



STANDING COMMITTEE ON THE ECONOMY

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STANDING COMMITTEE ON THE ECONOMY

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[The committee met at 16:01.]

Chair Thorsteinson: — Good afternoon, everybody. Welcome to the Standing Committee on the Economy. I'm James Thorsteinson. I am the Chair. With us this evening we have Kevin Weedmark, Darlene Rowden, Hon. Minister Jenson, Tajinder Grewal. Sitting in for Kim Breckner we have Nathaniel Teed, and sitting in for Sally Housser we have Trent Wotherspoon.

Bill No. 17 — *The Saskatchewan Commercial Innovation Incentive (Patent Box) Amendment Act, 2025*

Clause 1

Chair Thorsteinson: — Today the committee will be considering two bills. We'll first consider Bill No. 17, *The Saskatchewan Commercial Innovation Incentive (Patent Box) Amendment Act, 2025* beginning with clause 1, short title.

Minister Kaeding is here with his officials from the ministry. I would ask that officials please state their names before speaking, and please don't touch the microphones. The Hansard operator will turn your microphone on when you're speaking to the committee.

Minister, please introduce your officials and make your opening remarks.

Hon. Warren Kaeding: — Well good afternoon, Mr. Chair. Thank you. Members of the committee, I am pleased to join the committee today to discuss *The Saskatchewan Commercial Innovation Incentive (Patent Box) Amendment Act, 2025*.

Joining me today is Deputy Minister Jodi Banks; our assistant deputy minister of economic development, Tyler Lynch; and executive director of strategic policy and competitiveness, Karen Holtby.

Mr. Chair, this unique incentive is often referred to as the patent box program or SCII [Saskatchewan commercial innovation incentive]. The program is intended to incentivize businesses to commercialize new products at scale right here in Saskatchewan. For a successful applicant, the program will reduce the provincial corporate income tax rate to 6 per cent for income generated in Saskatchewan for commercialized intellectual property.

This tax incentive is open to any company operating in any sector from anywhere in the world. This is regardless of where or when the research and development for the qualifying intellectual property occurred.

This incentive continues to be one of the first of its kind in North America. This patent box-style incentive applies to a wide variety of intellectual property types, including patents, plant breeders' rights, trade secrets, and copyrights, including computer programs and algorithms. Applicants may directly own the intellectual property or hold a recognized licence for the intellectual property and/or the related goods, services, or processes.

The legislative change being brought forward is to extend the

SCII incentive by two years until June 30th of 2027. This change creates no incremental cost to the government, as the program is refunding taxes that the Government of Saskatchewan otherwise would not have received. Last year the program was extended to allow for an external review with stakeholders aimed at improving the program's eligibility requirements and simplifying the application process. With the review now complete, the SCII is being extended for an additional two years.

It will also be expanding access to the program by eliminating the economic eligibility criteria. This means more businesses have an opportunity to benefit from the incentive. Mr. Chair, these adjustments will make it easier for businesses to qualify, helping drive even more innovation and investment to Saskatchewan. And this aligns with the Government of Saskatchewan's growth plan goal to grow private capital investment in Saskatchewan to \$16 billion annually, and it reinforces the province's commitment to fostering a competitive business environment, a strong suite of incentives, and personalized support that makes doing business easy.

The new and improved SCII continues to make Saskatchewan one of the best jurisdictions to commercialize intellectual property. The SCII is a key part of *Securing the Next Decade of Growth: Saskatchewan's Investment Attraction Strategy*. It's programs like this that make Saskatchewan one of the most attractive places in Canada to invest, start, and grow a business.

Mr. Chair, in this year's budget our government committed to delivering for the citizens and businesses of this province, and the SCII does exactly that. I'd like to take any questions now.

Chair Thorsteinson: — Okay. Thank you, Minister. I'll now open the floor to questions. MLA [Member of the Legislative Assembly] Wotherspoon.

Trent Wotherspoon: — Thank you, Mr. Chair. Thank you, Minister. Thanks, officials. Certainly securing private sector investment and creating the conditions for intellectual property to be commercialized, for innovation to be commercialized is very important to this province.

You talked about a review that was conducted of the program. Can you speak about how you've assessed its success? What measures have you utilized? And maybe speak about the jobs that have been created through this, the economic impacts, the number of patents and whatnot.

