Employer Health Tax

Under the Employer Health Tax Act, eligible employers in Ontario are required to pay a health tax, although the first $400,000 of payroll is exempt.

Previously this meant that small employers did not pay the Employer Health Tax.

However, after significant increases in the general minimum wage over the last seven years, the Employer Health Tax threshold has not moved, thus forcing a core group of small operators to incur a new tax expense with no change to the operator's labour force or sales.

- An increase to the Employer Health Tax threshold from the current level of $400,000 to $1,000,000 would assist business operators to offset the burden of year over year increases to the minimum wage since 2004.
- Any future increases to the minimum wage will need to be reviewed, taking into consideration the impacts such discrepancies have on smaller operators in particular who were once exempt from such payroll taxes.

NOTES: