



## MINISTRY OF SMALL BUSINESS AND REVENUE

The ministry's mission is to promote small business growth by working in partnership with British Columbians; to streamline and simplify the regulatory system to stimulate business growth and investment, and eliminate barriers for small business and individuals; to provide fair, efficient and equitable revenue management that supports programs and services for British Columbians.

### MINISTRY SUMMARY

(\$000)

|   | Estimates<br>2004/05 <sup>1</sup> | Estimates<br>2005/06 |
|---|-----------------------------------|----------------------|
| <b>VOTED APPROPRIATION</b>  |                                   |                      |
| Vote 38 — Ministry Operations.....  | 43,916                            | 43,989               |
| <b>STATUTORY APPROPRIATION</b>  |                                   |                      |
| Provincial Home Acquisition Wind Up Special Account.....                      | 25                                | 25                   |
| <b>OPERATING EXPENSE</b>  | <u>43,941</u>                     | <u>44,014</u>        |
| <b>PREPAID CAPITAL ADVANCES <sup>2</sup></b>                                  | —                                 | —                    |
| <b>CAPITAL EXPENDITURES <sup>3</sup></b>                                      | 13,393                            | 34,779               |
| <b>LOANS, INVESTMENTS AND OTHER REQUIREMENTS <sup>4</sup></b>                 | (910)                             | 1,590                |
| <b>REVENUE COLLECTED FOR, AND TRANSFERRED TO, OTHER ENTITIES <sup>5</sup></b> | —                                 | —                    |
| <b>FULLTIME EQUIVALENT (FTE) EMPLOYMENT <sup>6</sup></b>                      | 1,076                             | 859                  |

#### NOTES

<sup>1</sup> For comparative purposes only, figures shown for 2004/05 expense, FTEs and capital expenditures have been restated to be consistent with the presentation of the September Update 2005/06 Estimates. Schedule A presents a detailed reconciliation.

<sup>2</sup> Details of prepaid capital advances are presented in Schedule C.

<sup>3</sup> Details of capital expenditures are presented in Schedule D.

<sup>4</sup> Details of loans, investments and other requirements are presented in Schedule E.

<sup>5</sup> Details of revenue collected for, and transferred to, other entities are presented in Schedule F.

<sup>6</sup> Details of FTEs are presented in Schedule G.

## CORE BUSINESS SUMMARY

\$000

| OPERATING EXPENSE                                | 2004/05       | 2005/06 ESTIMATES |                     |               |
|--|---------------|-------------------|---------------------|---------------|
|  | Net           | Gross             | External Recoveries | Net           |
| <b>Core Business</b>                             |               |                   |                     |               |
| Small Business and Regulatory Reform.....        | 1,253         | 1,205             | —                   | 1,205         |
| Revenue Programs.....                            | 18,370        | 44,979            | (26,609)            | 18,370        |
| Revenue Services (includes special account)..... | 8,477         | 36,099            | (27,636)            | 8,463         |
| Property Assessment Services.....                | 1             | 2,508             | (2,507)             | 1             |
| Executive and Support Services.....              | 15,840        | 38,120            | (22,145)            | 15,975        |
| <b>TOTAL OPERATING EXPENSES .....</b>            | <b>43,941</b> | <b>122,911</b>    | <b>(78,897)</b>     | <b>44,014</b> |

| CAPITAL EXPENDITURES                    | Net           | Disbursements | Receipts | Net           |
|---|---------------|---------------|----------|---------------|
| <b>Core Business</b>                    |               |               |          |               |
| Revenue Services.....                   | —             | 21,348        | —        | 21,348        |
| Property Assessment Services.....       | 96            | 96            | —        | 96            |
| Executive and Support Services.....     | 13,297        | 13,335        | —        | 13,335        |
| <b>TOTAL CAPITAL EXPENDITURES .....</b> | <b>13,393</b> | <b>34,779</b> | <b>—</b> | <b>34,779</b> |

| LOANS, INVESTMENTS AND OTHER REQUIREMENTS                   | Net          | Disbursements | Receipts        | Net          |
|---|--------------|---------------|-----------------|--------------|
| <b>Core Business</b>  |              |               |                 |              |
| Revenue Programs.....                                       | (900)        | 28,600        | (27,000)        | 1,600        |
| Revenue Services.....                                       | (10)         | 40            | (50)            | (10)         |
| <b>TOTAL LOANS, INVESTMENTS AND OTHER REQUIREMENTS.....</b> | <b>(910)</b> | <b>28,640</b> | <b>(27,050)</b> | <b>1,590</b> |

| REVENUE COLLECTED FOR, AND TRANSFERRED TO, OTHER ENTITIES                   | Net      | Disbursements  | Receipts         | Net      |
|---|----------|----------------|------------------|----------|
| <b>Core Business</b>  |          |                |                  |          |
| Revenue Programs.....   | —        | 956,500        | (956,500)        | —        |
| <b>TOTAL REVENUE COLLECTED FOR, AND TRANSFERRED TO, OTHER ENTITIES.....</b> | <b>—</b> | <b>956,500</b> | <b>(960,800)</b> | <b>—</b> |