Hon. Warren Kaeding: — Okay, I'll maybe go high level and then we'll certainly get Karen to speak more to it. But you know, certainly we are supporting the innovation I think that this province has. And I think we're all very aware of the opportunities that we've got within the province to support some of the great and novel ideas.

However we didn't have a lot of uptake on the program. We had a number of applications that went through the process but in the end didn't have any that completed the complete application process. So when you don't have that level of uptake, you need to review it and see what can we do more that's going to perhaps engage more people. And actually I think we had some pretty significant engagement with stakeholders and with industry and

professionals involved in the space. And I'll maybe let Kareen speak to what some of that engagement was.

Kareen Holtby: — Hello. Kareen Holtby. Yeah, so we conducted a program review. We used Deloitte to provide an accounting perspective of the program and Derek Murray Consulting associations to conduct industry consultations.

So findings from the review confirmed that there is opportunity for commercialization of innovation in Saskatchewan, but industry consistently noted that it was difficult to participate in the program as designed. The economic eligibility criteria, especially when combined with the requirement to establish a stand-alone corporation where the only source of revenue is related to the commercialization of that eligible intellectual property, were barriers to uptake.

Deloitte's review found that the removal of the sole corporation requirement would increase the complexity of actually delivering the program. Businesses confirm that simplifying the application process and eligibility requirements would increase the usability of the program. SCII could be used by firms to access other forms of financing as it improves their return on investment through the reduced provincial corporate income tax rate.

SCII also frees up capital to support reinvestment and growth. And the program review revealed that much of the existing commercialization of innovation in Saskatchewan involves trade secrets funded through reinvestment. So the scope of SCII in terms of allowing different types of intellectual property was a good thing.

Trent Wotherspoon: — Thanks so much. So there was no uptake in the program that was in place. Is that what I heard?

Jodi Banks: — Jodi Banks, deputy minister, Ministry of Trade and Export Development. So we have had engagement with firms that were interested in utilizing the program. And so over the last number of years we have had 12 firms that have applied for the SCII program. Through that time we've worked closely with those firms, like anybody trying to commercialize new research and development. Some of those firms, you know, ended up maybe selling to another company or doing other things, but we continue to work with them.

And so we have had five firms that have been conditionally approved through that first step of the application process, so that's basically making sure that they have the scientific eligibility. Three of those applicants have since withdrawn, three were denied, and one is pending. But no conditionally approved applicants submitted an economic eligibility application, and so that was . . . When we looked at the review, that seemed to be a barrier as well to companies.

Trent Wotherspoon: — And that's through the whole history of this program? Never someone that's utilized it in the end? Okay. It's important to review these things because I know there's been a lot of pointing at it in the public discourse by government as a program of success sometimes. But if it hasn't been utilized . . . I mean, reviews are important. And you have to figure out, you know, what are the barriers. And you've identified what you feel some of those are here today.

How do you now protect to make sure that . . . What are the controls on the program? You said that one of the pieces before was that it would be an independent corporation. Can a company pursue this that's here in the province right now, register intellectual property, and then become eligible with this program? And then would that concession on the business tax rate, the corporate tax rate, be available to that company on their entire operation?

Jodi Banks: — So basically, you know, there was these three controls. One is the scientific eligibility. Is it valid IP [intellectual property]? And we work with the National Research Council IRAP [industrial research assistance program] on that, plus we have a third party who can help verify that. The economic eligibility was really meant to help determine if the company was able to, you know, sort of create economic benefits to the province, and so it included some of these economic benchmarks.

And then, as we mentioned, the requirement to have a sole corporation was really meant to ensure that the tax benefit was only on the portion of the revenue being generated by the intellectual property. And so if it was a company that was only that, you know, it would be on the whole revenue. But if it was a big company that brought in a piece of IP, they would have to spin that out into the sole corporation so that we were able to track what that . . . so that they weren't getting a tax rate on the entire company.

Trent Wotherspoon: — Right, and that's maintained at this point?

[16:15]

Jodi Banks: — That is maintained.

Trent Wotherspoon: — You know, and of course I want good competitive tax rates for our successful businesses in the province, but you need to have controls or at least understand fiscal impacts of your programs as well. So if an established company goes through the process of registering their intellectual property and they go through this program, it would only apply to the revenue generated off of this intellectual property? It wouldn't be across all the corporate revenues? Okay. And how do you do the accounting on that?

Jodi Banks: — So it's really up to the business to maintain that accounting. But you know, we would require reporting and all this. And in fact our Ministry of Finance would then issue that tax credit after they've gone through the process and ensured that they have done their due diligence.

Trent Wotherspoon: — Sure. And the Ministry of Finance . . . I mean obviously the businesses are going to follow the rules and do this in a good way. But once you participate in a program like this, the Ministry of Finance would have access as well to make sure they have all the supporting information from that company and the transparency needed to make sure that the program's operating in a sound way with integrity, correct?

Jodi Banks: — Yes, that's correct because the actual tax credit is issued as a company would go through their normal tax process with the Ministry of Finance. The Ministry of Finance would actually issue this tax credit certificate, I believe it's called.

Trent Wotherspoon: — And you talked about eliminating the economic criteria because it was a barrier. That being said, the whole goal of this is to create economic activity, create jobs, new investment in the province. So you don't have a criteria on this front. Those were the goals of it. Can you speak to the goals on this front and how you're going to measure success of this program over the next two years?

Jodi Banks: — Yeah, I think the whole, entire goal is to get investment in the province and to take advantage of, you know, the world-class research and development work that's being done in the province and have it ensure that, when those opportunities are there to spin them off into businesses, that it's happening here in the province.

And so we did have, you know, this eligibility where they had to meet two of five economic benchmarks including \$3 million in R & D [research and development] expenditures in Saskatchewan, 10 net new full-time employees, \$10 million in net new capital expenditures, 3.5 million in new provincial CIT [corporate income tax] taxes paid, or some economic benefit benchmark that was pre-approved by the Ministry of Trade and Export Development. So previously they had to meet at least two of those.

I think what we found was that every company is different. You know, you might have an IT [information technology] company. They're not going to have 10 full-time employees necessarily. You might have a manufacturing company that, you know, isn't going to necessarily have those R & D expenditures in the province.

And so what we wanted to do was ensure that any company, whether it's trade secret or this registered patent, had the ability to come in. Again we will still work with them. They will have to be a valid company in order to . . . The other piece too is that in order to get a tax benefit, they have to be a taxpaying company. And so they have to be established enough. They have to have a business licence, all of those things. So in order for them to actually take advantage of the benefit, they will have had to have demonstrated that they are a valid business in the province.

And so we believed that the process they would have to go through to actually acquire the tax benefit through the Ministry of Finance and their due diligence would demonstrate that — that they are a valid Saskatchewan company. Now as we see companies go through, we'll definitely be, through reporting functions, keeping track of things like investment in the province, jobs being created, those sorts of things. And so you know, as we start to see successful companies go through the process, we will be tracking those benchmarks.

Trent Wotherspoon: — Okay, you know, and obviously you're going to be measuring the program. How are you going to measure success?

Jodi Banks: — You know, I think to measure success, we really want to see businesses that are able to get through that process. We are going to be able to see businesses that are created from the innovative and entrepreneurial spirit that exists in the province, whether it's through our world-class universities or Sask Polytech or sometimes just the sheer innovation of . . . You know, you think about the history of our province where we've

created a potash industry, agricultural manufacturing industry that have been done in people's machine shops. You know, we want to ensure that we've got the ability to make sure the research and development that's happening here can be commercialized here.

And so you know, I think success will be that we see that happen and that we can help those companies get through and get that tax break and make that investment here in the province.

Trent Wotherspoon: — Obviously the goals are important. And we look forward to continuing to track the success and the progress and look forward to, you know, exchanges year to year through the committee processes, and would urge as well the minister to do some reporting on sort of uptake and what some of the results are.

With that being said, I don't have any further questions on this bill.

Chair Thorsteinson: — All right, thank you. Are there any more questions or comments from any committee members?

All right, seeing none, we'll proceed to vote on the clauses. Clause 1, short title, is that agreed?

Some Hon. Members: — Agreed.

Chair Thorsteinson: — Carried.

[Clause 1 agreed to.]

[Clauses 2 to 13 inclusive agreed to.]

Chair Thorsteinson: — His Majesty, by and with the advice and consent of the Legislative Assembly of Saskatchewan, enacts as follows: *The Saskatchewan Commercial Innovation Incentive (Patent Box) Amendment Act, 2025*.

I would ask a member to move that we report Bill No. 17, *The Saskatchewan Commercial Innovation Incentive (Patent Box) Amendment Act, 2025* without amendment. MLA Weedmark. Is that agreed?

Some Hon. Members: — Agreed.

Chair Thorsteinson: — Carried. Minister, do you have any closing comments?

Hon. Warren Kaeding: — No, I think we're good on that. Thanks, committee, for the rapid response on this.

Chair Thorsteinson: — Mr. Wotherspoon, any closing comments?

Trent Wotherspoon: — Not with respect to this bill. Thanks so much, and I think we have one more bill to deal with.

Chair Thorsteinson: — Okay. All right, Minister, do you have to change out officials or are we good with what we've got?

Hon. Warren Kaeding: — No.

Bill No. 20 — *The Small and Medium Enterprise (SME) Investment Tax Credit Act*

Clause 1

Chair Thorsteinson: — Okay, then we can roll right into consideration of Bill 20, the small and medium enterprise investment tax credit Act, beginning with consideration of clause 1, short title. Once again Minister Kaeding is here with his officials. I'm not going to have to remind you to do everything. Minister, go ahead and make your opening remarks.

Hon. Warren Kaeding: — Good. Thank you, Mr. Chair, and certainly the same people with me today, but my apologies for omitting Krystal Medwid, our executive director of corporate services, and Drew Lombard, our chief of staff, are with us here today as well.

We are now pleased to bring the committee today the Saskatchewan small and medium enterprise, or the SME, investment tax credit, Bill No. 20. We're very proud of the strong suite of incentives that we offer to businesses' investors in this province. And we're excited to add another to this already robust list. The SME tax credit, which was announced in the most recent provincial budget, establishes a three-year pilot project.

Mr. Chair, this pilot project will function similar to that of the province's very successful Saskatchewan technology start-up incentive, or the STSI. But where STSI focuses on technology start-ups, the new SME tax credit will focus on small- to medium-size manufacturers in our province. And under this pilot "small and medium" is defined as a Saskatchewan-based business with between 5 and 49 employees, with a minimum of 50 per cent of those employees residing in Saskatchewan.

In addition to the food and beverage manufacturers in our province, the tax credit will also be aimed at businesses in the machinery and transportation equipment sectors, businesses like 9 Mile Legacy Brewing. I know Shawn Moen, president and CEO [chief executive officer] of the company is particularly excited about the opportunities that this new incentive presents, and had this to say:

Saskatchewan is the right place to build a business like ours. I'm very encouraged by the upcoming SME investment tax credit. It has the potential to seriously advance the ecosystem and change the narrative around what it means to be a Saskatchewan-made product.

Mr. Chair, our government is committed to creating jobs and opportunities for its residents. We are also dedicated to working with countries all around the world to attract investment. And this work allows us to be strong and steady during uncertain times, reinforcing the strength of our vibrant communities and a standard of living that truly is unmatched.

We are committed to creating and maintaining a business environment where ideas can become reality and where entrepreneurs can thrive. The SME tax credit will help us do just that. It will help businesses attract investment so they can scale up. Mike Tate, president of the Regina & District Chamber of Commerce, also sees the potential that this incentive offers, and I quote:

The introduction of the SME tax credit will have a positive effect on the business communities. The new SME will reduce the financial burden on businesses and allow for reinvestment in innovation, expansion, and job creation. This will enable local businesses to thrive while attracting new investments to Saskatchewan.

This pilot project will include a 45 per cent non-refundable tax credit for individuals or corporations who invest in the equity of an eligible Saskatchewan business. The tax credit will also have an annual cap of \$7 million on the total non-refundable tax credits awarded, processed on a first-come, first-served basis.

With the creation of this new incentive we are fulfilling one of our key campaign promises from last year's provincial election. Since 2014 the number of small businesses in our province has risen by 4.9 per cent, and it's incentives like the SME tax credit that are going to help us maintain this growth. It aligns us with the government's growth plan goal to increase private capital investment in Saskatchewan to \$16 billion annually by 2030, a goal which we are well on our way of achieving.

