



News release

Corporate tax harmonization will save Ontario business up to \$190 million a year

Oshawa, Ontario, May 2, 2008... The Honourable Gordon O'Connor, Minister of National Revenue, and the Honourable Monique Smith, Ontario Minister of Revenue, today joined the Presidents of 160 Boards of Trade and Chambers of Commerce from across Ontario to outline the significant progress that has been made to harmonize the corporate tax system for Ontario businesses.

"Filing one corporate tax return will immediately reduce the paperwork burden for Ontario businesses. Ontario companies of all sizes will benefit from one set of rules, one point of contact, and one tax return," said Minister O'Connor. "By reducing the time and money Ontario businesses spend on meeting their tax obligations, our government is allowing businesses more time to focus on growth and development."

"Ontario corporations have already started to see the benefits of the integrated system," said Minister Smith. "Federal and provincial audits, rulings, objections and appeals for all pre-2009 taxation years have been combined thanks to an agreement signed between the Government of Ontario and the Government of Canada. This move will save Ontario business an estimated \$100 million a year in administrative costs and an additional \$90 million from reduced Ontario corporate income taxes through the move to a harmonized tax base for the 2009 taxation year."

The Delegation Agreement recently signed by Minister O'Connor and Minister Smith is another milestone in the transition to the single administration of Ontario's corporate income tax system. Effective April 3, 2008, Ontario businesses have one tax authority to deal with for all corporate tax audits, rulings, objections and appeals for all pre-2009 taxation years. This will be followed by a single integrated tax return for taxation years ending after December 31, 2008.

Ontario joins seven provinces and all three territories whose taxes are already administered by the CRA. To ensure a seamless transition for Ontario's corporate taxpayers, the CRA has hired more than 300 of Ontario's corporate tax professionals.

Both Ministers also thanked the Ontario business community for its thoughtful assistance in making this project a reality.

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