OPERATING EXPENSE BY CORE BUSINESS

\$000

Estimates  
2004/05

Estimates  
2005/06

VOTE 38 — MINISTRY OPERATIONS

This vote provides for ministry programs and operations described in the voted appropriations under the following five core businesses: Small Business and Regulatory Reform, Revenue Programs, Revenue Services, Property Assessment Services, and Executive and Support Services.

SMALL BUSINESS AND REGULATORY REFORM

Voted Appropriation

|   |              |              |
|---|--------------|--------------|
| Small Business and Regulatory Reform..... | 1,253        | 1,205        |
|   | <u>1,253</u> | <u>1,205</u> |

**Voted Appropriation Description:** This sub-vote provides for the operating and administration costs of ministry services, products and tools to support small business success and of establishing and operating a Small Business Roundtable. This sub-vote also provides for operating and administration costs to advance regulatory reform across government.

REVENUE PROGRAMS

Voted Appropriation

|                       |               |               |
|-----------------------|---------------|---------------|
| Revenue Programs..... | 18,370        | 18,370        |
|                       | <u>18,370</u> | <u>18,370</u> |

**Voted Appropriation Description:** This sub-vote provides for the administration and enforcement of tax statutes administered by the ministry, and revenue and benefit programs that are the responsibility of the Ministry of Small Business and Revenue. This sub-vote also provides for payment of interest or refunds of taxation revenues under statutes administered by the ministry. Costs are partially recovered from revenues administered by the ministry.

REVENUE SERVICES

Voted Appropriation

|                       |              |              |
|-----------------------|--------------|--------------|
| Revenue Services..... | 8,452        | 8,438        |
|                       | <u>8,452</u> | <u>8,438</u> |

Statutory Appropriation

|  |              |              |
|--|--------------|--------------|
| Provincial Home Acquisition Wind Up Special Account..... | 25           | 25           |
|  | <u>25</u>    | <u>25</u>    |
|  | <u>8,477</u> | <u>8,463</u> |

**Voted Appropriation Description:** This sub-vote provides for accounts receivable collection, loan administration, revenue programs, including premiums and fees for the Medical Services Plan for the Ministry of Health, and administration services through a combination of in-house service providers and a private sector partner. Costs are partially recovered from within the Consolidated Revenue Fund or deducted from collected proceeds and revenues administered by the ministry.

**Statutory Appropriation Description:** This statutory appropriation provides for the Provincial Home Acquisition Wind Up Special Account.

PROPERTY ASSESSMENT SERVICES

Voted Appropriation

|                                   |          |          |
|-----------------------------------|----------|----------|
| Property Assessment Services..... | 1        | 1        |
|                                   | <u>1</u> | <u>1</u> |

**Voted Appropriation Description:** This sub-vote provides for the operating and administration costs of the Property Assessment Review Panels and the Property Assessment Appeal Board, including the fees and expenses of appointees to the panels and Board. Costs are recovered from the British Columbia Assessment Authority, other organizations through agreements, and appellants to the Board.

## MINISTRY OF SMALL BUSINESS AND REVENUE

## OPERATING EXPENSE BY CORE BUSINESS (Continued)

\$000

|  | Estimates<br>2004/05 | Estimates<br>2005/06 |
|--|----------------------|----------------------|
| <b>EXECUTIVE AND SUPPORT SERVICES</b>  |                      |                      |
| <b>Voted Appropriations</b>  |                      |                      |
| Minister's Office.....   | 430                  | 430                  |
| Corporate Services.....  | 15,410               | 15,545               |
|  | <u>15,840</u>        | <u>15,975</u>        |
| <b>Voted Appropriations Description:</b> This sub-vote provides for the office of the Minister of Small Business and Revenue, and includes salaries, benefits, allowances and operating expenses of the minister and the minister's staff. It also provides for executive strategic direction of the ministry and administrative support services; tax appeal management and administration; and policy and legislation. Costs are partially recovered from revenues administered by the ministry. |                      |                      |
| <b>VOTE 38 — MINISTRY OPERATIONS</b>   | 43,916               | 43,989               |
| <b>STATUTORY — SPECIAL ACCOUNT</b>   | 25                   | 25                   |

