

# COVID-19 – Tax and Economic Relief Measures

TAXNET PRO

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Current to April 1, 2020

Below is a summary of tax relief related measures that have been announced to-date by the federal and provincial governments, followed by an extensive compendium of CRA and provincial publications and links that provide more details on the tax measures as well as other economic/business related measures. For federal purposes, Bill C-13: *COVID-19 Emergency Response Act* (First Reading March 24, 2020; Royal Assent March 25, 2020), was enacted to implement/facilitate the implementation of the tax and economic relief measures first announced on March 18. The relevant portions of the Bill amending the ITA and ITR have been reproduced below.

## Summary of Extended Tax Filing and Payment Deadlines: COVID-19

<b>Corporations</b>	
<a href="#">Tax return filing date for a taxation year ending on December 31, 2019</a>	Deadline is 6 months after year-end (unchanged). For an off-calendar year-end corporation, if a return was due after March 18, 2020 and before June 1, 2020 the deadline is extended until June 1, 2020 (see row 3 below).
Payment date for current tax year	Deadline is extended to September 1, 2020. Applies to balances and instalments under Part 1 of the ITA due on or after March 18 and before September 1, 2020. The extension does not apply to taxes payable under other Parts of the ITA, such as Part IV, Part IV.1, Part VI.1, Part XIII. Furthermore, payroll deductions and all related activities – except to the extent they relate to the reduction of remittances related to the temporary wage subsidy – must continue to be remitted on time. Presumably, ITR 102 and 105 withholdings must be remitted by the normal due date even though such taxes are imposed under Part 1 of the ITA. Also, it appears withholdings under ITA 116 must be remitted by the normal due date. In the Appendix below, see COVID-19 Update: Additional measures from the Canada Revenue Agency (CRA Special Notice: March 27, 2020).
“Administrative tax actions” required under the ITA that are due after March 18, 2020	Deadline is extended until June 1, 2020. Administrative income tax actions include the filing of returns, forms (e.g. T1134), elections (e.g. T2057), designations (e.g. principal residence change-of-use election), and responses to information requests. Note that any payment or remitting requirements are not covered by this announcement. Furthermore, this relieving measure does not apply in respect of a prescribed form, receipt or document, or prescribed information, that is required to be filed with the CRA on or after the day specified, in respect of the form,

	receipt, document or information, in ITA 37(11) or 127(9) “investment tax credits”(m) (i.e. in respect of SR&ED credits – Form T661, T2 sch. 31).
<b>Objections</b>	Deadline for any objection request due March 18 or later is extended until June 30, 2020 (per Finance Backgrounder 2020-03-27)
<b>Trusts</b>	
Filing date for current tax year	Extended to May 1, 2020. Applies to trusts with a tax year end date of December 31, 2019
Payment date for current tax year	Extended to September 1, 2020. Applies to income tax balances and instalments due on or after March 18 and before September 1, 2020. Penalties and interest relief will be considered on a case-by-case basis for income tax balances that are not covered by the COVID-19 relief provisions.
<b>Partnerships</b>	
Information return for current year	Deadline is extended to May 1, 2020.
<b>Part XIII Non-Resident Tax</b>	
Filing date for the 2019 NR4 information return	Deadline is extended to May 1, 2020.
Payment date	The 15th of each month following an amount paid or credited by residents of Canada to non-resident persons (no extension granted).
<b><u>GST</u></b>	
Remittance due date	The CRA will extend until June 30, 2020 the time that: 1) Monthly filers have to remit amounts collected for the February, March and April 2020 reporting periods; 2) Quarterly filers have to remit amounts collected for the January 1, 2020 through March 31, 2020 reporting period; and 3) Annual filers, whose GST/HST return or instalment are due in March, April or May 2020, have to remit amounts collected and owing for their previous fiscal year and instalments of GST/HST in respect of the filer’s current fiscal year. The CRA has also confirmed that it will <a href="#">not impose penalties where a return is filed late provided that it is filed by June 30<sup>th</sup></a> . Excise taxes and duties are still required to be remitted by their prescribed due dates, but the CRA has stated it will consider waiving interest charges on a case-by-case basis. Note that paper copies of GST/HST returns will not be processed until normal operations resume, and the CRA is “encouraging” registrants to file electronically (i.e. such that refunds can be processed automatically). See below under “Deferral of GST/HST Tax Remittances (COVID-19 Measures) (CRA FAQ) (April 1, 2020)”.
<b><u>Customs Duty and Sales Tax for Importers</u></b>	
Remittance due date – Payments owing for customs duties and the GST on imports	Payment deadlines for statements of accounts for March, April, and May are being deferred to June 30, 2020. Businesses in need of information about their particular accounting and payment obligations on imported goods may contact the Canada Border Services Agency for more details. See also PWC <i>Tax Insights</i> <a href="#">Issue 2020-21</a> and Fasken’s <a href="#">International Trade Law Bulletin</a>
<b><u>Payroll remittances – Due dates</u></b>	
Payment date	No extension granted
<b>Individuals</b>	

Filing date for 2019 tax year	Extended to June 1, 2020. For self-employed and their spouse or common law partner, the due date remains June 15 (no extension granted).
Payment date for 2019 tax year	Extended to September 1, 2020 (penalties and interest will not be charged if your balance due is paid by September 1, 2020).
<b>Charities</b>	
Filing date	Deadline is extended until December 31, 2020. The extension applies to charities with Form T3010 due between March 18, 2020 and December 31, 2020.
<b>Quebec</b>	See Revenue Quebec's <a href="#">COVID-19: FAQ</a> page and <a href="https://finances.gouv.qc.ca/index_en.asp">finances.gouv.qc.ca/index_en.asp</a> under "Press Releases" and "What's New". For a summary of relieving measures published by Revenue Quebec (currently available only in French), see <a href="#">Mesures d'assouplissement pour les citoyens et les entreprises</a> .
<b>Corporations</b>	The payment of tax instalments and the balance of tax otherwise due between March 18, 2020 and September 1, 2020 is postponed to September 1, 2020. The tax payment deferral only applies to Quebec income taxes (the deferral does not apply, for example, to the compensation tax or tax on capital payable certain financial institutions). Also, to limit in-person contact, Revenu Québec will allow tax preparers to use an electronic signature on some Forms TP-1000.TE-V (for individuals) and CO-1000.TE (for corporations). Per a March 27 Press Release, "Québec will accelerate the processing of requests for tax credits intended for businesses and tax refunds". Revenu Québec will also limit its audits and collection activities. In terms of <a href="#">Administrative tribunal time limits</a> , only the proceedings that are deemed urgent by law will be heard and the offices of the Tribunal will be accessible only to the people whose case must be heard or to whom a necessary service must be given.
<b>Trusts</b>	The deadline to file a trust return is postponed to May 1, 2020 for trusts other than SIFTs whose tax return filing-due date for the 2019 taxation year is March 30, 2020. The deadline for a trust (other than a SIFT) to pay any balance of tax due no later than March 30, 2020 for the 2019 taxation year is extended to September 1, 2020 (if the March 19, 2019 press release only applies to individuals other than trusts, payment would be due August 31, 2020). The payment of tax instalments and the balance of tax otherwise due by SIFTs between March 17, 2020 and September 1, 2020 is extended to September 1, 2020 (the March 19, 2017 News Release applies the September 1 deadline to "businesses", which presumably includes SIFTs – otherwise, the due date would be August 31, 2020).
<b>Partnerships</b>	Partnerships composed entirely of individuals that normally would be required to file the Partnership Information Return (form TP-600-V) for the fiscal period ended in 2019 by March 31, 2020 have until May 1, 2020 to file the return. The payment of tax instalments and the balance of tax otherwise due by a SIFT partnerships between March 17, 2020 and September 1, 2020 is extended to September 1, 2020 (the March 29 New Release applies the September 1 deadline to "businesses", which presumably includes SIFT partnerships – otherwise, the deadline is August 31, 2020).
<b>Individuals</b>	The deadline to file an income tax return is extended to June 1, 2020 for individuals whose tax return filing-due date for the 2019 taxation year would otherwise be April 30. Also, the deadline to pay any balance of tax due (or tax instalments),

	and/or any QPP, QC Parental Insurance Plan, Health Service Fund, or QC drug insurance plan contributions for the 2019 taxation year is extended to September 1, 2020. Consistent with the federal relief measures, the minimum withdrawal by annuitants from their RRIFs is reduced by 25% for 2020.
<b>QST</b>	Per a March 27 Press Release, “Québec is following the federal government’s lead and allowing businesses to postpone filing until June 30, 2020 their returns and payments in respect of the March 31, April 30 and May 31 QST remittances, without interest or penalties”. See also <a href="#">Information Bulletin 2020-05: Postponement to June 30, 2020 of the deadline for filing QST returns and the attendant payments</a> .
<b>Municipalities</b>	The owners of residential and commercial properties in <a href="#">Montreal</a> will have an extra month to make their second instalment of property taxes so that the deadline is postponed to July 2, 2020. Also, effective March 19, 2020, private and social economy businesses who have received a loan through the PME MTL fund, Fonds Locaux de Solidarité, and Fonds de commercialisation des innovations will benefit from an automatic, six-month moratorium on capital and interest. The City will pay the interest during this period. For <a href="#">Québec City</a> businesses and individuals: the May 4, 2020 municipal tax payment is postponed to August 4, 2020, the July 3, 2020 municipal tax payment is postponed to September 3, 2020, and the September 3, 2020, municipal tax payment is postponed to November 3, 2020.
<b>Ontario</b>	The province introduced a five-month interest and penalty free period for return filing and payment deadlines for many provincial taxes beginning April 1, 2020, including: EHT; tobacco and beer, wine and spirits taxes; fuel and gas taxes; mining tax; insurance premium tax; retail sales tax on insurance contracts and benefits plans. The EHT exemption has also increased to \$1M (from \$490K) for 2020. Furthermore, the Workplace safety and insurance board (WSIB) will allow employers to defer payments for six months. Sch. 1 employers will be allowed to defer reporting and payments of any premiums owed to the WSIB until August 31, 2020. Sch. 2 employers that pay WSIB for the cost related to their workplace injury and illness claims will also be eligible for the deferral. Interest and penalties will be waived for the six-month period. See <a href="#">Ontario's Action Plan: Responding to COVID-19</a> (download the Action Plan <a href="#">here</a> ) and <a href="#">Employer Health Tax (EHT) Exemption Increase for 2020 –Tax Bulletin</a> .
<b>Alberta</b>	Alberta businesses with corporate income tax balances owing or installment payments coming due between March 18, 2020 and August 31, 2020 can defer these payments until August 31, 2020. Penalties and interest will not apply during this period. Corporations must, however, continue to file their Alberta corporate tax returns as required. Also, the deferral does not apply in respect of tax balances or installment payments made prior to March 18, 2020. The TRA also announced that it will modify its corporate income tax audit and collection practices during the COVID-19 pandemic. See <a href="#">Special Notice Vol. 5 No. 56 – Deferral of Corporate Income Tax Payments</a> (March 19, 2020), and the TRA’s <a href="#">Changes due to COVID-19</a> webpage. Also, see <a href="#">COVID-19 support for employers and employees</a> under “Education property tax deferral”, “WCB premium payment deferral”, “Utility payment deferral”, and “Tourism levy deferral”.