In March our province had the highest job creation in the country. We created 19,800 jobs, a growth rate of 3.4 per cent compared to March of 2024. We also had the lowest unemployment rate of 4.9 per cent, well below the national average of 6.7 per cent.

Mr. Chair, when it comes to investment, we are also leading. Saskatchewan ranked first among the provinces for private capital investment in '24 with an increase of nearly 17.3 per cent. And we're expected to increase by 10.1 per cent in 2025. Saskatchewan's real GDP [gross domestic product] reached an all-time high of 77.9 billion in 2023, increasing by 2.3 per cent. And this ties Saskatchewan for second in the nation for real GDP growth and above the national average of 1.6 per cent. It shows that Saskatchewan can bring certainty into what today is a very uncertain environment. And it's a reflection of the confidence that entrepreneurs, manufacturers, and investors have in our province.

With this new incentive, more small- and medium-size businesses will be able to build equity. It's going to allow them to grow and in turn offer more jobs and high-quality services and products for their customers. This is just one of the many ways that this government is delivering to the people of the province.

Thank you, Mr. Chair. I'd certainly entertain any questions.

Chair Thorsteinson: — Thank you, Minister. Any questions? MLA Wotherspoon.

Trent Wotherspoon: — Thank you. Certainly securing capital is something very important to SMEs. We've heard this across the province including from the individuals that you identified there, the entrepreneurs such as Shawn Moen and as well leaders through the chambers of commerce across the province.

[16:30]

This is a first-come, first-served program. It's just been announced in this budget. Seven million is the cap. 500,000 is the max on an individual investment. Can you give us an update of where the uptake has been since this fiscal year has started?

Hon. Warren Kaeding: — Great question. And as you have the Act before you today, we need to get approval of the Act, build the regulations into it. And so we expect that that will be coming out probably Q3 [third quarter], Q4, and retroactive back to July 1st of 2025.

Trent Wotherspoon: — And the total fiscal impact of the program, can you speak to the annual fiscal impact in the current budget?

Hon. Warren Kaeding: — So we have allocated \$7 million per year for the next three years is what the implication will be there.

Trent Wotherspoon: — Thank you. And how are you going to measure success?

Hon. Warren Kaeding: — So we've modelled this after the STSI program which was highly successful, in fact involved putting a cap on because of the success and ultimately turning away applicants because of that. So you know, again introduction of this, next three years, certainly be measuring the metrics all the way through this.

But ultimately as these businesses are developing, applying for programming, they're raising capital. They're going to be building their base and developing over time. So it'll be a great way for us to measure, you know, the impact of how this is going to be affecting, you know, the province or the economy, is by measuring the impact that it's having on these companies as they scale up over time.

Trent Wotherspoon: — And this pertains to food and beverage and then also machinery, so all of our agricultural manufacturers would be captured here, would be that whole space and then transportation. Is that correct?

Hon. Warren Kaeding: — Okay, we'll give you an example of kind of ultimately what our vision is of who would qualify. So if we get on the food-and-beverage side, we're looking at grain and oilseed milling, confectionery products, fruit and vegetable preserving, specialty foods, meat products, snack foods, breweries, distilleries.

And then if we look at the machinery transportation side . . . So that will include ag, construction, mining, oil and gas field machinery, industrial machinery, motor vehicles, and trailers, but again fitting in the parameters of small business and ultimately, you know, the fiscal parameters that we've established before.

So fully expecting we'll probably have significant uptake by the food-and-beverage operation. Certainly offering it to the machinery and transportation side, but they do go about generally raising capital in a different way.

Trent Wotherspoon: — And this would apply to meat processing or small abattoirs?

Hon. Warren Kaeding: — Yes, it would. And that's one of the key areas that we see and have a good vision as to who's going to be utilizing this program.

Trent Wotherspoon: — It's a really important opportunity for the province — good value for producers, good economic

opportunity for communities and for rural communities. I continue to hear from so many of these businesses in this space that we really have to work to address some of the anticompetitive behaviours of the out-of-province multinational meat packers that really act in anticompetitive ways in this industry.

