stay stocked and businesses can operate efficiently.
- Helping small businesses that rent by [extending the temporary ban on evictions](#), and partnering with the federal government to provide \$975 million in urgent rent relief through the Canada Emergency Commercial Rent Assistance for small businesses, which helped about 65,600 small business tenants that employ close to 627,000 people.
- Requiring [food delivery companies](#), as of December 19, to limit the rates they charge to 20 per cent for each transaction — with no more than 15 per cent for commission for food delivery services. The cap applies in areas where indoor dining is prohibited, to help restaurants stay in business and continue contributing to their communities.

Visit Ontario.ca/smallbusiness to learn about other supports, including:

- The [Workplace PPE Supplier Directory](#), which provides businesses with an up-to-date list of Ontario companies and business associations that are ready to supply personal protective equipment, including Ontario-made PPE.
- Ontario's Small Business COVID-19 Recovery Network, which links 47 Small Business Enterprise Centres across the province where small businesses can access tailored advice on local, provincial and federal programs.

- Mental health supports for families, frontline workers, young people, children, and Indigenous communities.
- Sector-specific resources help prevent COVID-19 in the workplace.
- Financial supports to help small businesses navigate the pandemic and get information on cash management, financial planning, and access to free advice.

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