

Ontario introduces COVID-19 relief grant as additional support after reverting back to Step Two

By Rob Paul

With the Government of Ontario recently moving the province back into Step Two of its Roadmap to Reopen due to the trends of increased COVID-19-related hospitalizations with spread of the Omicron variant, the Province has introduced a \$10,000 grant for eligible businesses that are subject to closure.

It provides additional electricity-rate relief for businesses, as well as workers and families spending more time at home.

“Our government understands that public health measures needed to blunt the spread of the Omicron variant are impacting the lives and livelihoods of small businesses, workers and families across Ontario,” said Peter Bethlenfalvy, Minister of Finance. “Since the first day of the pandemic, we have provided unprecedented levels of support to protect people, jobs and our economy. We will continue to deliver on that commitment.”

As part of the plan to support workers and businesses, the grant covers small businesses such as restaurants and bars; facilities for indoor sports and recreational fitness activities; performing arts and cinemas; museums, galleries, aquariums, zoos, science centres, landmarks, historic sites, botanical gardens and similar attractions; meeting or event spaces; and before- and after-school programs.

“Small businesses, job creators and the entrepreneurial spirit are the backbone of Ontario's economy. Unfortunately, these businesses have been some of the most impacted by COVID-19, and many continue to struggle,” said Vic Fedeli, Minister of Economic Development, Job Creation and Trade. “With the new Ontario COVID-19 Small Business Relief Grant, our government will provide relief for thousands of small businesses that create jobs for hard working Ontarians.”

The Ontario government is also providing electricity-rate relief to support small businesses, as well as workers and families spending more time at home while the province is in Step Two. For 21 days starting on Tuesday, January 18, electricity prices will be set 24 hours a day at the current off-peak rate of 8.2 cents per kilowatt-hour, which is less than half the cost of the current on-peak rate.

“We know that spending more time at home means using more electricity during the day when prices are higher, that's why we are moving to off-peak electricity rates 24 hours per day, seven days a week,” said Todd Smith, Minister of Energy. “The off-peak rate will provide immediate savings for families, small businesses and farms as all Ontarians work together to slow the spread of the Omicron variant.”

The Provincial government will also open online applications for the previously announced Ontario Business Costs Rebate Program on January 18.

This program will provide eligible businesses that are required to close or reduce capacity with rebate payments for up to 100 per cent of the property tax and energy costs they incur while subject to public health measures in response to the Omicron variant.

Eligible businesses required to close for indoor activities, such as restaurants and gyms, will receive a rebate payment equivalent to 100 per cent of their costs. Those required to reduce capacity to 50 per cent, such as smaller retail stores, will receive a rebate payment equivalent to 50 per cent of their costs.

“Small businesses are at the heart of every community across our province and make a tremendous contribution to Ontario's economy,” said Nina Tangri, Associate Minister of Small Business and Red Tape Reduction. “Our government knows how important it is to support small business owners during such a difficult time. That's why throughout the pandemic, our government has supported small businesses and continues to do so through the new Ontario COVID-19 Small Business Relief Grant.”

Dufferin-Caledon MPP Sylvia Jones has provided information on available support from the Provincial and Federal government for businesses during this time. On top of the Ontario Business Costs Rebate Program, Jones is reminding residents of Provincially Administered Tax Deferrals.

This program is to help improve cash flows, with the Province providing a six-month interest- and penalty-free period to make payments for most provincially administered taxes. This will support business in the immediate term while capacity restrictions are in place and provide the flexibility Ontario businesses will need for long-term planning.

The six-month period began January 1 and will run until July 1.

This measure will provide up to \$7.5 billion in relief to help approximately 80,000 Ontario businesses. It will allow businesses to have the option to delay their payments for provincially administered taxes (Employer Health Tax; Beer, Wine, and Spirits Taxes; Tobacco Tax; Insurance Premium Tax; Gas Tax; Retail Sales Tax or Insurance Contracts and Benefit Plans; Race Tracks Tax).

Ontario is also exploring options for providing further targeted and necessary supports for business and workers impacted by the province's move into a modified Step Two of the Roadmap to Reopen, including grants, said Jones. The government will also continue to call on the federal government to come to the table to help us support Ontario businesses and Ontario workers by allowing eligible businesses to defer HST and to enhance supports available to workers affected by current public health measures.

Jones also highlighted several federal COVID-19 relief programs such as the Tourism and Hospitality Recovery Program, Hardest-Hit Business Recovery Program, Local Lockdown Program, and Canada Worker Lockdown Benefit.

The Tourism and Hospitality Recovery Program is for eligible businesses in the tourism and hospitals industry, and it supports through wage and rent subsidies.

It starts at 40 per cent of the maximum subsidy for Canada Emergency Rent Subsidy (CERS) and Canada Emergency Wage Subsidy (CEWS) for businesses with a 40 per cent current-month revenue decline to a maximum rate of 75 per cent (for those with a current-month revenue decline of 75 per cent or higher) subsidy rates will be reduced by half from March 13, 2022 to May 7, 2022.

The Hardest-Hit Business Recovery Program is for businesses that don't qualify for the Tourism and Hospitality Recovery Program. It's wage and rent subsidies that start at 10 per cent of the maximum subsidy for CERS and CEWS for businesses with a 50 per cent current-month revenue decline, up to a maximum rate of 50 per cent, for those with a current-month revenue decline of 75 per cent or higher subsidy rates will be reduced by half from March 13, 2022 to May 7, 2022.

The Local Lockdown Program is for businesses facing temporary local lockdowns or capacity restrictions of at least 50 per cent (as of December 19, 2021), regardless of sector. It has the same subsidy rates as the Tourism and Hospitality Recovery Program except minimum support and current-month revenue decline threshold is 25 per cent, rather than 40 per cent.

The Canada Worker Lockdown Benefit gives temporary income support to employed and self-employed people who cannot work due to a COVID-19 lockdown. It will provide \$300 a week in income support to eligible workers who are directly impacted by a COVID-19-related public health lockdown or capacity-limiting restrictions (at least 50 per cent), up until May 7, 2022.