## MINISTRY GROUP ACCOUNT CLASSIFICATION SUMMARY

## GROUP ACCOUNT CLASSIFICATION

|                                     |               |               |
|-------------------------------------|---------------|---------------|
| Salaries and Benefits .....         | 66,042        | 62,689        |
| Operating Costs .....               | 72,271        | 72,557        |
| Government Transfers .....          | 613           | 613           |
| Other Expenses .....                | 3,527         | 3,527         |
| Internal Recoveries .....           | (15,251)      | (16,475)      |
| External Recoveries .....           | (83,261)      | (78,897)      |
| <b>TOTAL OPERATING EXPENSE.....</b> | <u>43,941</u> | <u>44,014</u> |

SPECIAL ACCOUNT<sup>1</sup>

\$000

**PROVINCIAL HOME ACQUISITION WIND UP**

This account is established under the *Special Appropriation and Control Act* effective April 1, 2004, for the purpose of providing for expenditures for the winding up of the loan and financial assistance programs under the *Home Conversion and Leasehold Loan Act*, the *Home Mortgage Assistance Act*, the *Home Purchase Assistance Act*, the *Homeowner Interest Assistance Act* and the *Provincial Home Acquisition Act*. The latter Acts are repealed effective March 31, 2004.

Revenue consists of interest on outstanding mortgage principal. Expenses include statutory rebates and other miscellaneous program costs. Receipts represent repayment of outstanding mortgage loan principal. Disbursements represent repurchased mortgage accounts and guarantee claims paid under the mortgage assistance programs.

|  | Estimates<br>2004/05 | Estimates<br>2005/06 |
|--|----------------------|----------------------|
| <b>SPENDING AUTHORITY AVAILABLE AT THE BEGINNING OF THE FISCAL YEAR<sup>2</sup>.....</b>     | <b>—</b>             | <b>14,946</b>        |
| OPERATING TRANSACTIONS   |                      |                      |
| Revenue.....   | 25                   | 10                   |
| Revenue from Appropriation.....  | 15,000               | —                    |
| Expense.....   | (25)                 | (25)                 |
| Net Revenue (Expense).....   | 15,000               | (15)                 |
| Difference Between 2004/05 Estimates and Actual Net Revenue (Expense).....                   | 63                   |                      |
| FINANCING TRANSACTIONS   |                      |                      |
| Loans, Investments and Other Requirements  |                      |                      |
| Receipts.....  | 50                   | 50                   |
| Disbursements - Capital.....   | —                    | —                    |
| Disbursements - Other.....   | (40)                 | (40)                 |
| Net Cash Source (Requirement).....   | 10                   | 10                   |
| Working Capital Adjustments and Other Spending Authority Committed <sup>3</sup> .....        | (127)                | —                    |
| <b>PROJECTED SPENDING AUTHORITY AVAILABLE AT THE END OF THE FISCAL YEAR<sup>2</sup>.....</b> | <b>14,946</b>        | <b>14,941</b>        |

**NOTES**

<sup>1</sup> A Special Account is an account in the General Fund where the authorization to spend money from the account is located in an Act other than the *Supply Act*.

<sup>2</sup> The Projected Spending Authority Available represents the cash and temporary investments projected to be available at the end of the fiscal year. As this account was established in 2004/05, the Spending Authority Available at the beginning of the fiscal year 2004/05 is based on the 2004/05 *Estimates*.

<sup>3</sup> The Working Capital Adjustment and Other Spending Authority Committed includes those adjustments that would change the cash balance of the Special Account. This may include amortization expense, changes in accounts receivable and payable, the recognition of deferred revenues and the endowment of the account, which can not be spent.

## LOANS, INVESTMENTS AND OTHER REQUIREMENTS BY CORE BUSINESS

\$000

|  | Estimates<br>2004/05 | Estimates<br>2005/06 |
|--|----------------------|----------------------|
| <b>REVENUE PROGRAMS</b>  |                      |                      |
| <i>INTERNATIONAL FUEL TAX AGREEMENT (MOTOR FUEL TAX ACT)</i> — Disbursements are provided by the province to other International Fuel Tax Agreement jurisdictions in respect of the receipts collected on their behalf by the Ministry of Small Business and Revenue. Administration costs are funded through the ministry's voted appropriations. |                      |                      |
| Receipts.....  | 5,800                | 6,000                |
| Disbursements.....   | 4,400                | 4,600                |
| Net Cash Source (Requirement).....   | <u>1,400</u>         | <u>1,400</u>         |

*LAND TAX DEFERMENT ACT* — Disbursements are made to local governments to reimburse them for property taxes of those property owners over 60 years of age and other qualified property owners that are deferred under this Act. The property owner or the estate is required to repay to the province all deferred taxes together with interest, on the termination of the agreement. Receipts represent repayments of outstanding principal (taxes deferred exclusive of interest). Interest and fee revenue are credited to the Consolidated Revenue Fund and administration costs are funded through the ministry's voted appropriations.