<b>British Columbia</b>	Per <a href="#">COVID-19 Action Plan - Provincial Tax Changes</a> : It was first announced on March 23 that “Effective immediately”, BC is extending filing and payment deadlines for the following taxes until September 30, 2020: EHT; PST (including municipal and regional district tax); Carbon tax; Motor fuel tax; Tobacco tax. Also, the following tax changes announced in Budget 2020 will be postponed until further notice: eliminating the PST exemption for carbonated beverages that contain sugar, natural sweeteners or artificial sweeteners; expanded registration requirements for Canadian sellers of goods, along with Canadian and foreign sellers of software and telecommunication services. Also, carbon tax rates will remain at their current levels until further notice (the tax measure announced in Budget 2020 aligning the carbon tax rates with the federal carbon pricing backstop is also postponed until further notice). School tax rates for commercial properties (Classes 4, 5 and 6) will be reduced by 50% for the 2020 tax year.
<b>Manitoba</b>	<a href="#">RST Notice 20-03</a> : RST returns for businesses with monthly RST remittances of \$10K or less per month that would normally be due on April 20 and May 20 are now due on June 22, 2020. For businesses that file on a quarterly basis having a due date of April 20, the due date is extended to June 22, 2020. Businesses entitled to these extensions are also exempt from late-filing penalties and interest in respect of the March 20 filing if the business files before June 22, 2020. <a href="#">HE Notice 20-01</a> : Health and Post Secondary Education Tax Levy (also known as HE Levy) returns for small and medium businesses with monthly HE Levy remittances of no more than \$10,000 per month that would normally be due on April 15th and May 15th will now be due on June 15, 2020. See also <a href="#">News Release 2020-03-22</a> : <i>Manitoba government extends tax payment filing deadlines for businesses</i> .
<b>Saskatchewan</b>	Per Information Bulletin <a href="#">2020-03</a> , businesses that are unable to file their PST returns by the due date may submit a request for relief from any interest or penalties that would otherwise apply to such late filings. Penalty and interest waiver requests may be submitted through the Saskatchewan eTax Service (SETS) located at sets.saskatchewan.ca, by email (sasktaxinfo@gov.sk.ca) or at: Ministry of Finance (Revenue Division), PO Box 200, Regina, SK, S4P 2Z6. Also, per a <a href="#">March 20 News Release</a> : PST penalties and interest charges are deferred for 3 months; businesses can submit a request for relief from penalty and interest charges on late provincial tax returns; audit program and compliance activities are suspended; a single window information webpage will be established for businesses to access information and receive timely updates on provincial support initiatives related to Covid-19.
<b>Nova Scotia</b>	The Government has deferred payments for all government loans and small business fees (including business renewal fees and workers compensation premiums) until June 30 <sup>th</sup> ; suspended payments on Nova Scotia student loans for six months (until September 30 <sup>th</sup> ); and deferred payments for small business renewal fees, including business registration renewal fees and workers compensation premiums, until June 30 <sup>th</sup> . See Nova Scotia’s webpage <a href="#">Support for individuals, families and businesses</a> . Also, small businesses that do business with the government will be paid within five days instead of the standard 30 days.

Federal sources: See Canada.ca under "[Income tax filing and payment dates: CRA and COVID-19](#)", CPACanada.ca under "[Federal government COVID-19 tax updates](#)", and below under "COVID-19 Update: Additional measures from the Canada Revenue Agency (CRA Special Notice: March 27, 2020)" and "Finance Backgrounder 2020-03-27: Additional Support for Canadian Businesses from the Economic Impact of COVID-19".

## Summary of Federal Business Tax Related Measures

- On March 27, the [government announced](#) "a 75 per cent wage subsidy for qualifying businesses, for up to 3 months, retroactive to March 15, 2020". Additional details were provided on [April 1, 2020](#), but significant details remain outstanding. The announced states that the proposed *Canada Emergency Wage Subsidy* will operate as follows: "1) The Canada Emergency Wage Subsidy would apply at a rate of 75 per cent of the first \$58,700 normally earned by employees – representing a benefit of up to \$847 per week. The program would be in place for a 12-week period, from March 15 to June 6, 2020; 2) Eligible employers who suffer a drop in gross revenues of at least 30 per cent in March, April or May, when compared to the same month in 2019, would be able to access the subsidy; 3) Eligible employers would include employers of all sizes and across all sectors of the economy, with the exception of public sector entities; 3) For non-profit organizations and registered charities similarly affected by a loss of revenue, the government will continue to work with the sector to ensure the definition of revenue is appropriate to their circumstances. The government is also considering additional support for non-profits and charities, particularly those involved in the front line response to COVID-19. Further details will be announced in the near term; 4) An eligible employer's entitlement to this wage subsidy will be based entirely on the salary or wages actually paid to employees. All employers would be expected to at least make best efforts to top up salaries to 100% of the maximum wages covered; 5)... Eligible employers would be able to access the Canada Emergency Wage Subsidy by applying through a Canada Revenue Agency online portal. More details regarding how to apply for the program will follow;
- A Temporary Wage Subsidy program has been made available for eligible employers (small CCPCs, NPOs, registered charities). The subsidy permits employers to reduce income tax remittances by 10% of remuneration paid to employees between March 18 and June 20, 2020 to a maximum of \$1,375 per employee and \$25,000 per employer (an employer cannot reduce its required CPP or EI premiums). Finance has indicated that if the 10% subsidy is claimed, it will offset the Canada Emergency Wage Subsidy, such that the maximum subsidy and employer can receive is 75%. In certain cases, the 10% subsidy may be available where the *Canada Emergency Wage Subsidy* is not available. On April 1, the CRA released an FAQ stating: "You are an eligible employer if you are a(n): 1) individual (excluding trusts), partnership (see note below), non-profit organization, registered charity, or Canadian-controlled private corporation (including a cooperative corporation) eligible for the small business deduction; 2) have an existing business number and payroll program account with the CRA on March 18, 2020; and 3) pay salary, wages, bonuses, or other remuneration to an eligible employee";
- [On March 27](#), the government announced that the deadline for the payment of GST/HST and import/export duty has been extended until June. Thus, taxpayers will have until June 30, 2020 to make the following payments: 1) for monthly filers, remittances collected for the February, March and April 2020 reporting periods, 2) for quarterly filers, remittances collected for the January 1, 2020 through March 31, 2020 reporting period, and 3) for annual filers whose GST/HST return or instalment are due in March, April or May 2020, remittances collected and owing for the previous fiscal year and instalments of GST/HST for the filer's current fiscal year are not due until June 30. Importers may defer certain monthly

duty and GST payments normally due on April 1, 2020, May 1, 2020 or June 1, 2020 to June 30. The [CBSA](#) will also temporarily suspend trade compliance activity interaction with importers/exporters and their representatives until April 20, 2020 (all deadlines imposed in connection with a customs import verification will be automatically extended by a period of time equivalent to the period of suspension). The CBSA will continue to process duty drawback claims, applications for the duties relief program, and B2 requests for adjustments, which are unaffected by this temporary suspension;

- The deadline for businesses to pay any income tax amounts that become owing or due after March 18, 2020 and before September 1, 2020 has been extended to September 1, 2020 (i.e. a corporation will not be assessed any penalties or interest if a balance due is paid by September 1, 2020);
- On March 26, the CRA announced that in addition to the income tax filing and payment deadline extensions previously announced, unless otherwise noted, taxpayers may also defer a number of other administrative tax actions required under the ITA that are due after March 18, 2020, until June 1, 2020 (this may apply, for example, to T2 tax returns for a corporation with an off-calendar year-end, or to a Form T1134 otherwise due March 31). Administrative income tax actions include the filing of returns, forms, elections, designations, and responses to information requests. However, payment and remitting requirements are not covered (for example, payroll deductions and all related activities – except to the extent they relate to the reduction of remittances related to the temporary wage subsidy – must continue to be done on time). Furthermore, this measure also does not apply in respect of a prescribed form, receipt or document, or prescribed information, that is required to be filed with the CRA on or after the day specified, in respect of the form, receipt, document or information, in ITA 37(11) or 127(9) “investment tax credits”(m). As an exception, the deadline for trust T3 returns, partnership Form T5013 returns, and NR4 Information returns were extended to May 1, 2020 rather than June 1 (i.e. to facilitate the preparation of individual tax returns by the June 1st deadline);
- Originally announced on March 18, the CRA stated it would not contact any small or medium (SME) businesses to initiate any post assessment GST/HST or [Income Tax audits](#) “for the next four weeks”. The CRA has further stated: “Objections related to Canadians' entitlement to benefits and credits have been identified as a critical service and will continue to be delivered during COVID-19. There should not be any delays with the processing of these objections. For objections related to other tax matters filed by individuals and businesses, the CRA is currently holding these accounts in abeyance. No collection action will be taken with respect to these accounts at this time... Taxpayers who are unable to file a return or make a payment by the tax-filing and payment deadlines because of COVID-19 can request the cancellation of penalty and interest charged to their account. Penalties and interest will not be charged if the new deadlines that the government has announced to tax-filing and payments are met. Once business operations resume, the Taxpayer Relief Program will review requests related to COVID-19 on a priority basis”;
- For any objection request due March 18 or later, the deadline is effectively extended until June 30, 2020;
- The Tax Court of Canada has suspended all hearings and conference calls until May 1. During this period, all timeline requirements provided for under the *Tax Court of Canada Rules* and *Tax Court of Canada Act* stop running (this freeze does not apply to deadlines under the ITA);
- As a *temporary* administrative measure, the CRA will recognize electronic signatures as having met the signature requirements in respect of Forms T183 and T183CORP;
- As mentioned above, for trusts with a taxation year end of December 31, 2019, the filing due date of March 31, 2020 is deferred to May 1, 2020. Furthermore, all trusts that have an upcoming income tax balance due date or an income tax instalment payment due date before September 1, 2020 have their payment due date extended to September 1, 2020. Penalty and interest implications for upcoming trust

tax obligations not covered by the latter relief described will be considered by the CRA on a case-by-case basis;

- Where Form T3010: *Registered Charity Information Return*, is due between March 18 and December 31, 2020, it may be filed by December 31, 2020. Also, the Charities Directorate has suspended all operations, including registration and audit activities, until further notice.