Is that an area and something that you would be leaning into as minister as well?

Hon. Warren Kaeding: — Well it's certainly recognizing that small business is kind of the core of the economy in Saskatchewan. So I think programs like this, and others that we've got in our stable or portfolio of tax credits, is certainly supporting small business and giving them the opportunities to certainly get to that scale that they feel that they are certainly being able to compete against larger players or national or international players.

So you know, we've got this. We've got SLIM [Saskatchewan lean improvements in manufacturing]. We've got SVAI [Saskatchewan value-added agriculture incentive] which I know as companies are going to be scaling up more, they're able to take advantage of.

So I think we're giving them lots of opportunities to scale up along the way to get to that critical mass that they're certainly going to be able to compete nationally and perhaps internationally.

Trent Wotherspoon: — Again the goals are very important here and you need good programs to support it.

Just specifically to the meat processing opportunity in the province — because it's a real one and it's one that we should really be capturing in this province; good value for producers, for consumers, and economically — you know, I would suggest that we've done a lot of work with the stock growers and with the meat industry and the retailers on this front, that there really does need to be a heavier focus.

And I know you have to work with the feds on this to address some of the competition concerns. But kind of the story you hear from enterprise after enterprise on this front is that if you don't deal with that anticompetitive out-of-province duopoly, then the control they have . . . You end up setting Saskatchewan ventures up for not the competitive environment they deserve, and actually for significant challenges or failures as we've seen over the years. So I would urge attention on that file and to work with the competition bureau.

And I think Saskatchewan is well positioned. And it's sort of a win-win if we get some of this stuff right. It's about jobs in this province, about investment. It's about better value for livestock producers. And it's about, you know, value and opportunity for consumers as well.

I guess the one question I'd have is you . . . One of the elements of this program is that if a business gets their shares back within a three-year period, they would have to pay back the Ministry of Finance. That makes sense to have a control on these fronts so you're not able to benefit from the tax credit and then you'd simply acquire those shares back. I guess to the minister, just out

of interest: is three years the right number? How did you go about assessing and building out that control?

Hon. Warren Kaeding: — Okay, so again as we had indicated before, this program is modelled certainly after the STSI, and that's the window that we've seen there. This is a pilot. So certainly, you know, going to have a good feel as to is three years an adequate enough time. But I think three years is certainly a great opportunity to measure, you know, the potential success or the success of a business as they're scaling up through this time.

And so again it's something that we'll always be, you know, revisiting, but I think right now the success we've had, STSI, certainly we expect the same thing to happen with this program as well.

Trent Wotherspoon: — Thanks. We have a really impressive brewing and distilling industry across the province — something that this tax credit would relate to, you know — incredible local businesses, points of pride for communities, and putting Saskatchewan products to work. I could name a whole bunch of them across the province. You identified 9 Mile, a wonderful brewery in Saskatoon. We've got great breweries right across the province, as well as distillers.

On the distilling side we hear serious concerns from distillers around a regressive and punitive production levy or a tax, a very steep escalator that quickly, as I understand it and some of the reports that we've seen, puts them into a position of being basically into a negative net income as they become more productive. This is an opportunity, you know, for us to be building out this industry in this province.

And I guess my question to you as minister: are you active on these files as well in working to advocate and address the regressive and punitive tax and levy that's applied to distillers in the province?

Hon. Warren Kaeding: — So certainly recognize the value of the brewers and distillers industry in Saskatchewan. You're right — second to none, gold medal winners, you know, international recognition. And I think by including them in the program here, certainly recognizes the value and the opportunity that we think that they're going to be able to take advantage of to grow and escalate their business and certainly scale it up.

And as they are scaling up, I think those are the conversations that we all have with SLGA [Saskatchewan Liquor and Gaming Authority] to ensure that they're in a very competitive position to be able to expand their business interprovincially.

Trent Wotherspoon: — Thanks. I really would urge attention. And we've spoken to this in the past year and urged your government's attention on it; the distillers have as well. Because we do have an opportunity to grow distilling and the jobs and the investment in the province, but not if your policy is too punitive as an escalator that tilts production into negative net income territory.

And you know, we have examples of, you know, incredible distillers right across the province that have been impacted this way. I think of, you know, out of Wakaw, Saskatchewan, I think it's Backroads — they produce Alibi Vodka — as an example.

