

Government Programs for Business

February 4, 2010

Canad Inns Polo Park

The City of Winnipeg

Presented by:
Barry Thorgrimson



Heritage Conservation Tax Credit Program

- The building must be listed on the buildings Conservation List.
- Proposals must involve a minimum \$10,000 in eligible work.
- The value of an approved tax credit may be up to 50% of the net private investment made in eligible work.
- The credit may be used at the recipient's discretion over a maximum 10-year period to reduce qualifying property, business and amusement taxes levied by the City.

Downtown / Neighbourhood Multiple Family Mixed Use Building Grant Program

- To encourage new construction, or redevelopment of buildings for residential multiple family or mixed-use occupancy in Downtown and targeted areas of Winnipeg.
- Applicant can receive a grant equivalent to the amount of the incremental municipal taxes payable on the improved property during the period of not more than 10 consecutive years

Residential Infill Tax Credit Program

- To encourage construction of new owner-occupied infill housing units in Winnipeg's established neighbourhoods.
- Eligible projects may receive tax credits of up to \$2,000 per year for up to 5 years, for a maximum tax credit of \$10,000 per project.

Minimum Home Repair Program

- Grants of up to \$3,000 are available in neighbourhoods where funding is specifically allocated for emergency repairs of problems that could result in vacating the property if not addressed.

Home Renovation Tax Assistance Program

- City Council must approve a by-law each year to establish a program of real property tax credits to encourage and assist in the renovation of residential premises.
- The program has limited funding and operates on a first-come, first-served basis.
- The maximum amount that can be claimed by any resident for standard renovations and energy efficiency renovations is \$10,000 and \$6,000 respectively.

Residential Rehabilitation Assistance Program (RRAP)

- Repairs that are needed to bring your home up to a minimum level of health and safety in accordance with the federal RRAP Standards.
- The maximum loan amount is \$16,000
- The homeowner is responsible for any repairs that exceed this amount.

Rental and Rooming House RRAP

- Rental and Rooming House RRAP offers financial assistance to owners of rental properties that are affordable to low-income individuals and families and are occupied by low-income households.
- Eligible repairs include those required to bring the dwelling up to a defined minimum level of health and safety.
- The maximum loan amounts are up to \$24,000 per eligible suite and up to \$16,000 per eligible bed unit.

RRAP for Persons with Disabilities

- Modifications must be reasonably related to the occupant's disability.
- Homeowners may be eligible for up to \$16,000 (\$24,000 per suite for landlords).

Economic Development Investment Reserve Fund

- An economic development tool that may be used to attract new and distinct business ventures to the City.
- Approval is required by Executive Policy Committee.

Best Advice!

- To ensure a business use or proposed building construction or expansion is permitted; contact the City of Winnipeg Zoning and Permits Branch at 986-5140.
- To view a comprehensive list of required permits, licenses and other government approvals go to

www.winnipeg.ca

Province of Manitoba



Manufacturing Investment Tax Credit

- Corporations engaged in manufacturing/processing in Manitoba are eligible
- Corporate income tax credit, calculated as 10% of qualifying costs for new or used manufacturing buildings, machinery & equipment
- Also extends to new equipment used to produce energy for a firm's own consumption from renewable sources and equipment that uses energy more efficiently
- 70% of earned credits are now refundable and the remainder reduces Manitoba corporate income tax otherwise payable
- Unused credits may be carried forward 10 years or carried back 3 years
- Program is administered by Canada Revenue Agency on behalf of Manitoba

Research and Development Tax Credit

- Targets scientific research & experimental development (as defined for federal purposes) carried on in Manitoba; Program administered by Canada Revenue Agency on behalf of Manitoba
- Corporations earn a non-refundable tax credit calculated as 20% of qualifying R&D costs
- Tax credit is applied against Manitoba corporate income tax payable in the year earned; Unused credits may be carried forward 10 years or carried back 3 years
- Tax credit is now refundable for eligible expenditures incurred after 2009 by a Manitoba corporation that conducts R&D under an eligible contract with a qualifying Manitoba research institute
- The refundable credit will target R&D in biotechnology and new technologies in medical science, the environment, agriculture and ICT, as prescribed.

Canada's Scientific Research & Experimental Development Tax Credit

- Administered by Canada Revenue Agency
- Canadian businesses can earn investment tax credits for SR&ED expenses incurred in Canada and for certain R&D expenses incurred outside Canada
- Investment tax credits can be earned for qualifying current SR&ED expenditures such as wages, materials, some overhead, and for contract R&D performed for the claimant
- SR&ED expenses for capital (machinery and equipment for R&D) can be 100% written off in the current year
- Qualified SR&ED expenditures can be deducted in the current year, or carried forward in an SR&ED expenditure pool and deducted at a later date. The pool does not expire, and the timing and amount of deductions taken are at the discretion of the taxpayer.

Canada's Scientific Research and Experimental Development Tax Credit

- Canadian-controlled private corporations may receive a refundable investment tax credit of 35% of qualifying SR&ED expenditures, to a maximum of \$3 million of expenditures
- Most other Canadian corporations, proprietorships, partnerships, and trusts may receive a non-refundable investment tax credit of 20% of qualifying SR&ED expenditures
- Unused investment tax credits can be carried back 3 years, or carried forward 20 years.

After-tax Cost of R&D in Manitoba

After-tax cost of \$100 of R&D current expenses for a public company and for a Canadian controlled private corporation, based on 2009 income tax rates.

	Public Corporation	CCPC
Eligible R&D expenditure	\$100.00	\$100.00
(less) Manitoba tax credit	\$20.00	\$20.00
(less) Federal tax credit	\$16.00	\$28.00
Tax deductible amount	\$64.00	\$52.00
Income Tax Savings		
Manitoba ¹	\$7.68	\$0.52
Federal ²	\$12.16	\$5.72
Net after-tax cost	\$44.16	\$45.76

1. Tax deductible amount x provincial corporate income tax rate (12% general rate, 1% small business rate)

2. Tax deductible amount x federal corporate income tax rate (19% general rate, 11% small business rate)

Tuition Fee Income Tax Rebate

- Encourages new graduates to live and work in Manitoba
- Returns 60% of eligible tuition fees, up to a lifetime maximum of \$25,000
- Eligible are graduates of CRA-recognized post-secondary institutions, who work and pay income tax in Manitoba
- Apprenticeship programs, as post secondary education, are eligible.
- Recognized institutions may be located anywhere in the world
- The maximum claim per year is the least of:
 - Manitoba income tax payable in the tax year
 - 10% of eligible tuition fees (per year for 6 years = 60% of fees)
 - \$2,500
- Unused claims can be carried forward for up to 20 years.

Community Enterprise Development Tax Credit

- Encourages Manitobans to invest in community-based enterprise development projects
- A non-refundable personal income tax credit equal to 30% on a maximum \$30,000 investment in equity capital;
- Maximum credit an individual can earn in a year is \$9,000, based on a maximum \$30,000 eligible investment
- Unused credits may be carried forward for 10 years or carried back 3 years
- Investment may be in specific community enterprises or in community development investment pools
- Commencing in 2009, the maximum value of issuable shares that a business can apply for under this program is doubled from \$500,000 to \$1,000,000

Community Enterprise Investment Tax Credit

- A non-refundable income tax credit equal to 30% on a maximum \$450,000 investment in equity capital
- Available to both individual and corporate investors who acquire equity capital in emerging enterprises that require larger amounts of capital than community ownership can provide
- The credit is available on eligible securities acquired after 2007 & before 2011
- Maximum credit an individual investor can earn in a year is \$135,000
- Maximum amount of tax credit deductible against Manitoba income tax is \$45,000 per tax year
- Unused credits may be carried forward 10 years or carried back 3 years
- Commencing in 2009, the maximum annual approval limit for the program is approximately doubled, from \$16,667,000 to \$33,000,000

Manitoba Film and Video Production Tax Credit

- Available to film producers with a permanent establishment in Manitoba
- Broad range of eligible projects including feature films, TV series and documentaries.
- 45-65% refundable corporate income tax credit on eligible Manitoba labour for the project

www.mbfilmmusic.ca

Co-op Education & Apprenticeship Tax Credits

- Family of tax credits that provide incentives to employers who offer work experience to young Manitobans:
 - Co-operative Education Tax Credit
 - Co-operative Graduate Hiring Incentive
 - Advanced-Level Apprentices Hiring Incentive
 - Journeypersons Hiring Incentive
- Eligible employers include taxable corporations or exempt corporate entities (not-for-profit agencies, Manitoba Crown entities, universities, schools, hospitals and municipalities). Unincorporated employers may claim the refundable credit on the individual income tax return.
- Credits are first applied to income tax payable; balance is refundable
- Credits are calculated based on wages & salaries paid to the employees, net of government assistance
- All credits have been extended to December 31, 2011

Co-op Education & Apprenticeship Tax Credits

- Co-operative Education Tax Credit: 10% (to \$1,000) of wages paid to a student for employment that fulfills the academic requirements of a recognized co-op education work placement program
- Co-operative Graduate Hiring Incentive: 5% (to \$2,500) of wages paid to a graduate of a recognized post-secondary co-op education program, for each of the first two full years of employment, where the employment is related to the graduate's field of study