## Appendix

### Compendium of Publications – Table of Contents

#### Federal

- Government of Canada – Resources for Canadian Businesses
- Government Announces Details of the Canada Emergency Wage Subsidy to Help Businesses Keep Canadians in their jobs (Finance News Release 2020-04-01)
- Temporary 10% Wage Subsidy for Employers
- Finance Backgrounder 2020-03-27: Additional Support for Canadian Businesses from the Economic Impact of COVID-19
- Government News Release 2020-03-27: Prime Minister announces support for small businesses facing impacts of COVID-19
- Finance News Release 2020-03-25: Canada’s COVID-19 Economic Response Plan: Support for Canadians and Businesses
- Finance New Release 2020-03-25: The COVID-19 Emergency Response Act Receives Royal Assent
- Deferral of GST/HST Tax Remittances (COVID-19 Measures) (CRA FAQ)
- TEI Holds Call with Canada Department of Finance on March 30, 2020 Regarding COVID-19 Commodity Tax Issues
- COVID-19 Update: Additional measures from the Canada Revenue Agency (CRA Special Notice: March 27, 2020)
- Tax-filing and Payment Deadlines
- Electronic Signatures
- Liaison Officer Service
- Customs Notice 20-11
- Benefits, Credits, and Support for Individuals
  - File Early if Possible (Per the CRA)
  - *Canada Emergency Response Benefit (Replaced the previously announced Emergency Care Benefit and Emergency Support Benefit)*
  - *Employment Insurance*
  - *Goods and Services Tax credit (GSTC) payment amounts*
  - *Canada Child Benefit (CCB) payment amounts*
  - *Registered Retirement Income Funds (RRIFs)*
  - *Mortgage Support*
  - *Support for people who need it most*
  - *Take advantage of the CRA’s digital services*
  - *Community Volunteer Income Tax Program (CVITP)*
- Tax Courts – Suspensions of Hearings and Timelines
- Additional Sources

**Ontario**

**Quebec**

**British Columbia**

**Alberta**

**Manitoba**

**Saskatchewan**

**Atlantic Provinces**

**Territories**

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## Government of Canada – Resources for Canadian Businesses (posted on Canada.ca on April 1, 2020)

During this extraordinary time, the Government of Canada is taking strong action to support Canadian businesses, their employees and their families. The Government and public health officials are urging all Canadians to: 1) stay home unless you must go out for essential items; 2) practice physical distancing and wash your hands. For businesses, this means: 1) offering flexible work arrangements; 2) taking necessary steps to prepare your workplace; 3) understanding how to keep your employees safe.

### Considerations

#### 1. Support for employees

No Canadian should have to worry about losing their job, paying their rent or putting food on the table because of COVID-19. That's why the Government has:

- introduced the [Canada Emergency Response Benefit](#) (CERB), which will provide \$2,000 a month for up to four months for workers and entrepreneurs who are not receiving a paycheque as a result of COVID-19;
- [waived the one-week waiting period](#) and the required medical documents for employment insurance (EI) sickness benefits;
- [boosted Canada Child Benefit payments](#) to ensure working families have enough money during this crisis;
- [extended the tax filing deadline](#) to June 1, 2020
- cancelled [the penalties](#) for Canadians who can't file tax returns or make tax payments on time and
- [much more](#)

#### 2. Support for businesses

No employer should have to lay off a worker because of a loss of business due to COVID-19. To provide immediate relief for businesses and entrepreneurs and to ensure our economy is best positioned to quickly return to strength after this crisis, the Government has:

- introduced the [Canada Emergency Business Account](#), which provides interest-free loans of up to \$40,000 to small businesses and not-for-profits through their financial institutions. Up to 25% of the loan will be forgiven if repaid by December 31, 2022. More details to follow.
- offered employers the [Canada Emergency Wage Subsidy](#) (CEWS) applied at a rate of 75% on the first \$58,700 earned by employees, representing a benefit of \$847 per week. The program will be in place for a 12-week period, retroactive to March 15 and ending June 6, 2020. Eligible businesses of all sizes and from all sectors of the economy, regardless of the number of workers they employ, that suffer a drop of at least 30% in gross revenues due to COVID-19 in March, April or May, when compared to the same month in 2019, would be able to access the subsidy. This will help businesses to keep paying their employees and to bring laid-off workers back on the payroll. created a [new loan guarantee](#) through [Export Development Canada](#) (EDC), which provides operating credit and cash-flow term loans of up to \$6.25 million. More details to follow. [See also the following March 27 [News Release](#).]
- introduced a new co-lending program through the [Business Development Bank of Canada](#) (BDC), which will team up with financial institutions to co-lend term loans to support cash-flow requirements.

- [deferred all payments of GST/HST and import duties](#) for all businesses, including individuals who are self-employed, until June 30. This amounts to \$30 billion in interest-free loans to Canadian businesses. More details to follow.
- [reduced the administrative burden](#) on businesses by extending the filing deadlines for returns for charities, trusts, partnerships and NR4 information.
- enhanced the [Work-Sharing program](#) to support employers and their workers who are experiencing a downturn in business.
- worked with the financial sector to ensure an [additional \\$300 billion in lending capacity](#).
- created the new [Business Credit Availability Program](#) to make more than \$10 billion available to Canadian businesses in financing and credit insurance solutions through EDC and BDC [(see Part 16 of the *COVID-19 Emergency Response Act*)];
- ensured the Canada Revenue Agency will defer tax payment obligation [until August 31, 2020](#), to help businesses with cash flow.
- made an additional \$5 billion available to farmers, producers, agribusinesses and food processors through [Farm Credit Canada](#), as well as giving farmers more flexibility in repaying outstanding [Advance Payments Program](#) loans [(see also <https://www.fcc-fac.ca/en/covid-19/program-details.html> and Part 14 of the *COVID-19 Emergency Response Act*)].

[Also note that the federal government: 1) announced on March 16 that it is launching an Insured Mortgage Purchase Program (IMPP) under which it will [purchase up to \\$50B](#) of insured mortgage pools through the CMHC. This action is intended to provide long-term stable funding to banks and mortgage lenders, help facilitate continued lending to Canadian consumers and businesses, and add liquidity to Canada's mortgage market; 2) announced effective March 30, a six-month interest-free moratorium has been placed on [Canada Student Loan](#) repayment requirements for all student loan borrowers. No payment will be required and interest will not accrue during this time. Students do not need to apply for the repayment pause. See Parts 13 and 15 of the *COVID-19 Emergency Response Act*; 3) Reported that Canadian banks have committed to work with their customers on a case-by-case basis to find solutions [to help manage COVID-19 hardships](#). Canadians who are impacted by COVID-19 and experiencing financial hardship should contact their financial institution regarding flexibility for a mortgage deferral. According to Finance, the goal is to allow flexibility to be available for those "who need it the most". Also, on March 27, the Bank of Canada lowered its target for the overnight rate by 50 basis points to 0.25%. See also [Government announces support for air transportation sector during COVID-19 pandemic](#) (March 30); [COVID-19: the Government of Canada Provides Relief to the Broadcasting Sector](#) (March 30); A Message from the [Canadian International Trade Tribunal](#) (March 30); [Canada's COVID-19 Economic Response Plan: Support for Canadians and Businesses](#); and Government of Canada – [Coronavirus disease \(COVID-19\) – Benefits and services](#).]

### ***Assistance for tourism operators, small businesses or organizations***

If you are a tourism operator, a small business or an organization affected by COVID-19 and need pressing assistance, the [regional development agencies](#) (RDAs) could assist you with access to federal funding and services.

## ***Contingency plans***

It is also vital for Canadian businesses to have contingency plans in place to manage potential financial risk. The Canadian Chamber of Commerce has developed a comprehensive preparedness guide for businesses in the face of COVID-19. The Canadian Federation of Independent Business is also [providing information](#) to help businesses through these difficult times.

### ***3. Business travel and events***

The Government is advising Canadians to: 1) avoid non-essential travel outside of Canada until further notice; 2) return home if outside of Canada and self-isolate for 14 days, which is mandatory due to an [Emergency Order under the Quarantine Act](#). To help bring Canadians home, the Government has created the [COVID-19 Emergency Loan Program](#) for Canadians Abroad. When it comes to business conferences and events, the Government [is advising against large gatherings of people](#).

### ***4. Business in international markets***

Canada and the United States are temporarily restricting all [non-essential travel](#) across our border. Essential travel will continue unimpeded to preserve supply chains between both countries and ensure that food, fuel and life-saving medicines reach people on both sides of the border. For questions or the most up-to-date information on cross-border travel and business, please call the [Canada Border Services Agency](#) at 1-800-461-9999. Canada is working with our international partners [to maintain open and connected supply chains](#) during the COVID-19 pandemic to ensure that Canadian businesses can continue to deliver essential goods to people that need them. The [Trade Commissioner Service](#) has experts in 160 cities worldwide who can provide small businesses with market-specific insights and guidance to help you mitigate the impacts of COVID-19, as well as [access to funding](#) to help you in global markets.

#### *Related links*

Are you a business that can supply products and services in support of Canada's response to COVID-19? [Let us know](#).

Are you looking for information on government supports at your fingertips? Download the [Canada Business app](#) today.

## **Government Announces Details of the Canada Emergency Wage Subsidy to Help Businesses Keep Canadians in their jobs**

Finance News Release 2020-04-01

The Government of Canada is taking immediate, significant and decisive action to support Canadians and businesses facing hardship as a result of the global COVID-19 outbreak. To help Canadians and businesses get through these tough economic times, the Prime Minister, Justin Trudeau, announced that the Government is proposing to introduce a wage subsidy of 75 per cent for qualifying businesses, for up to 3 months, retroactive to March 15, 2020 [(i.e. this is a 12-week subsidy payable until June 6)]. This measure, which is a part of the

Government of Canada's COVID-19 Economic Response Plan, would support businesses that are hardest hit by the COVID-19 pandemic and would help protect the jobs Canadians depend on during these difficult times.

Today, Finance Minister Bill Morneau, the Minister of Small Business, Export Promotion and International Trade, Mary Ng, and the Minister of Innovation, Science and Industry, Navdeep Bains, announced the details of the proposed Canada Emergency Wage Subsidy:

- The Canada Emergency Wage Subsidy would apply at a rate of 75 per cent of the first \$58,700 normally earned by employees – representing a benefit of up to \$847 per week. The program would be in place for a 12-week period, from March 15 to June 6, 2020.
- Eligible employers who suffer a drop in gross revenues of at least 30 per cent in March, April or May, when compared to the same month in 2019, would be able to access the subsidy.
- Eligible employers would include employers of all sizes and across all sectors of the economy, with the exception of public sector entities.
- For non-profit organizations and registered charities similarly affected by a loss of revenue, the government will continue to work with the sector to ensure the definition of revenue is appropriate to their circumstances. The government is also considering additional support for non-profits and charities, particularly those involved in the front line response to COVID-19. Further details will be announced in the near term.
- An eligible employer's entitlement to this wage subsidy will be based entirely on the salary or wages actually paid to employees. All employers would be expected to at least make best efforts to top up salaries to 100% of the maximum wages covered.