Award-winning, but they actually had to shut down production last year because of their own success. They have built a good product; the demand is there. But because of the negative net income that was created out of this regressive tax of your government, they had to then cease operation instead of continuing to produce and keep people employed.

And so if we really want to scale up, we need to make sure those conditions are there just the same as anyone who's going to be wanting to place an investment, right. So we're talking about the investment here. We need to make sure that the opportunity to scale up is there because you're unlikely to place investment if you look at a tax treatment that if you find success with that business, will then tip it into negative income territory.

So I know this may not be, you know, the full . . . committee for this. But ultimately if this is a consideration about growing this important industry in this province, we really do have to address this punitive and regressive policy. And there's good solutions and conversation and ideas throughout the distilling community. So I would leave that there and urge the minister's attention and his government's attention on fixing that.

I guess my final question. You mentioned one of the brewers in the province, 9 Mile. Great story there. Saskatchewan entrepreneur. They have one beer that . . . I know you're a hockey guy, Mr. Minister. Do you know the two small towns that are featured on that beer? It's a good beer.

[16:45]

Hon. Warren Kaeding: — No. No, I don't. You're going to have to help me out here.

Trent Wotherspoon: — Yeah, it's a good beer too. You know, and all the beers across the province, every brewer's making good beer.

You're a hockey guy. It's got the Abbey Eagles versus the Cabri Bulldogs featured on that. This is directly where the entrepreneur, Mr. Moen, his home territory. And you know, great story of those communities. And I share that because that's again an example of these local businesses that are making investment, creating jobs, and telling stories with real point of pride as well. I can only imagine if there was a Terriers-Millionaires beer, Mr. Minister.

Hon. Warren Kaeding: — I'm thinking of the Churchbridge Imperials and the Langenburg Warriors.

Trent Wotherspoon: — There we go.

Hon. Warren Kaeding: — That's what I'm thinking. Yeah.

Trent Wotherspoon: — Good. Okay, I have no further questions at this time.

Chair Thorsteinson: — All right. Thank you. Is there any other questions, comments from the committee? All right, hearing none, we will move on to proceed to vote on the clauses. Clause 1, short title, is that agreed?

Some Hon. Members: — Agreed.

Chair Thorsteinson: — Carried.

[Clause 1 agreed to.]

[Clauses 2 to 51 inclusive agreed to.]

Chair Thorsteinson: — His Majesty, by and with the advice and consent of the Legislative Assembly of Saskatchewan, enacts as follows: the small and medium enterprise investment tax credit Act.

I would ask a member to move that we report Bill No. 20, *The Small and Medium Enterprise (SME) Investment Tax Credit Act* without amendment.

Darlene Rowden: — I so move.

Chair Thorsteinson: — MLA Rowden. Is that agreed?

Some Hon. Members: — Agreed.

Chair Thorsteinson: — Carried. Minister, do you have any closing comments?

Hon. Warren Kaeding: — Certainly. I'd like to thank officials. Fifty-one points onto a bill; I think it's important that they have put a lot of effort. We recognize the effort that has gone into writing a new piece of legislation here, so certainly like to thank our officials for the efforts that they put into this. Certainly like to thank the committee for allowing us to discuss it and have a very, very worthwhile discussion around it. And certainly like to thank Hansard and committee and everyone involved for today.

Chair Thorsteinson: — Thank you. MLA Wotherspoon.

Trent Wotherspoon: — Well thank you. I first want to commend the Chair for being so reasonable and strong and effective in the chair, Mr. Chair. And then I want to thank committee members, and of course to the minister and officials that have joined us here tonight, and all those that are involved in this work. We look forward to tracking progress and success and outcomes with respect to the bills that we've considered here tonight, but I just simply want to say thank you to all those involved in the work.

Chair Thorsteinson: — All right. Thank you, Minister Kaeding, and everybody for joining him here tonight. That concludes our business for the day. I'd ask a member to move a motion of adjournment. Minister Jenson has moved. All agreed?

Some Hon. Members: — Agreed.

Chair Thorsteinson: — Carried. This committee stands adjourned to the call of the Chair.

[The committee adjourned at 16:52.]