|                                    |              |                |
|------------------------------------|--------------|----------------|
| Receipts.....                      | 19,500       | 21,000         |
| Disbursements.....                 | 20,000       | 24,000         |
| Net Cash Source (Requirement)..... | <u>(500)</u> | <u>(3,000)</u> |

## REVENUE COLLECTED FOR, AND TRANSFERRED TO, OTHER ENTITIES BY CORE BUSINESS

\$000

|   | Estimates<br>2004/05 | Estimates<br>2005/06 |
|---|----------------------|----------------------|
| <b>REVENUE PROGRAMS</b>   |                      |                      |
| <i>BRITISH COLUMBIA TRANSIT ACT (MOTOR FUEL TAX)</i> — Disbursements are provided to British Columbia Transit (BCT) in respect of the <i>British Columbia Transit Act</i> fuel tax (receipts) collected on BCT's behalf by the Ministry of Small Business and Revenue. Administration costs are funded through the ministry's voted appropriations. |                      |                      |
| Receipts.....   | 7,900                | 8,200                |
| Disbursements.....  | 7,900                | 8,200                |
| Net Cash Source (Requirement).....  | <u>—</u>             | <u>—</u>             |

*GREATER VANCOUVER TRANSPORTATION AUTHORITY ACT (MOTOR FUEL AND SOCIAL SERVICE TAXES)* — Disbursements are provided to the Greater Vancouver Transportation Authority (GVTA) in respect of the fuel tax (receipts) and the social service tax (receipts) on parking collected on GVTA's behalf under the *Greater Vancouver Transportation Authority Act* by the Ministry of Small Business and Revenue. Administration costs are funded through the ministry's voted appropriations.

|                                    |          |          |
|------------------------------------|----------|----------|
| Receipts.....                      | 260,000  | 274,100  |
| Disbursements.....                 | 260,000  | 274,100  |
| Net Cash Source (Requirement)..... | <u>—</u> | <u>—</u> |

REVENUE COLLECTED FOR, AND TRANSFERRED TO, OTHER ENTITIES BY CORE BUSINESS

\$000

|  | Estimates<br>2004/05 | Estimates<br>2005/06 |
|--|----------------------|----------------------|
|--|----------------------|----------------------|

REVENUE PROGRAMS (Continued)

RURAL AREA PROPERTY TAXES — Disbursements are provided to local governments and entities in rural areas in respect of local property taxes and levies (receipts) collected on their behalf by the Ministry of Small Business and Revenue. Interest and fee revenue is deposited to the Consolidated Revenue Fund and administration costs are funded through the ministry's voted appropriations.

|                                    |          |                |
|------------------------------------|----------|----------------|
| Receipts.....                      | 195,000  | <b>205,000</b> |
| Disbursements.....                 | 195,000  | <b>205,000</b> |
| Net Cash Source (Requirement)..... | <u>—</u> | <u>—</u>       |

TOBACCO TAX AMENDMENT ACT — Disbursements are provided to the Cowichan Tribes in respect of the Cowichan Tribes Agreement for tobacco tax (receipts) collected on their behalf. Administration costs are funded through the ministry's voted appropriations.

|                                    |          |              |
|------------------------------------|----------|--------------|
| Receipts.....                      | 2,000    | <b>2,000</b> |
| Disbursements.....                 | 2,000    | <b>2,000</b> |
| Net Cash Source (Requirement)..... | <u>—</u> | <u>—</u>     |

TOURISM BRITISH COLUMBIA (HOTEL ROOM TAX ACT) — Disbursements are provided by the province to Tourism British Columbia in respect of the *Tourism British Columbia Act* hotel room tax (receipts) collected on the corporation's behalf by the Ministry of Small Business and Revenue. Administration costs are funded through the ministry's voted appropriations.

|                                    |          |               |
|------------------------------------|----------|---------------|
| Receipts.....                      | 24,500   | <b>27,000</b> |
| Disbursements.....                 | 24,500   | <b>27,000</b> |
| Net Cash Source (Requirement)..... | <u>—</u> | <u>—</u>      |

TRANSPORTATION ACT (MOTOR FUEL AND SOCIAL SERVICE TAXES) — Disbursements are provided to the BC Transportation Financing Authority (BCTFA) in respect of the fuel tax (receipts) and the social service tax (receipts) on short-term rentals of passenger vehicles collected on BCTFA's behalf under the *Transportation Act* by the Ministry of Small Business and Revenue. Administration costs are funded through the ministry's voted appropriations.

|                                    |          |                |
|------------------------------------|----------|----------------|
| Receipts.....                      | 425,300  | <b>440,200</b> |
| Disbursements.....                 | 425,300  | <b>440,200</b> |
| Net Cash Source (Requirement)..... | <u>—</u> | <u>—</u>       |