The Canada Emergency Wage Subsidy is a key measure to ensure that workers are able to count on a source of income through this difficult time. It will enable employers to re-hire workers previously laid off, and to keep those who are already on payroll, so that Canada's workforce and supply chains are able to return from this crisis in a strong position.

***Eligible employers would be able to access the Canada Emergency Wage Subsidy by applying through a Canada Revenue Agency online portal. More details regarding how to apply for the program will follow. Those organizations that do not qualify for the Canada Emergency Wage Subsidy may continue to qualify for the previously announced wage subsidy of 10 per cent of remuneration paid from March 18 to before June 20, up to a maximum subsidy of \$1,375 per employee and \$25,000 per employer. [emphasis added]***

The government will continue to carefully monitor all developments relating to the COVID-19 outbreak and will continue to take further action to protect Canadians and the economy.

#### Quotes

“Businesses provide the jobs, the goods and the services that Canadians depend on to keep their communities going, in good times and bad. With the Canada Emergency Wage Subsidy, we are helping businesses keep their staff on payroll so that businesses will be better positioned to rebound when the current challenges have passed. We will continue to do whatever it takes to ensure that workers and businesses are supported through the outbreak, and that our economy remains resilient during these difficult times.”

Bill Morneau, Minister of Finance

“Small businesses are at the heart of our communities and are the backbone of our economy, employing millions of hard-working Canadians. There is no question that they are feeling the brunt of this challenging time. This wage subsidy will help keep more Canadians employed and will provide direct support to businesses so they can keep up with their bills. We will continue to listen to the very real needs of Canadian business owners and workers, and we will be there to support them every step of the way.”

Mary Ng, Minister of Small Business, Export Promotion and International Trade

“We have been in constant communication with Canadian businesses, and we know that all sectors of the economy are being affected by COVID-19. With the Canada Emergency Wage Subsidy, employers—no matter their size—will be supported to weather this storm, to be ready to recover when it passes, and to help Canadians keep their jobs.”

Navdeep Bains, Minister of Innovation, Science and Industry

### Quick facts

The government has taken action to support Canadian businesses through the outbreak of COVID-19, with targeted new initiatives that:

Allow businesses, including self-employed individuals, to defer all Goods and Services Tax/Harmonized Sales Tax (GST/HST) payments until June, as well as customs duties owed for imports. This measure is the equivalent of providing up to \$30 billion in interest-free loans to Canadian businesses. It will help businesses so they can continue to pay their employees and their bills, and help ease cash-flow challenges across the country.

Launch the new Canada Emergency Business Account. This program will provide up to \$25 billion to eligible financial institutions so they can provide interest-free loans to small businesses, including not-for-profits. These loans – guaranteed and funded by the Government of Canada – will ensure that small businesses have access to the capital they need, at a zero-per-cent interest rate, so they can pay for rent and other important costs over the next number of months.

Launch the new Small and Medium-sized Enterprise Loan and Guarantee program that will enable up to \$40 billion in lending, supported through Export Development Canada and Business Development Bank, for guaranteed loans when small businesses go to their financial institutions to help weather the impacts of COVID-19. This is intended for small and medium-sized companies that require greater help to meet their operational cash flow requirements.

Extend the maximum duration of the Work-Sharing program, from 38 weeks to 76 weeks, for workers who agree to reduce their normal working hours because of developments beyond the control of their employers.

Increase credit available for farmers and the agri-food sector through Farm Credit Canada.

Defer the payment of income taxes. The government is allowing all taxpayers to defer, until August 31, 2020, the payment of income tax amounts that become owing on or after March 18 and before September 2020. This relief would apply to new balances due, as well as instalments, under Part I of the Income Tax Act. No interest or penalties will accumulate on these amounts during this period.

## The Canada Emergency Wage Subsidy: Department of Finance Canada Backgrounder (April 1, 2020)

### What It Means for Canadian Businesses

To help businesses keep and return workers to their payroll through the challenges posed by the COVID-19 pandemic, the Prime Minister, Justin Trudeau, proposed the new Canada Emergency Wage Subsidy. This would provide a 75 per cent wage subsidy to eligible employers for up to 12 weeks, retroactive to March 15, 2020.

This wage subsidy aims to prevent further job losses, encourage employers to re-hire workers previously laid off as a result of COVID-19, and help better position Canadian companies and other employers to more easily resume normal operations following the crisis. While the Government has designed the proposed wage subsidy to provide generous and timely financial support to employers, it was done with the expectation that employers will do their part by using the subsidy in a manner that supports the health and well-being of their employees.

### Eligible Employers

Eligible employers would include individuals, taxable corporations, and partnerships consisting of eligible employers as well as non-profit organizations and registered charities. Public bodies would not be eligible for this subsidy. Public bodies include municipalities and local governments, Crown corporations, public universities, colleges, schools and hospitals. This subsidy would be available to eligible employers that see a drop of at least 30 per cent of their revenue (see Eligible Periods). In applying for the subsidy, employers would be required to attest to the decline in revenue.

### Calculating Revenues

***An employer's revenue for this purpose would be its revenue from its business carried on in Canada earned from arm's-length sources. Revenue would be calculated using the employer's normal accounting method, and would exclude revenues from extraordinary items and amounts on account of capital.***

For non-profits and charities, the government will continue to work with the sector to ensure the definition of revenue is appropriate to their specific circumstances.

### Amount of Subsidy

The subsidy amount for a given employee on eligible remuneration paid between March 15 and June 6, 2020 would be the greater of:

- 75 per cent of the amount of remuneration paid, up to a maximum benefit of \$847 per week; and
- the amount of remuneration paid, up to a maximum benefit of \$847 per week or 75 per cent of the employee's pre-crisis weekly remuneration, whichever is less.

Further guidance with respect to how to define pre-crisis weekly remuneration for a given employee will be provided in the coming days.

In effect, employers may be eligible for a subsidy of up to 100 per cent of the first 75 per cent of pre-crisis wages or salaries of existing employees. ***These employers would be expected where possible to maintain existing employees' pre-crisis employment earnings. [emphasis added]***

Employers will also be eligible for a subsidy of up to 75 per cent of salaries and wages paid to new employees.

***Eligible remuneration*** may include salary, wages, and other remuneration. These are amounts for which employers would generally be required to withhold or deduct amounts to remit to the Receiver General on account of the employee's income tax obligation. However, it ***does not include severance pay, or items such as stock option benefits or the personal use of a corporate vehicle. [emphasis added]***

***A special rule will apply to employees that do not deal at arm's length with the employer. The subsidy amount for such employees will be limited to the eligible remuneration paid in any pay period between March 15 and June 6, 2020, up to a maximum benefit of \$847 per week or 75 per cent of the employee's pre-crisis weekly remuneration. [emphasis added]***

There would be no overall limit on the subsidy amount that an eligible employer may claim.

***Employers must make their best effort to top-up employees' salaries to bring them to pre-crisis levels. [emphasis added]***

### Eligible Periods

Eligibility would generally be determined by the change in an eligible employer's monthly revenues, year-over-year, for the calendar month in which the period began. The amount of wage subsidy (provided under the COVID-19 Economic Response Plan) received by the employer in a given month would be ignored for the purpose of measuring year-over-year changes in monthly revenues.

For example, if revenues in March 2020 were down 50 per cent compared to March 2019, the employer would be allowed to claim the Canadian Emergency Wage Subsidy (as calculated above) on remuneration paid between March 15 and April 11, 2020.

The table below outlines each claiming period and the period in which it has a decline in revenue of 30 per cent or more.

Eligible Period	Claiming period	Reference period for eligibility
Period 1	March 15 – April 11	March 2020 over March 2019
Period 2	April 12 – May 9	April 2020 over April 2019
Period 3	May 10 – June 6	May 2020 over May 2019

***For eligible employers established after February 2019, eligibility would be determined by comparing monthly revenues to a reasonable benchmark. [emphasis added]***

## How to Apply

Eligible employers would be able to apply for the Canada Emergency Wage Subsidy through the Canada Revenue Agency's My Business Account portal as well as a web-based application. Employers would have to keep records demonstrating their reduction in arm's-length revenues and remuneration paid to employees. More details about the application process will be made available shortly.

## Ensuring Compliance

In order to maintain the integrity of the program and to ensure that it helps Canadians keep their jobs, ***the employer would be required to repay amounts paid under the Canada Emergency Wage Subsidy if they do not meet the eligibility requirements and pay their employees accordingly. Penalties may apply in cases of fraudulent claims. In addition, anti-abuse rules will be proposed to ensure that the subsidy is not inappropriately obtained and to ensure that employees are paid the amounts they are owed. The government is considering proposing to create new offences that will apply to individuals, employers or business administrators who provide false or misleading information to obtain access to this benefit or who misuse any funds obtained under the program. The penalties may include fines or even imprisonment.*** [emphasis added]

## Interaction with 10 per cent Wage Subsidy

On March 18, 2020, the Prime Minister announced a temporary 10 per cent wage subsidy. For employers that are eligible for both the Canada Emergency Wage Subsidy and the 10 per cent wage subsidy for a period, any benefit from the 10 per cent wage subsidy for remuneration paid in a specific period would generally reduce the amount available to be claimed under the Canada Emergency Wage Subsidy in that same period.

## Interaction with the Canadian Emergency Response Benefit

An employer would not be eligible to claim the Canada Emergency Wage Subsidy for remuneration paid to an employee in a week that falls within a 4-week period for which the employee is eligible for the Canadian Emergency Response Benefit.

Employers who are not eligible for the Canada Emergency Wage Subsidy would still be able to furlough employees who will receive up to \$2,000 a month.

## Government Assistance

The usual treatment of tax credits and other benefits provided by the government would apply. As a consequence, ***the wage subsidy received by an employer would be considered government assistance and be included in the employer's taxable income.*** [emphasis added]

Assistance received under either wage subsidy would reduce the amount of remuneration expenses eligible for other federal tax credits calculated on the same remuneration.

## How businesses will benefit from the Canada Emergency Wage Subsidy

Bruno and Tisha run a floral shop in Burnaby, British Columbia. They have four full-time employees, each earning \$800 per week, and 6 part-time employees, each earning \$400 per week, for a total weekly payroll of \$5,600. Bruno and Tisha have closed their shop and are only fulfilling online orders during this challenging period. They are keeping all of their employees on the payroll, paying them their full regular wages, despite their revenues being down by 30 per cent. Bruno and Tisha would be eligible for a weekly wage subsidy of \$4,200 (\$600 for each of their full-time employees and \$300 for each of their part-time employees).

### **Canada's COVID-19 Economic Response Plan– Cost and Implementation**

These measures are part of the Government of Canada's COVID-19 Economic Response Plan - a comprehensive plan to help ensure that Canadians can pay for essentials like mortgages, rent and groceries, and to help businesses continue to pay their employees and their bills during this time of uncertainty.