Co-op Education & Apprenticeship Tax Credits

- *Advanced-Level Apprentices Hiring Incentive: 5% of wages paid to an advanced-level (level 3, 4 or 5) apprentice for work performed in Manitoba*
 - Maximum credit for one apprentice completing a level is \$2,500
 - No limit on number of apprentices in respect of whom the employer can apply
- **Journeypersons Hiring Incentive: 5% (to \$2,500) of wages paid to a journeyperson for each of the first 2 full years of permanent, full-time employment for work in their certified trade in Manitoba.**
 - No limit on the number of journeypersons an employer may hire to earn the credit

Money to Start & Grow Your Business



Feasibility Studies Program

- The mandate of the Feasibility Studies Program (FSP) is to assist Manitoba companies with the cost of hiring independent consultants for the purpose of researching and compiling a feasibility study or business plan in order to create economic benefits for Manitoba.
- Cost-shared financial assistance up to 50% of the cost to a maximum of \$25,000
- Independent consultant to perform:
 - Feasibility studies
 - Business plans
 - Engineering analysis
 - Market analysis
 - Financial analysis
- Ineligible businesses:
 - Primary farming, fishing, lodging, hospitality, trapping, natural resource exploration, logging, construction, financial services, a profession regulated by a body of the profession (doctors, lawyers, accountants, etc.)

Technology Commercialization Program

- The mandate of Technology Commercialization Program (TCP) is to encourage and assist Manitoba companies with technology commercialization or the acquisition of new technology in order to create economic benefits for Manitoba and create incremental wealth through job creation.
- Cost-shared financial assistance up to 50% of the cost to a maximum of \$100,000
- New Business Assistance assists Manitoba companies with bringing new technology products to market
- Technology Transfer assists Manitoba companies with bringing new technology to Manitoba
- Support of one time, up front, external costs

Technology Commercialization Program

<i>New Business</i>	<i>Technology Transfer</i>
<ul style="list-style-type: none"> • Independent consultant fees for market studies, business plans, engineering, product design, software development, and facility design studies. • Legal fees for patents and copyrights. • Prototype production and evaluation. • Development of technical literature, (excluding printing). • Tooling and moulds. • Special equipment rentals. • Technical consultants, including engineering and software. • Equipment, hardware and software modifications. 	<ul style="list-style-type: none"> • Travel costs and expenses for staff from technology transferring organization. • Staff wages, travel and board costs of laboratory staff directly related to the technology transfer. • Legal fees for licensing, royalty agreements, patents and copyrights. • Feasibility and design studies. • Technical documentation. • Technical consultants, including engineering and software. • Acquisition of prototype tooling, moulds and other specialized equipment necessary for the transfer.
<i>Ineligible Costs Include...</i>	
<ul style="list-style-type: none"> • Applicant's staff training or wages. • Production equipment and buildings. • Overhead, salaries, and internal allocations. • Travel costs for company personnel. 	<ul style="list-style-type: none"> • Marketing costs (brochures, trade shows, etc.) • Building expansions. • New equipment acquisitions. • Working capital requirements.

Manitoba Industrial Opportunities Program (MIOP)

- Interest bearing, fully repayable loan to secure large fixed asset investments (project costs of \$1 million plus)
- The loan is tied to job creation and economic development opportunities
- There is a cash equity investment requirement by the client
- The loan is fully secured by the client's assets
- Used for bridging financing with traditional lenders
- Treasury Board and Cabinet approval required
- Excludes primary industries

BUSINESS *Start*

Business Start Loans

- Available from participating banks and credit unions in Manitoba
- Province provides a loan guarantee up to \$30,000 for business start-ups
- Prime + 1% over 5 year term
- One year deferral on principal repayment
- Loan proceeds can be used for working capital

www.manitoba.ca/business

BUSINESS *Start*

Educational Component

- Free three-day Business Planning Workshop
- Topics include – business plans, forms of business organizations, financial statements, PST, GST, payroll, marketing and advertising strategies.
- For dates and locations see seminar listing on

www.canadabusiness.mb.ca

Trade Assistance Program (TAP)

- Assists Manitoba small and medium sized companies in gaining international exposure for products/services.
- The program is open to Manitoba firms with up to 125 employees that produce exportable products or services to markets outside of Manitoba, with at least 50% Manitoba content.

