

Enterprise Saskatchewan Board Recommends Tax Harmonization

Enterprise Saskatchewan is a special operating agency of the Government of Saskatchewan with the mandate to:

- Make economic strategy recommendations for the Province;
- Set and monitor key indicators of economic growth; and
- Oversee and co-ordinate enhanced regional economic development, business attraction and marketing efforts to promote Saskatchewan as the best place to live, work, operate a business, and invest.

Enterprise Saskatchewan has created 18 sector teams to represent key economic sectors including Manufacturing. These sector teams review issues affecting their industries and make recommendations to the Enterprise Saskatchewan Board. The 12-member Board of Directors is comprised of a broad cross-section of stakeholders and leaders including the Minister of Saskatchewan Enterprise, one other member of the Executive Council, one member at large, and one member nominated by organizations representing each of the following: Business, Labour, Aboriginal people, Rural municipalities, Urban municipalities, Post-secondary educational institutions, Co-operatives, Resources, and Agriculture.

Among other policy recommendations the Enterprise Saskatchewan Board has made to Government, ***the ES Board has publicly supported a harmonized sales tax as a way to increase the competitiveness of our exporters*** through eliminating the built-in PST costs and reducing the administration costs associated with two separate sets of tax rules.

Currently, New Brunswick, Nova Scotia, Newfoundland & Labrador, and Quebec have harmonized their PST with the GST. Ontario and British Columbia have announced they will be completing harmonization by July 1, 2010. This will leave Saskatchewan as one of three provinces without a harmonized tax system (Alberta does not have a PST) and therefore, manufacturers can not claim input tax credits on their PST expenditures as they can with the GST.

The Premier has indicated that the provincial government is not pursuing sales tax harmonization as per his commitment during the 2007 election campaign.

If you are in favour of tax harmonization, communicate the benefits of a harmonized sales tax to your government representatives to increase public awareness and develop support for full sales tax harmonization.