#### **[Finance Officials Technical Briefing, telephone conference, April 1, 2020]**

The following details reported at the conference have not been officially published by Finance and may be subject to change (Finance intends to release draft legislation "soon"):

- The subsidy may be enacted via an amendment to the ITA, or may be implemented through a standalone Act (i.e. the form of the enacting legislation is currently undecided);
- Unlike the 10% wage subsidy, the Canada Emergency Wage Subsidy will be issued in the form of a cash grant;
- The federal government expects eligible employers to top-up the 75% subsidy such that employees receive 100% of their normal salaries. However, an employer will not be required to top-up the subsidy in order to be eligible to claim the Canada Emergency Wage Subsidy;
- An employer must apply for the Canada Emergency Wage Subsidy and attest each month that they are eligible for the subsidy. The goal of the CRA is to have an internet portal available for subsidy applications (most likely through *My Business Account*) within 3 to 6 weeks of April 1;
- The expected cost of the subsidy is \$71B, which would make the Canada Emergency Wage Subsidy the largest subsidy ever provided by the Government of Canada.

See also KPMG, "Employers — Canada Provides Details of 75% Wage Subsidy", *TaxNewsFlash-Canada*, [No. 2020-35](#), April 1, 2020, [CFIB statement on Canada Emergency Wage Subsidy details](#), and [Prime Minister's remarks updating Canadians on the rollout of the Canada Emergency Response Benefit](#).

### **Temporary 10% Wage Subsidy for Employers**

#### **Per Finance News Release 2020-03-25**

*Providing small business with wage subsidies:* We are providing eligible small employers a temporary wage subsidy for a period of three months. The subsidy will be equal to 10% of remuneration paid during that period, up to a maximum subsidy of \$1,375 per employee and \$25,000 per employer. Businesses will be able to benefit immediately from this support by reducing their remittances of income tax withheld on their employees' remuneration.

## CRA – “Frequently Asked Questions – Temporary Wage Subsidy for Employers”

### 1. What is the Temporary Wage Subsidy for Employers?

The Temporary Wage Subsidy for Employers is a three-month measure that will allow eligible employers to reduce the amount of payroll deductions required to be remitted to the Canada Revenue Agency (CRA).

### 2. Which employers are eligible?

You are an eligible employer if you are a(n): 1) individual (excluding trusts), partnership (see note below), non-profit organization, registered charity, or Canadian-controlled private corporation (including a cooperative corporation) eligible for the small business deduction; 2) have an existing business number and payroll program account with the CRA on March 18, 2020; and 3) pay salary, wages, bonuses, or other remuneration to an eligible employee.

An eligible employee is an individual who is employed in Canada.

Note: Partnerships are only eligible for the subsidy if their members consist exclusively of individuals (excluding trusts), registered charities, or Canadian-controlled private corporations (CCPCs) eligible for the small business deduction.

For more information on whether your corporation is a CCPC, see [Type of Corporation](#).

For more information on whether your CCPC is eligible for the small business deduction, see [Small Business Deduction in the T2 Corporation Income Tax Guide](#).

### 3. How much is the subsidy?

The subsidy is equal to 10% of the remuneration you pay from March 18, 2020 to June 19, 2020, up to \$1,375 for each eligible employee and to a maximum of \$25,000 total per employer.

Note: Associated CCPCs will not be required to share the maximum subsidy of \$25,000 per employer.

### 4. How do I calculate the subsidy?

The subsidy must be calculated manually, either by you or whoever is responsible for making your payroll remittances. The CRA will not automatically calculate the allowable subsidy.

Note: Your subsidy calculation is based on the total number of eligible employees employed at any time during the three-month period. See the examples below for more information.

#### Example 1

You have 5 eligible employees earning monthly salaries of \$4,100 for a total monthly payroll of \$20,500. Your wage subsidy for the month will be 10% of \$20,500, or \$2,050.

For the three-month period, if all your payroll information remains the same in each month, you will pay \$61,500 of remuneration. Therefore, 10% of the remuneration you pay in the three-month period is \$6,150.

Since this amount is below the maximum allowable amount of \$6,875 ( $\$1,375 \times 5$  employees), your total wage subsidy for the three-month period will be \$6,150.

#### Example 2

You have 8 eligible employees earning monthly salaries of \$4,750 for a total monthly payroll of \$38,000. Your wage subsidy for the month will be 10% of \$38,000, or \$3,800.

For the three-month period, if all your payroll information remains the same in each month, you will pay \$114,000 of remuneration. Therefore, 10% of the remuneration you pay in the three-month period is \$11,400.

Since this amount is above the maximum allowable amount of \$11,000 ( $\$1,375 \times 8$  employees), your total wage subsidy for the three-month period will be capped at \$11,000.

#### Example 3

You have 5 eligible employees earning monthly salaries of \$4,100 for a total monthly payroll of \$20,500. Your wage subsidy for the month will be 10% of \$20,500, or \$2,050.

In the second month, you have 7 eligible employees earning monthly salaries of \$4,100 for a total monthly payroll of \$28,700. Your wage subsidy for the second month will be 10% of \$28,700, or \$2,870.

In the third month, you also have 7 eligible employees earning monthly salaries of \$4,100 for a total monthly payroll of \$28,700. Your wage subsidy for the third month will be 10% of \$28,700, or \$2,870.

For the three-month period, you will pay \$77,900 of remuneration. Therefore, 10% of the remuneration you pay in the three-month period is \$7,790.

Since this amount is below the maximum allowable amount of \$9,625 ( $\$1,375 \times 7$  employees), your total wage subsidy for the three-month period will be \$7,790.

#### 5. How will I receive the subsidy?

You do not need to apply for the subsidy.

You will continue deducting income tax, Canada Pension Plan (CPP) contributions, and Employment Insurance (EI) premiums from salary, wages, bonuses, or other remuneration paid to your employees, as you currently do.

The subsidy is calculated when you remit these amounts to the CRA.

Once you have calculated your subsidy, you can reduce your current payroll remittance of federal, provincial, or territorial income tax that you send to the CRA by the amount of the subsidy.

## Important

You cannot reduce your remittance of CPP contributions or EI premiums. You must continue remitting the CPP contributions and EI premiums that you deducted from your employees, as well as your share of CPP contributions and EI premiums, to the CRA.

For example, if you deducted \$2,500 of income tax from your employees' pay and calculated a subsidy of \$2,050, you would reduce your current payroll remittance of federal, provincial, or territorial income tax by \$2,050. You would remit \$450 of income tax to the CRA. The remaining \$2,050 that you keep would represent your subsidy.

You could continue reducing the income tax on future payroll remittances, up to \$1,375 for each eligible employee and to a maximum of \$25,000 total per employer, for all remuneration paid on or before June 19, 2020.

### 6. When can I start reducing payroll remittances?

You can start reducing payroll remittances of federal, provincial, or territorial income tax in the first remittance period that includes remuneration paid from March 18, 2020 to June 19, 2020.

Note: Payroll remittances are not subject to deferral as part of the tax measures to help support those affected by the COVID-19 outbreak. You must continue remitting payroll deductions by your remittance due date.

For example, if you are a regular remitter, you can reduce your payroll remittance that is due to the CRA on April 15, 2020.

### 7. Where subsidies exceed payroll remittances

If the income taxes you deduct are not sufficient to offset the value of the subsidy in a specific period, you can reduce future payroll remittances to benefit from the subsidy. This includes reducing remittances that may fall outside of the application period for the wage subsidy (after June 19, 2020).

For example, if you calculated a subsidy of \$2,050 on remuneration paid from March 18, 2020 to June 19, 2020, but only deducted \$1,050 of federal, provincial, or territorial income tax from your employees, you can reduce a future payroll remittance by \$1,000, even if that remittance is in respect to remuneration paid after June 19, 2020.

### 8. What if I don't reduce payroll remittances during the year?

If you are an eligible employer, but choose not to reduce your payroll remittances during the year, you can still calculate the Temporary Wage Subsidy on remuneration paid from March 18, 2020 to June 19, 2020. At the end of the year, the CRA will pay the amount to you or transfer it to your next year's remittance.

### 9. What books and records do I need to support the subsidy?

You will need to keep information to support your subsidy calculation. This includes:

- the total remuneration paid from March 18, 2020 to June 19, 2020;
- the federal, provincial, or territorial income tax that was deducted from that remuneration; and
- the number of eligible employees paid in that period.

The CRA is currently updating reporting requirements. More information on how to report this subsidy will be released in the near future.

10. Is the subsidy considered taxable income?

Yes. If you receive the subsidy, you have to report the total amount as income in the year in which the subsidy is received.

11. What if my business is closed?

If you did not pay salary, wages, bonuses, or other remuneration to an eligible employee from March 18, 2020 to June 19, 2020, you cannot receive the subsidy, even if you are an eligible employer.

12. What about payroll remittances made to Revenu Québec

This Temporary Wage Subsidy for Employers allows eligible employers to reduce payroll remittances made to the CRA only.

13. What if I pay tax-exempt remuneration?

If you pay tax-exempt salary, wages, bonuses, or other remuneration to an eligible employee, you can still calculate the Temporary Wage Subsidy on remuneration paid from March 18, 2020 to June 19, 2020. At the end of the year, the CRA will pay the amount to you./

*COVID-19 Emergency Response Act*

PART 1

Subsection 6 (1)

Section 153 of the Act is amended by adding the following after subsection (1.01):

(1.02) For the purposes of this Act, if an eligible employer pays, at a particular time that is within the eligible period, eligible remuneration in respect of which a particular amount is required to be deducted or withheld under subsection (1), then the eligible employer is deemed to have remitted to the Receiver General at the particular time in respect of the particular amount, an amount equal to the least of

(a) the amount determined by the formula  $A - B$  where

A is the prescribed amount, and

B is the total of all amounts, each of which is an amount deemed to have been remitted by the eligible employer under this subsection prior to the particular time (and, if more than one such payment is made at the particular time, the eligible employer may designate the order in which the amounts are considered to have been paid),

(b) the amount determined by the formula  $C \times D$  where

C is the prescribed percentage, and

D is the amount of the eligible remuneration, and

(c) the amount determined by the formula  $E \times F$  where

E is the prescribed amount, and

F is the total number of eligible employees employed by the eligible employer during the eligible period.

Definitions — subsection (1.02)

(1.03) The following definitions apply for the purposes of this subsection and subsection (1.02).

“eligible employee” means an individual who is employed in Canada.

“eligible employer” means a person or partnership that

(a) employs one or more eligible employees;

(b) has, on March 18, 2020, a business number in respect of which the person or partnership is registered with the Minister to make remittances required under this section; and

(c) is any of

(i) a Canadian-controlled private corporation for the purposes of section 125 that (A) would have a business limit for its last taxation year that ended before the start of the eligible period greater than nil, if the amount determined for paragraph 125(5.1)(b) were deemed to be nil, or (B) if the corporation does not have a taxation year that ended before the start of the eligible period, would meet the condition in clause (A) if its taxation year ended immediately before the start of the eligible period,

(ii) an individual (other than a trust),

(iii) a partnership, all of the members of which are described in subparagraphs (i) to (iii) or (v),

(iv) a person exempt from tax under Part I because of paragraph 149(1)(l), and

(v) a registered charity.