Trade Assistance Program (TAP)

- Cost-shared assistance:
 - Trade shows: TAP supports a company's first time attendance at a recognized trade show by reimbursing the cost of trade show space, up to a maximum of \$3,000.
 - Design of promotional materials: TAP supports 50% of the cost (up to \$2,500) of having an independent consultant design promotional materials to be used in export markets. Design and translation expenses are eligible.
 - Websites: TAP supports 50% of the cost (up to \$750) of having an independent consultant develop an Internet website.

Export Financing



Canada  Canada/Manitoba Business Service Centre  Manitoba 

Export Financing Programs

Last Verified: November 3, 2009

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When it comes to business financing, most people automatically think of loans to buy equipment or lines of credit to help with marketing costs or hiring staff. However, when it comes to exports, the term "financing" takes on a broader scope and can include money loaned to foreign buyers for the purchase of your goods, leveraging your existing equity, or incentive programs that save you money by providing refunds on duty.

www.canadabusiness.mb.ca

Micro Loan Fund

(sponsored by Western Economic Diversification)

- Assiniboine Credit Union loan up to \$35,000
- Start-up or business expansion
- Business must be located in Winnipeg
- Loan terms dependent on project risk

Contact: Assiniboine Credit Union
200 Main Street
Winnipeg

Canada Small Business Financing Program

- Available through financial institutions
- Loan guarantee up to \$500,000 offered by Industry Canada (up to \$350,000 without real estate)
- New or expanding businesses
- Loan proceeds can be applied to the purchase of capital items only
- Minimum equity requirement 10%

www.ic.gc.ca/csbfa



Business Development Bank of Canada

- Loans for business start-up, acquisition and expansion
- 25% and up depending on venture risk
- Loan funds can be used for working capital
- Flexible terms for transition financing

www.bdc.ca

WOMEN'S ENTERPRISE CENTRE
CENTRE D'ENTREPRISE DES FEMMES



- Startup and expansion loans to \$150,000
- Will finance inventory, equipment, leasehold improvements, marketing costs
- Eligible businesses are at least 50% owned by women

www.wecm.ca

Manitoba Film Loan Guarantee

- Loan guarantee to a maximum of 20% of loan
- Projects assisted to date include feature films “Capote” and “The Stone Angel”
- \$18 million of expenditure in Manitoba



Young Entrepreneurs Program

- Up to \$4000 grant for business start-ups
- Ages 18-29
- Full-time business



www.edu.gov.mb.ca/youth/businesses/youngentrepreneurs.html

Canadian Youth Business Foundation



- Loans to \$15,000 for business start-ups
- Ages 18-34
- Considers applicants without an established credit history or collateral
- Youth business owner works with a mentor

www.cybf.ca

Rural Economic Development Initiative - Feasibility Studies Component

- Costs paid to independent consultant for research / business plans, ISO certification
- Business start-up or expansion outside of Winnipeg
- 50% cost sharing

www.manitoba.ca/business

Rural Entrepreneur Assistance Program (REA)

- Available from participating banks and credit unions in Manitoba
- Business must be located outside of Winnipeg
- Province provides a loan guarantee up to \$200,000 for business start-up, acquisition or expansion
- Prime + 1% over 10 maximum year term
- Loan proceeds can be used for working capital

www.masc.mb.ca

Rural Small Business Operating Credit Guarantee (RSB)

- Available from participating banks and credit unions in Manitoba
- Business must be located outside of Winnipeg
- Guarantees on operating lines of credit up to \$200,000
- Prime + 2% interest
- Funds may be used for inventory, financing of receivables, general operating expenses and current year's principal and interest payments on business loans

www.masc.mb.ca

Community Futures

(supported by Western Economic Diversification)

- Loans up to \$150,000 for new and expanding businesses
- 16 local offices in rural Manitoba
- Must live and/or operate business in rural Manitoba (not in Winnipeg)



www.cfmanitoba.ca

Communities Economic Development Fund

- Provides loans and guarantees at market rates
- Must be located north of the southernmost boundary of the 21st Township

www.cedf.mb.ca

Aboriginal Business Canada (ABC)

- Businesses controlled by Aboriginal people (First Nations, Métis, Inuit)
- Entrepreneur must be full-time management of business
- Non-repayable contributions (similar to a grant with conditions) up to \$100,000
- Conditions of three year contract must be satisfied
- Cash equity requirement:
 - 18-35 years of age: min. 10%
 - 36 years and older: min. 15%

Aboriginal Business Canada (ABC)

- Business Development Activities Covered:
 - Business Planning (up to 75%)
 - Start-ups (up to 40%)
 - Acquisition or expansion (up to 30%)
 - Marketing activities (up to 60%)

www.ainc-inac.gc.ca



Programs:

