



**EMBARGOED RELEASE**

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## **2017-18 PROVINCIAL BUDGET CONTINUES TO EXPAND THE SASKATCHEWAN ADVANTAGE**

The 2017-18 Budget continues to improve the Saskatchewan advantage for business investment and job creation by introducing a number of targeted initiatives.

Over the past ten years, the Government of Saskatchewan has worked hard to create the most competitive investment climate in Canada. Over the past decade, capital investment has grown from \$7.6 billion in 2006, to a peak of more than \$20 billion in 2014. In 2017, capital investment is forecast to exceed \$14.5 billion.

As part of a major restructuring of Saskatchewan's tax system, the Corporate Income Tax (CIT) rate will be reduced by a half point in 2017 and by a further half point in 2019. When fully implemented, Saskatchewan will have the lowest corporate tax rate and the lowest tax rate on manufacturing and processing in the country, giving Saskatchewan a tremendous advantage to attract new business investment and jobs to our province.

Other business incentives in the 2017-18 Budget include:

### **Saskatchewan Commercial Innovation Incentive (SCII)**

The provincial government is fulfilling its promise to introduce North America's first "innovation patent box" incentive. Designed to support the commercialization of new and transformative innovations, the SCII is open to a broad range of different types of intellectual property and will help to position companies to take full advantage of their wealth of creative, world-leading research and development.

- The first of its kind in North America, this incentive will position Saskatchewan as a world-class destination for companies looking to bring new innovations to market.
- This program offers a six per cent provincial Corporate Income Tax (CIT) rate to companies commercializing qualifying intellectual property in Saskatchewan for 10 years, and for 15 years if the majority of the related research and development was conducted in the province.

### **Saskatchewan Research and Development Tax Credit**

This tax credit has long been an important tool in assisting technology start-ups and small and medium-sized enterprises (SMEs) as they work toward the commercialization of their Research and Development efforts.



- The Saskatchewan Research and Development (R&D) Tax Credit is being reformed to make it more responsive to the needs of the province's technology start-ups and SMEs.
- A new refundable 10 per cent R&D Tax Credit is being introduced in respect of the first \$1.0 million in annual qualifying expenditures incurred in Saskatchewan by an eligible small business.
- The existing 10 per cent non-refundable R&D Tax Credit remains in place, but to ensure the ongoing sustainability of the program, the total of refundable and non-refundable R&D Tax Credits that may be claimed by a corporation will be limited to \$1.0 million per year.

## **Oil Processing Investment Incentive**

Targeted to encourage more processing of our oil resources in the province, this program has the added potential of supporting production growth without the need for further crude oil pipeline capacity.

- This program, effective now, encourages industry investment in value-added oil processing projects with a total output of less than 60,000 barrels per day.
- Eligible companies are provided with transferable royalty credits on new production worth up to 10 per cent of approved capital expenditures to a maximum of \$75.0 million per project.

Private sector investment has been the key engine of growth for the Saskatchewan economy over the last decade. Well over \$10.0 billion has been invested in mine expansions that have occurred, and more than \$30.0 billion in oil development.

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For more information, contact:

Deb Young  
Economy  
Regina  
Phone: 306-787-4765  
Email: [deb.young@gov.sk.ca](mailto:deb.young@gov.sk.ca)