“eligible period” means the period beginning on March 18, 2020 and that ends on June 19, 2020.

“eligible remuneration” means salary, wages or other remuneration paid to an eligible employee during the eligible period.

Deemed remittances under subsection (1.02)

(1.04) For greater certainty, amounts deemed under subsection (1.02) to have been remitted to the Receiver General are deemed to not be held in trust under subsections 227(4) and (4.1).

[Presumably, the prescribed amount and prescribed percentage will correspond with the amounts described below and will be added shortly to the ITR]

## **Finance Backgrounder 2020-03-27: Additional Support for Canadian Businesses from the Economic Impact of COVID-19**

The Government of Canada is making additional investments to support Canadian businesses from the economic impacts of COVID-19. These new investments provide support to financial institutions and allow them to quickly provide credit and liquidity options for a range of businesses. These measures are a part of the Government of Canada’s COVID-19 Economic Response Plan, which provides direct support and tax deferrals to Canadian workers and businesses to help them in these difficult times.

### **Deferral of Sales Tax Remittance and Customs Duty Payments**

In order to provide support for Canadian businesses during these unprecedented economic times, the Government is deferring Goods and Services Tax/Harmonized Sales Tax (GST/HST) remittances and customs duty payments to June 30, 2020. This measure could provide up to \$30 billion in cash flow or liquidity assistance for Canadian businesses and self-employed individuals over the next three months

#### ***GST/HST Remittance Deferral***

The GST/HST applies to sales of most goods and services in Canada and at each stage of the supply chain. Vendors must collect the GST/HST and remit it (net of input tax credits) with their GST/HST return for each reporting period. Vendors with annual sales of more than \$6 million remit and report monthly, and those with annual sales of \$1.5 million to \$6 million are able to remit and report on a quarterly basis (or monthly if they choose to). Small vendors can report annually. The GST/HST amounts collected are generally due by the end of the month following the vendor’s reporting period: e.g., for a monthly filer, the GST/HST amounts collected on its February sales are due by the end of March. To support Canadian businesses in the current extraordinary circumstances, the Minister of National Revenue will extend until June 30, 2020 the time that: 1) Monthly filers have to remit amounts collected for the February, March and April 2020 reporting periods; 2) Quarterly filers have to remit amounts collected for the January 1, 2020 through March 31, 2020 reporting period; and 3) Annual filers, whose GST/HST return or instalment are due in March, April or May 2020, have to remit amounts collected and owing for their previous fiscal year and instalments of GST/HST in respect of the filer’s

current fiscal year. Businesses in need of information about their particular obligations may contact the Canada Revenue Agency or refer to its website.

### ***Deferral of Customs Duty and Sales Tax for Importers***

Imported goods by businesses are generally subject to the GST, at a rate of 5 per cent, as well as applicable customs duties, which vary by product and country of origin. While the vast majority of imports enter Canada duty-free, some tariffs remain, especially on consumer goods. The *Customs Act*, for which the Minister of Public Safety and Emergency Preparedness is responsible and which is administered by the Canada Border Services Agency (CBSA), governs the levying and payment of customs duties in Canada. Typically, payments owing for customs duties and the GST on imports are due before the first day of the month following the month in which the Statements of Accounts are issued. Section 33.7(1) of the *Customs Act* allows the Minister of Public Safety and Emergency Preparedness or an officer designated by the President of the CBSA to extend, in writing, the timeline for accounting or payment of amounts owing. Under this authority, payment deadlines for statements of accounts for March, April, and May are being deferred to June 30, 2020. Businesses in need of information about their particular accounting and payment obligations on imported goods may contact the Canada Border Services Agency for more details.

### **New Loan Programs for Businesses**

#### ***Canada Emergency Business Account***

To ensure that small businesses have access to the capital they need to see them through the current challenges, the Government of Canada is announcing the launch of the new Canada Emergency Business Account, which will be implemented by eligible financial institutions in cooperation with Export Development Canada (EDC). This \$25 billion program will provide interest-free loans of up to \$40,000 to small businesses and not-for-profits, to help cover their operating costs during a period where their revenues have been temporarily reduced, due to the economic impacts of the COVID-19 virus. This will better position them to quickly return to providing services to their communities and creating employment. Small businesses and not-for-profits should contact their financial institution to apply for these loans. To qualify, these organizations will need to demonstrate they paid between \$50,000 to \$1 million in total payroll in 2019. Repaying the balance of the loan on or before December 31, 2022 will result in loan forgiveness of 25 percent (up to \$10,000).

#### ***A New Loan Guarantee for Small and Medium Enterprises***

Small and medium-sized enterprises (SMEs) may be particularly vulnerable to the impacts of COVID-19. To support their operations, EDC will guarantee new operating credit and cash flow term loans that financial institutions extend to SMEs, up to \$6.25 million. The program cap for this new loan program will be a total of \$20 billion for export sector and domestic companies.

#### ***A New Co-Lending Program for Small and Medium Enterprises***

To provide additional liquidity support for Canadian businesses, the Co-Lending Program will bring the Business Development Bank of Canada (BDC) together with financial institutions to co-lend term loans to SMEs for their operational cash flow requirements. Eligible businesses may obtain incremental credit amounts up to \$6.25 million BDC's portion of this program is up to \$5 million maximum per loan. Eligible financial institutions

will conduct the underwriting and manage the interface with their customers. The potential for lending for this program will be \$20 billion...

### **Canada Revenue Agency's Additional Measures for Individuals and Businesses**

The Canada Revenue Agency (CRA) understands that individuals and businesses might be dealing with difficulties filing their income and benefit returns, and could experience cash-flow challenges in the coming months. In response, the CRA will be applying these additional measures:

#### ***Administrative tax measures***

In addition to the income tax filing and payment deadline extensions, unless otherwise noted, administrative income tax actions required of taxpayers by the CRA that are due after March 18, 2020, can be deferred to June 1, 2020. These administrative income tax actions include returns, elections, designations and information requests. Payroll deductions payments and all related activities are excluded.

#### ***Trusts, Partnerships and NR4 Information Returns***

The deadlines for trusts, partnership and NR4 information returns are all extended to May 1, 2020. This is due to administrative requirements in advance of the June 1, 2020 deadline for filing individual income tax and benefit returns.

#### ***Objections***

Any objections related to Canadians' entitlement to benefits and credits have been identified as a critical service and will continue to be processed during the COVID-19 crisis. As a result, there should not be any delays associated with the processing of these objections. With respect to objections related to other tax matters filed by individuals and businesses, the CRA is currently holding these accounts in abeyance. No collection action will be taken with respect to these accounts during this period of time.

#### ***Extending the deadline for filing an objection***

For any objection request due March 18 or later, the deadline is effectively extended until June 30, 2020.

#### ***Canada Pension Plan/Employment Insurance (CPP/EI) appeals to the Minister***

In cases where taxpayers wish to file an appeal in relation to CPP/EI rulings decision, they are encouraged to do so through MyAccount to avoid potential delays. The CPP/EI appeals program is currently only actioning appeals that are related to cases where EI benefits are pending. These cases will be treated on a priority basis. All other appeals will be actioned when normal services resume. In addition, the CPP/EI Appeals to the Minister program will exercise discretion on a case by case basis when additional time is required to respond to a request.

### ***Deadlines for charities***

CRA is extending the filing deadline to December 31, 2020, for all charities with a Form T3010, Registered Charity Information Return due between March 18, 2020 and December 31, 2020. This will allow charities more time to complete and submit their T3010.

### ***Suspending audit activities***

CRA will not initiate contact with taxpayers for audits, with certain exceptions, This includes: 1) no new audits being launched, and 2) no requests for information related to existing audits. No audits should be finalized and no reassessments should be issued.

### ***Suspending collections on new debt***

Collections activities on new debts will be suspended until further notice, and flexible payment arrangements will be available. Payment arrangements are also available on a case-by-case basis if you can't pay your taxes, child and family benefit overpayments, Canada Student Loans, or other government program overpayments in full.

If you have concerns and require contact with a Collections Officer, please contact our toll free number 1-800-675-6184 between 8:00 a.m. and 4:00 p.m. your local time.

### ***Requirement to pay (RTP)***

Banks and employers do not need to comply or remit on existing RTPs during this time.

### ***Taxpayer relief requests***

Taxpayers who are unable to file a return or make a payment by the tax-filing and payment deadlines because of COVID-19 can request the cancellation of penalty and interest charged to their account. Penalties and interest will not be charged if the new deadlines that the government has announced to tax-filing and payments are met. For more information about deadlines, see [Helping Canadians with the economic impact of the COVID-19 Pandemic](#).

For more information about taxpayer relief and how to make a request to the CRA to have interest and/or penalties cancelled, please go to [Canada.ca/taxpayer-relief](https://Canada.ca/taxpayer-relief).

For more information, visit [Helping Canadians with the economic impact of the COVID-19 Pandemic](#).

### **Government News Release 2020-03-27: Prime Minister announces support for small businesses facing impacts of COVID-19**

The Government of Canada is focused on helping Canadians and businesses through this tough economic time. We will continue to protect the health and safety of Canadians, while supporting families and businesses and keeping our economy strong in the face of uncertainty.

The Prime Minister, Justin Trudeau, [today announced](#) additional new measures to support small businesses dealing with the economic impacts of the pandemic. These measures will help Canadian businesses protect the jobs that Canadians depend on, and pay their workers and bills during these difficult times.

Today's announcement is a part of the government's COVID-19 Economic Response Plan, which already commits \$107 billion in support to Canadians so they can buy groceries, pay rent, and care for their loved ones, and also supports businesses through this difficult time.

To further support small businesses, the Government of Canada will:

- Announce a 75 per cent wage subsidy for qualifying businesses, for up to 3 months, retroactive to March 15, 2020. This will help businesses to keep and return workers to the payroll. More details on eligibility criteria will start with the impact of COVID-19 on sales, and will be shared before the end of the month.
- Allow businesses, including self-employed individuals, to defer all Goods and Services Tax/Harmonized Sales Tax (GST/HST) payments until June, as well as customs duties owed for imports. This measure is the equivalent of providing up to \$30 billion in interest-free loans to Canadian businesses. It will help businesses so they can continue to pay their employees and their bills, and help ease cash-flow challenges across the country.
- Launch the new Canada Emergency Business Account. This program will provide up to \$25 billion to eligible financial institutions so they can provide interest-free loans to small businesses. These loans – guaranteed and funded by the Government of Canada – will ensure that small businesses have access to the capital they need, at a zero per cent interest rate, so they can pay for rent and other important costs over the next number of months.
- Launch the new Small and Medium-sized Enterprise Loan and Guarantee program that will enable up to \$40 billion in lending, supported through Export Development Canada and Business Development Bank, for guaranteed loans when small businesses go to their financial institutions to help weather the impacts of COVID-19. This is intended for small and medium-sized companies that require greater help to meet their operational cash flow requirements.

