NSBA
SASKATOON'S BUSINESS ASSOCIATION

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November 10, 2026

Dear NSBA Members,

Re: Federal Budget 2026: What Does It Mean for Saskatchewan's Small and Medium-Sized Businesses

The NSBA – Saskatoon's Business Association has reviewed the federal government's Fall Budget 2026, Masters of Our Destiny, which places a strong emphasis on economic growth, business investment, productivity, housing, infrastructure and strengthening Canada's domestic industries. For Saskatchewan, the budget presents several opportunities, particularly in agriculture, mining, manufacturing, construction, energy and technology.

While there are some positive measures that could directly benefit small and medium-sized businesses (SMEs), there are also concerns around labour availability, operating costs and whether Saskatchewan businesses will receive their fair share of federal investment.

One of the most significant announcements is the introduction of the Productivity Mega Deduction, which allows businesses to immediately deduct the full cost of eligible capital investments rather than claiming depreciation over several years. The measure is permanent and applies to eligible investments acquired on or after September 15, 2026.

This is particularly beneficial for SMEs looking to purchase machinery, equipment, vehicles, computers, software and other productive assets. For example, a Saskatoon manufacturer investing $500,000 in eligible production equipment could deduct the full eligible amount in the year of purchase, improving cash flow and encouraging business expansion. This is a deduction against taxable income, not a direct government grant or reimbursement.

Other tax measures include a new exemption of up to $15 million for qualifying investments in Canadian businesses, potentially making it easier for entrepreneurs to attract investment, sell businesses and plan for succession. Another measure includes an increase in the corporate and individual tax instalment threshold from $3,000 to $7,500, reducing administrative and cash-flow pressures for many smaller businesses beginning in 2028.

Overall, these measures are positive for business investment, productivity and succession planning. However, businesses with limited profits or access to financing may not benefit as quickly from investment incentives as larger, more established companies.

For Saskatoon businesses, housing is an economic development issue and the federal government is committing approximately $44.7 billion over 11 years to housing and homelessness initiatives. This

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includes an additional $13 billion over 10 years for Build Canada Homes, intended to help deliver 200,000 new homes nationally.

The budget also includes funding for affordable and Indigenous housing, municipal infrastructure, recreational facilities and improvements to municipal permitting processes.

NSBA believes Saskatoon should actively pursue federal funding for housing-enabling infrastructure, roads, water and wastewater systems and development projects that support population and economic growth.

There is also an opportunity for Indigenous economic development. The federal government is committing $32 billion over 10 years to First Nations housing and infrastructure, creating potential opportunities for construction, engineering, materials suppliers and Indigenous private sector partnerships.

The federal government is continuing its Buy Canadian Policy, which is intended to direct more federal procurement spending toward Canadian businesses. Federal procurement represents approximately $37 billion annually.

The budget also emphasizes removing interprovincial trade barriers, diversifying export markets and supporting businesses affected by international trade disruptions. These initiatives could benefit Saskatoon SMEs by expanding access to government contracts, new customers and markets across Canada.

However, procurement opportunities must be accessible to smaller businesses. Large contracts, complex application processes, insurance requirements and bonding requirements can make it difficult for SMEs to compete with larger corporations.

NSBA encourages the federal government to ensure that local businesses have meaningful opportunities to participate in federal projects and that trade diversification initiatives reach businesses of all sizes.

While the budget contains several positive investment incentives, it does not adequately address many of the ongoing costs facing SMEs.

Businesses continue to face pressure from commercial insurance, property taxes, fuel, utilities, labour, rent and construction costs. The Productivity Mega Deduction encourages businesses to invest, but it does little to reduce these everyday operating expenses.

There are also no major new federal infrastructure funding commitments specifically identified for Saskatoon.

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The NSBA will continue advocating for policies that improve the overall business environment, including reduced taxation on business inputs, more competitive operating costs, efficient government regulation and infrastructure investment that supports economic growth.

Overall, Budget 2026 provides a positive direction for Saskatchewan's long-term economic competitiveness, particularly through investment incentives, natural resource development, housing and infrastructure. However, the benefits will depend on whether Saskatchewan businesses, particularly SMEs, can access these opportunities.

The NSBA will continue to advocate for policies that recognize the important role small and medium-sized businesses play in creating jobs, generating investment and supporting Saskatoon's economy. A competitive economy requires more than attracting major projects. It requires ensuring that the small and medium-sized businesses that support our communities, employ our residents and supply our industries have the tools and operating environment they need to succeed.

Sincerely,

Keith Moen
Executive Director, NSBA