

April 20, 2021

BACKGROUND

Helping B.C. businesses through the pandemic and recovery

B.C. businesses will continue to have access to supports and services through Budget 2021 to help support sectors through this challenging time; especially those hit hardest by COVID-19.

Budget 2021 expands on the targeted grants and services in the StrongerBC Economic Recovery Plan to help B.C. businesses through the pandemic and help them prepare for recovery.

Ongoing business supports include:

- \$150 million to support the StrongerBC Increased Employment Incentive tax credit announced through the StrongerBC Economic Recovery Plan that provides a tax credit for private-sector employers who increased their payroll through new employees or compensation increases in the last quarter of 2020.
- \$35 million to help B.C. farmers keep the temporary foreign workers who are supporting B.C.'s crop harvesting safe from COVID-19.
- \$10 million over three years to expand the Grow BC, Feed BC, Buy BC strategies to strengthen and expand the domestic market for B.C. products.
- A PST exemption on capital investments in select equipment and machinery, a tax support to help businesses pivot or upgrade operations that is now open for submissions and continues until September 2021 with an estimated 110,000 incorporated B.C. businesses eligible.
- \$195 million in funding to continue the Small- and Medium-sized Business Recovery Grant program. Through discussions with the business community, the program is now easier to access and more businesses are eligible.

The Province has been providing supports for businesses throughout the pandemic. The Fall 2020 StrongerBC Economic Recovery Plan and earlier 2020-21 supports included:

- \$44 million for the Launch Online program, connecting businesses with B.C. technology companies to create or improve their e-commerce and provide digital marketing training to help businesses boost their online sales.

- \$10 million to increase value-added manufacturing in B.C. by supporting small- and medium-sized businesses make their products more accessible in the market by commercialising new technologies or products and an additional \$6 million in grants for businesses to help strengthen B.C.'s supply chain.
- \$7.5 million to support B.C.'s growing agri-tech industry.
- \$7 million to expand B.C.'s food hub network and support farm innovation and food processing.
- An average 25% reduction in commercial property taxes in the 2020 calendar year, delivering more than \$700 million in reductions for businesses.
- The Canada Emergency Commercial Rent Assistance program, cost shared with the federal government, which supported businesses until the end of September 2020 with eviction restrictions and a rent reduction of up to 75% during the height of business closures last year.

Supporting B.C.'s hardest hit sectors

Not all sectors were affected by the pandemic in the same ways, and as the challenges faced by different sectors have become clearer, government has tailored supports to fit their needs.

Tourism

For tourism operators, COVID-19 brought the closure of borders and an end to the travel these businesses rely on. Government has worked closely with the sector over the past year to support them through this challenging time, including:

- \$68 million in tourism relief and recovery measures in the Fall 2020 StrongerBC plan, including investments to help municipalities build, adapt and diversify their tourism infrastructure and Destination BC funding to market B.C. domestically and secure its spot in the international tourism market when it is safe to welcome visitors back.
- \$5 million to help local Indigenous tourism businesses with grants of up to \$45,000 to provide relief and recovery supports as businesses navigate the ongoing economic impacts of COVID-19.
- \$100 million of the Small- and Medium-sized Business Grant funding announced in fall 2020 is targeted at tourism operators.

As B.C. moves through the pandemic and into recovery, government will continue to work with business and tourism stakeholders as well as with health officials to ensure B.C.'s tourism sector is poised to return and welcome back the world as soon as it's safe to do so. To help the B.C. tourism sector prepare for a strong future, government will invest:

- \$100 million through Budget 2021 to support tourism recovery starting in 2021-22, including support for major anchor attractions that help make British Columbia such a unique destination.
- An additional \$20 million in Budget 2021 for community destination development grants that will help communities prepare for future visitors through new tourism infrastructure like trails and airport improvements.

Arts and Culture

For arts organizations and the entertainment and events industries, the pandemic often meant turning off the lights in theatres, art galleries and music venues, cancelling shows and requiring innovative new ways to connect with audiences. Government has worked closely with leaders in B.C.'s arts and entertainment communities to develop targeted recovery funding and has already invested over \$35 million as part of the Fall 2020 StrongerBC Economic Recovery Plan.

Through StrongerBC, government provided \$22.5 million in funding through AmplifyBC to support B.C.'s music industry over the next three years. Budget 2021 also doubles the budget for the Arts Infrastructure Program. This will provide \$6 million over three years to support arts and culture organization recovery through grants that support capital improvements like the construction of new spaces, expansion of existing spaces or the purchase of new equipment.

Restaurants and Hospitality

Restaurants and the hospitality industry have continually adapted to the changing landscape of the pandemic and Provincial Health Officer orders. British Columbians have seen businesses team up and create innovative solutions to help keep businesses going through this difficult time. Government is supporting the restaurant and hospitality industry by:

- Supporting 14,000 restaurants, bars, breweries, wineries, gyms and fitness centres through the most recent health restrictions with more than \$50 million through Circuit Breaker Business Recovery Grants.
- Helping restaurants, bars and tourism operators with liquor licenses purchase beer, wine and spirits at wholesale liquor pricing permanently so they have some additional financial relief.
- Issuing a temporary cap on fees charged to restaurants by food delivery companies to 15%, so restaurants can keep operating online with more people eating from home.
- Hiring hundreds of tourism and hospitality staff laid off through the pandemic to support with B.C.'s immunization plan as non-clinical staff at immunization clinics throughout the province.

From restaurants delivering gourmet holiday dinners to online streaming by local arts organizations, B.C. businesses have used creativity and innovation to re-think and re-tool. Government is here to support businesses who need it now and help all B.C. businesses move into a resilient future.

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