These new investments will help Canada's financial institutions provide the credit and liquidity options that a range of Canadian businesses need immediately.

The Government of Canada understands that some sectors have been disproportionately impacted by the COVID-19 pandemic. We will continue to carefully monitor all developments, and take further action in the near term. We're all in this together, and the Government of Canada will continue to work around the clock to ensure all Canadians and small businesses get the support they need to weather this crisis.

#### Quotes

"Small businesses are the backbone of our economy, and an important source of good jobs across this country. They are facing economic hardship and uncertainty during the COVID-19 pandemic, and that is why we are taking action now to help them get the financial help they need to protect their workers and pay their bills."

The Rt. Hon. Justin Trudeau, Prime Minister of Canada

“The measures that we are taking to protect Canadians and our economy from the impacts of the COVID-19 pandemic remind us that extraordinary times demand extraordinary actions. With the new measures we are announcing today to support businesses, we are showing once again that we will do what we must to ensure that workers and businesses are supported through the outbreak, and that our economy remains strong in the face of adversity.”

The Hon. Bill Morneau, Minister of Finance

#### Quick Facts

The deferral to June of GST/HST payments, as well as customs duties owing on imports, will generally apply to remittances that become due in March, April, and May. These amounts would normally have been due to the Canada Revenue Agency and the Canada Border Services Agency as early as the end of this month. This measure will take effect immediately, through existing authorities.

The Canada Revenue Agency is introducing a series of administrative measures to remove some of the burden on businesses experiencing financial hardship.

The new Canada Emergency Business Account will provide funding to eligible financial institutions so that they can provide interest-free loans in the form of lines of credit of up to \$40,000 to businesses with payrolls of less than \$1 million. A quarter of this loan (up to \$10,000) is eligible for complete forgiveness.

The new Small and Medium-sized Enterprise Loan and Guarantee program will operate as follows:

Export Development Canada will provide guarantees to financial institutions so that they can issue new operating credit and cash flow term loans of up to \$6.25 million to small and medium-sized businesses. These loans will be 80 per cent guaranteed by Export Development Canada, to be repaid within one year.

Small and medium-sized businesses can also get support through a new Co-Lending Program that will bring the Business Development Bank of Canada together with financial institutions to co-lend term loans to these businesses for their operational cash flow requirements. Eligible businesses may obtain incremental credit amounts of up to \$6.25 million through the program, which will be risk-shared at 80 per cent between the Business Development Bank of Canada and the financial institutions. Eligible financial institutions will conduct the underwriting and funding directly for customers.

The government has already introduced several measures to support businesses affected by COVID-19:

Extending the maximum duration of the Work-Sharing program, from 38 weeks to 76 weeks, for workers who agree to reduce their normal working hours because of developments beyond the control of their employers.

Establishing a Business Credit Availability Program, largely targeted to small and medium-sized businesses, through the Business Development Bank of Canada and Export Development Canada. These organizations are working closely with private sector lenders to coordinate on credit solutions for individual businesses, including in sectors such as oil and gas, air transportation, and tourism.

Increasing credit available for farmers and the agri-food sector through Farm Credit Canada.

Deferring the payment of income taxes. The government is allowing all taxpayers to defer, until after August 31, 2020, the payment of income tax amounts owed on or after March 18 and before September 2020. This relief would apply to tax balances due, as well as instalments, under Part I of the Income Tax Act. No interest or penalties will accumulate on these amounts during this period.

## **Finance News Release 2020-03-25: Canada's COVID-19 Economic Response Plan: Support for Canadians and Businesses**

### **Support to Businesses**

#### **Avoiding layoffs**

##### ***Extending the Work-Sharing program***

We are extending the maximum duration of the Work-Sharing program from 38 weeks to 76 weeks. The [Work-Sharing program](#) is offered to workers who agree to reduce their normal working hours because of developments beyond the control of their employers...

#### **Access to credit**

##### ***Establishing a Business Credit Availability Program***

We established a [Business Credit Availability Program](#) (BCAP) to provide more than \$10 billion of additional support, largely targeted to small and medium-sized businesses, through the Business Development Bank of Canada (BDC) and Export Development Canada (EDC). BDC and EDC are cooperating with private sector lenders to coordinate on credit solutions for individual businesses, including in sectors such as oil and gas, air transportation and tourism. As a first step, businesses in need of credit support should contact their financial institution.

#### **Support for farmers**

##### ***Increasing credit available***

We have increased credit available to farmers and the agri-food sector through [Farm Credit Canada](#).

#### **Supporting financial stability**

##### ***Launching an Insured Mortgage Purchase Program***

We launched an [Insured Mortgage Purchase Program](#), in which we will purchase up to \$50 billion of insured mortgage pools through the Canada Mortgage and Housing Corporation. This action will provide long-term stable funding to banks and mortgage lenders, help facilitate continued lending to Canadian consumers and businesses, and add liquidity to Canada's mortgage market.

## [Bank of Canada actions](#)

The Bank of Canada is acting in several ways to support the economy and financial system and stands ready to take any and all actions that it can to protect the well-being of Canadians during this difficult time. The Bank has responded by lowering interest rates, intervening to support key financial markets and providing liquidity support for financial institutions.

### ***Lowering the Domestic Stability Buffer***

The Office of the Superintendent of Financial Institutions announced it is lowering the [Domestic Stability Buffer](#) by 1.25% of risk-weighted assets. This action will allow Canada's large banks to inject \$300 billion of additional lending in to the economy.

### **Finance News Release 2020-03-25: The COVID-19 Emergency Response Act Receives Royal Assent**

The Government of Canada is taking strong, immediate and effective action to protect Canadians and our economy from the impacts of the global COVID-19 pandemic.

Bill C-13, the *COVID-19 Emergency Response Act*, today received Royal Assent, guaranteeing the rapid implementation and administration of measures to protect Canadians' health and safety and stabilize the Canadian economy. The authorities in this legislation makes sure that the government can do what it takes to support Canadians and Canadian businesses, and the economy as whole, in a timely way, today and in the future, as the situation continues to evolve.

The Government's COVID-19 Economic Response Plan provides direct support to Canadian workers and businesses, plus \$55 billion through tax deferrals, to help meet the cash needs of Canadian businesses and households, and to help stabilize the economy. This comprehensive support helps ensure that Canadians can pay for essentials like housing and groceries, as well as helps businesses continue to pay their employees and their bills during this time of uncertainty.

This legislation:

- Provides additional assistance to families with children by temporarily boosting Canada Child Benefit payments, delivering almost \$2 billion in extra support.
- Provides additional assistance to individuals and families with low and modest incomes with a special top-up payment under the Goods and Services Tax (GST) credit, delivering \$5.5 billion in support.
- Introduces a Canada Emergency Response Benefit providing a taxable benefit of \$2,000 a month for up to 4 months to support workers who lose their income as of result of the COVID-19 pandemic. The benefit would cover Canadians who have lost their job, are sick, quarantined, or taking care of someone who is sick with COVID-19, as well as working parents who must stay home without pay to care for children who are sick or at home because of school and daycare closures. Additionally, workers who are still employed, but are not receiving income because of disruptions to their work situation related to COVID-19, would also qualify for the CERB. The CERB is available to Canadian workers affected by the current situation whether or not they are eligible for Employment Insurance (EI).
- Introduces a pause on the repayments of Canada Student Loans in the Canada Student Financial Assistance Act, the Canada Student Loans Act, and the Apprenticeship Loans Act in order to introduce a

6-month moratorium on the repayment of Canada Student Loans for all borrowers currently in repayment.

- Helps businesses keep their workers by providing eligible small employers a temporary wage subsidy for a period of three months. Eligible employers would include small businesses (including co-operative corporations) eligible for the small business deduction, unincorporated employers, certain partnerships, non-profit organizations and charities.
- Helps protect seniors' retirement savings from the impact of volatile market conditions by reducing required minimum withdrawals from Registered Retirement Income Funds by 25 per cent for 2020.
- Supports provinces and territories with a COVID-19 Response Fund that would provide one-time funding of \$500 million through the Canada Health Transfer for their critical health care system needs and to support mitigation efforts as needed.
- Ensures the availability of drugs and medical devices by providing the Government with the authority to make regulations to address any future shortages of therapeutic products, including drugs and medical devices. This would include allowing for drug patent overrides in health emergencies in the period up to September 30, 2020, and for the importation of drugs and medical devices not authorized for sale in Canada to address certain shortages, such as for personal protective equipment or drugs required to treat COVID-19.
- Supports Canadian businesses through the Business Development Bank of Canada (BDC) by temporarily providing the Minister of Finance with more flexibility to determine BDC's capital limit, allowing it to provide further financial support to Canadian businesses when they need it.
- Supports Canadian businesses through Export Development Canada (EDC) by temporarily providing the Minister of Finance with more flexibility in setting EDC's capital and liability limits – as well as the Canada Account limit – and expanding EDC's ability to engage in domestic financial transactions so that it can more effectively deliver financial and credit insurance support to affected Canadian businesses.
- Supports the agriculture and agri-food sector by amending the Farm Credit Canada (FCC) Act to temporarily provide the Minister of Finance with the flexibility to set the limit on the amounts that may be paid by the Minister of Finance to FCC out of the Consolidated Revenue Fund to ensure continued availability of credit to businesses in the agriculture and agri-food sector.
- Supports the mortgage financing market in Canada by enhancing the Canada Mortgage and Housing Corporation's (CMHC) access to capital, and increasing its insurance-in-force and guarantees-in-force legislative limits, so that it can continue to provide stable funding to banks and mortgage lenders in support of continued lending to Canadian businesses and consumers.
- Protects Canadians from the Spread of COVID-19 by providing authority to a federal minister to requisition funds from the Consolidated Revenue Fund with the concurrence of the Minister of Finance and the Minister of Health to support federal efforts to prevent or control the spread of COVID-19.
- Provides the Minister of Finance with flexibility to respond expeditiously to COVID-19 developments, by amending the Financial Administration Act (FAA) to temporarily remove the requirement for the Minister of Finance to receive Governor in Council's authorization in order to use emergency powers.
- Supports the protection of Canadians' savings by providing the Minister of Finance with the flexibility to increase the Canada Deposit Insurance Corporation's deposit insurance limit beyond its current level of \$100,000.

These investments build on action already taken to address the outbreak, including the over \$1 billion COVID-19 Response Fund and over \$500 billion in credit and liquidity support coordinated by the Government, the Bank of Canada, the Office of the Superintendent of Financial Institutions, the Canada Mortgage and Housing

Corporation and commercial lenders to ensure businesses have access to liquidity and can continue to operate.