1. Entrepreneur Interest-free Loan
2. Community Expansion Interest-free Loan
3. Business Plan Assistance
4. Business Skills Development
5. Joint Venture Investment Program
6. Aftercare Program
7. Resource & Energy Investment Program



- Must be a member of a Manitoba First Nation
- Entrepreneur Loan Program:
 - Interest Free Loans for the lesser of \$200,000 or 50% of start-up costs
 - 5% Equity Required
 - Can be used to start a new business, buy an existing business or expand a business

www.firstpeoplesfund.ca

Louis Riel Capital Corporation



- Loans for business start-up, acquisition or expansion
- Manitoba business controlled by Métis or Non-Status
- Applicant training, education and experience considered

www.lrcc.mb.ca

Business Counseling Services

Business consultants with various expertise can:

- Provide general business counseling to individuals starting, buying, expanding or selling a business
- Review business plans
- Offer services by telephone, email or in-person



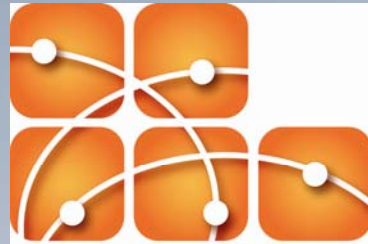
- Business Mentoring Program
- Guidance from experienced business owners
- Mentoring period up to 12 months
- Focus on businesses in start-up, growth phase, succession

Contact:

Jason Lacasse, Executive Director

Phone: 204-945-4025

www.bizcoachmanitoba.ca



MANITOBA MARKETING NETWORK

- Private/Public partnership in 24th year of operation
- Business community provides consultative assistance in marketing – 28 volunteer members
- Delivers marketing workshops & business counseling

www.manitobamarketingnetwork.ca



- Time-saving interactive tool on website
- Business licenses and permits
 - Municipal (city, town, rural municipality)
 - Provincial
 - Federal

www.bizpal.ca

Canada-Manitoba Business Service Centre

Presented By:
Shannon Coughlin



About the C/MBSC

- The Canada/Manitoba Business Service Centre (C/MBSC) is a partnership between the Government of Canada and the Province of Manitoba.
- Our Managing Partners are Western Economic Diversification Canada (WD) and Entrepreneurship, Training and Trade (CTT).
- Co-located with us is ETT's Small Business Development Branch.
- The C/MBSC delivers services in Manitoba on behalf of 38 federal government departments and organizations, 13 provincial government departments and five private sector partners.

The \$\$\$ - Funding Programs

- Heard about a program? Need to find a program? Call us.
- Grants, loans, loan guarantees, wage assistance – we'll guide you to it.
- The Centre does not provide direct funding except for the Business Start Program and the Film Guarantee Program under the SBDB
- Our “magic” tool is our Business Information database, which houses hundreds of business and trade programs, verified on a national and local level
- Our role is to use these tools to source most appropriate or targeted funding opportunities available, help client to review eligibility criteria.
- Funding programs can have complex eligibility criteria and it is important to know the right programs to tap in to & which programs can be over-laid
- We can also help with services, regulations, permits and licences,

Types of funding programs

- Targeted – youth, women, Aboriginal, rural, urban, Francophone; new Canadian business, cultural,
- Qualified – need to be incorporated, need to be a non profit, need a certain level of investment
- Strategic – trade development, International credit lines, Feasibility Assistance, defence
- National – Canada Small Business Financing Program; IRAP; BDC programs, ecoEnergy Programs, Aboriginal Business Canada,
- Provincial – Business Start, Manitoba Industrial Opportunities
- Regional/Rural – Rural Economic Development Initiative, Community Futures loans, Community Economic Development fund
- Local – Winnipeg Partnership Agreement: outreach, incubation etc
- By Business Cycle – pre business, start up, growth, mature/declining.
- Non govt – Winnipeg Foundation, CYBF, Jubilee Fund

Funding Programs – top referrals

- Business Start Program
- Canada Small Business Financing Program
- Assiniboine Credit Union Micro Loan Fund
- Community Futures Program
- Rural Entrepreneur Assistance
- Women's Enterprise Centre
- Young Entrepreneurs
- BDC Micro Business Program
- Self Employment Assistance
- Canadian Youth Business Fund

24/7/365 Info via our Web Site

- The C/MBSC Web Site is a gateway to business and trade information. It provides easy access to comprehensive inventory of federal and provincial/territorial as well as private sector programs, services, regulations and other sources of business information.
- Check out our comprehensive business guides and other products

www.canadabusiness.mb.ca