The Government will continue to carefully monitor all developments relating to the COVID-19 outbreak and is prepared to take further action as required.

### **Deferral of GST/HST Tax Remittances (COVID-19 Measures) (CRA FAQ) (April 1, 2020)**

Q1- What fiscal measures is the Canada Revenue Agency (CRA) taking to help Canadian businesses manage their GST/HST payments and remittances?

A1- The CRA understands that businesses might be dealing with difficulties in making their GST/HST payments or remittances.

The CRA will allow all businesses to defer, until the end of June 2020, any GST/HST payments or remittances that become owing on or after March 27, 2020, and before June 2020. This means that no interest will apply if your payments or remittances are made by the end of June 2020.

The deadline for businesses to file their returns is unchanged. Those who are able to, should continue to file their GST/HST returns on time reporting their net tax for the reporting period to help facilitate tax compliance and administration. However, recognizing the difficult circumstances faced by businesses, the CRA won't impose penalties where a return is filed late provided that it is filed by June 30th.

Q2: I am an annual filer who is required to make quarterly GST/HST instalment payments. Does the announced deferral apply to instalment payments?

A2: Yes, any GST/HST instalment payments due on or after March 27, 2020, and before June 2020 can be deferred until the end of June 2020. No interest will apply if the instalment payment amounts are paid by the end of June 2020.

Q3: I am an individual with a calendar year reporting period who is not required to file my GST/HST return until June 15th. Am I still required to remit the net tax owing for my 2019 reporting period by April 30, 2020.

A3: No, the remittance of your net tax can be deferred until the end of June 2020. No interest will apply if the net tax is remitted by the end of June 2020.

Q4: The Government has now announced temporary payment deferrals for income tax, GST/HST and Customs duties. Will there be a similar deferral for excise taxes and duties?

A4: Excise taxes and duties are still required to be remitted by their prescribed due dates. If you are having difficulty making your payment on time, you can contact the CRA and request that any related interest on outstanding amounts be waived. Decisions to waive interest are made on a case by case basis.

Q5: Will my GST/HST return be processed if I file it electronically?

.....

A5: GST/HST returns that are filed electronically will be processed unless they require client contact or additional review. Those returns will not be processed until normal operations resume.

To check on the status of your GST/HST return, please log in to My Business Account where there are many self-service options such as viewing expected and filed returns, viewing the notice of assessment and signing up for direct deposit. More information can be found here:

<https://www.canada.ca/en/revenue-agency/services/e-services/e-services-businesses/business-account.html>

Q6: Will my GST/HST return be processed if I mail in a paper copy?

A6: Paper copies of GST/HST returns will not be processed until normal operations resume. We encourage registrants to file electronically. More information can be found here:

<https://www.canada.ca/en/revenue-agency/services/e-services/e-services-businesses/business-account.html>

Q7: If I am expecting a refund after filing my GST/HST return, will my refund still be processed and issued?

A7: GST/HST returns filed electronically that do not require client contact or additional review will be processed and a refund will be issued if there is no balance owing.

Registrants should sign up for Direct Deposit through My Business Account in order to receive their refunds. More information can be found here:

<https://www.canada.ca/en/revenue-agency/services/about-canada-revenue-agency-cra/direct-deposit.html>

Q8: Who can I contact to get more information on my GST/HST account during this pandemic?

A8: We encourage clients to use our self-serve options like My Business Account and our website to find information and to find answers to their questions. Log in to My Business Account to check the status of your GST/HST account. More information can be found here:

<https://www.canada.ca/en/revenue-agency/services/e-services/e-services-businesses/business-account.html>

Q9: Will GST/HST Rebates continue to be processed?

A9: Only the GST/HST rebate applications filed electronically for Federal, Provincial and Territorial Governments, Ontario First Nation HST Point-of-Sale and Public service bodies with the CRA can be processed automatically unless they require client contact or additional review. Electronically filed Housing and General rebate applications are manually assessed and won't be processed until operations resume.

Q10: I filed a GST/HST Rebate. When will my rebate be processed?

A10: For those GST/HST rebates that can be filed electronically, they will be processed as long as no manual intervention is required.

Q11: Will consideration be given to late filed rebates?

A11: GST/HST rebates that are late filed may be considered for processing. They will be reviewed on a case by case basis when operations resume.

### **TEI Holds Call with Canada Department of Finance on March 30, 2020 Regarding COVID-19 Commodity Tax Issues**

On March 30, 2020, members of the TEI Canadian Tax Committee had a call with the Canada Department of Finance Tax Policy Branch to discuss COVID-19 commodity tax issues and Finance's March 27, 2020 announcement. The following is a brief summary of the discussion.

Note: The discussion with Finance were high-level discussions and focused on the general intent and parameters of the [March 27, 2020, announcement](#).

1. The GST/HST remittance deferral announced last March 27th for Canadian businesses applies to all GST registrants, including but not limited to large corporations, individuals, and non-resident registrants.
2. The decision regarding whether the filing of GST/HST returns will be deferred is a decision to be made by the administrator of the tax, which is CRA. CRA will be issuing guidance on this topic imminently.
3. The deferral of remittances must be handled on a net basis. If a registrant files and wants to claim an ITC, the ITC must be offset by GST/HST collected. Registrants cannot claim an ITC now and defer their remittance of the GST/HST collected during the period.
4. If a registrant is in a net GST/HST receivable position (e.g., exporters), the registrant is entitled to file its return now and obtain its ITC (net of GST/HST collected/collectible).
5. If the registrant is in a net GST/HST payable position, then the registrant can defer payment of the net GST/HST payable.
6. Finance cannot confirm whether a taxpayer will have the ability to claim its ITCs in the reporting period where the statements of accounts are issued and defers the GST payments until June 30th. CRA/CBSA is in discussions on this issue now.
7. Government continues to evaluate tax relief measures. Finance indicated that deferrals apply only to GST/HST and customs import duties at this time.

TEI thanked Finance for joining the call and providing guidance at this difficult time. TEI and its members are available should Finance or CRA need assistance from the business community as things progress.

Finance thanked the TEI representatives for joining the call and appreciated flexibility as these issues continue to evolve.

### **COVID-19 Update: Additional measures from the Canada Revenue Agency (CRA Special Notice: March 27, 2020)**

The Canada Revenue Agency (CRA) understands that individuals and businesses might be dealing with difficulties filing their income and benefit returns, and could experience cash-flow challenges in the coming months. In response, the CRA is applying these additional measures:

**Administrative income tax measures:** In addition to the income tax filing and payment deadline extensions announced as part of the fiscal measures, unless otherwise noted, taxpayers may defer a number of other administrative tax actions required under the Income Tax Act (ITA) that are due after March 18, 2020, until June 1, 2020. These administrative income tax actions include the filing of returns, forms, elections, designations, and responses to information requests. Payment and remitting requirements are not covered by this announcement.

This measure also does not apply in respect of a prescribed form, receipt or document, or prescribed information, that is required to be filed with the Minister on or after the day specified, in respect of the form, receipt, document or information, in subsection 37(11) or paragraph (m) of the definition investment tax credit in subsection 127(9) of the ITA.

Payroll deductions and all related activities (except to the extent they relate to the reduction of remittances related to the temporary wage subsidy) must continue to be done on time.

**Trusts, Partnerships and NR4 Information Returns:** The deadlines for trusts, partnership and NR4 Information returns are all extended to May 1, 2020. This is due to administrative requirements in advance of the June 1st deadline for filing individual income tax and benefit returns.

### For more information

We thank you all for your patience as we navigate through this situation together. To learn more about how the CRA is helping Canadians with the economic impact of the COVID-19 Pandemic, go to [Helping Canadians with the economic impact of the COVID-19 Pandemic](#). To get the latest information please bookmark this page as we update it often and follow us on our social media channels.

[The Canada Revenue Agency (CRA) has developed [this page](#) to provide updates on the fiscal measures taken by the Agency to help Canadians manage their tax and benefit affairs as this situation evolves. This page will be updated as new information is available. For more information on COVID-19, [Public Health Agency of Canada's page](#) provides general updates and health information].

### Tax-Filing and Payment Deadlines

See the chart at the top of this Newsletter.

### Electronic Signatures

Effective immediately, in order to reduce the necessity for taxpayers and tax preparers to meet in person during this difficult time, and to reduce administrative burden, the CRA will recognize electronic signatures as having met the signature requirements of the *Income Tax Act*, as a temporary administrative measure. This provision applies to authorization forms [T183](#) or [T183CORP](#), which are forms that are signed in person by millions of Canadians every year to authorize tax preparers to file taxes.

## Liaison Officer service

The CRA is adapting its Liaison Officer service to support small businesses during COVID-19. Through this service, the CRA offers help to owners of small businesses to help them understand their tax obligations. Traditionally available in-person, this service is now available over the phone.

The Liaison Officer service is customizing information during these challenging times by ensuring small businesses are aware of any changes such as filing and payment deadlines, proactive relief measures, etc.

The CRA will be working with key stakeholders to help promote this adapted service. The CRA is here to help, and the Liaison Officer service is one way the CRA is helping small businesses get the tax information they need, when they need it.

## Customs Notice 20-11

Canada Border Services Agency

Extension of Timeframes for Payment of Customs Duties and GST (COVID-19)

Ottawa, March 27, 2020

1. This notice provides information regarding the extension of timeframes for the payment of customs duties and the Goods and Services Tax (GST).
2. Subsection 33.7(1) of the Customs Act ("The Act") provides an authority to the Minister of Public Safety and Emergency Preparedness ("The Minister") or an officer designated by the President of the Canada Border Services Agency (CBSA) to, in writing, extend the time prescribed by the regulations for the payment of any amount owing for duties.
3. The timeframes for the payment of duties owing on commercial goods are set out in section 10.1 of the Accounting for Imported Goods and Payment of Duties Regulations ("The Regulations").
4. The World Health Organization characterized the outbreak of the coronavirus disease (COVID-19) as a pandemic on March 11, 2020.
5. Within this extraordinary context and further to the announcement made by the Prime Minister on March 27, 2020 the Government of Canada will allow businesses to defer to June some payments of the Goods and Services Tax / Harmonized Sales Tax amounts collected on their sales, as well as customs duties owing on their imports.
6. The Minister has exercised his authority pursuant to subsection 33.7(1) of the Act to extend the time for payment of an amount owing as duties.
7. As such, the timeframe for all payments due to the Agency (customs duties and GST on regular imports, re-assessments, penalties, etc.) are extended to June 30, 2020. This also includes charges on the statement of account of March due on April 1, 2020.

8. Importers should note there is no change to the accounting timeframes prescribed by "The Regulations". Importers are required to submit accounting declarations for imported goods released on minimum documentation within the required timeframes.

9. For any questions, please contact [cbsa-asfc\\_caarm.gcra@cbsa-asfc.gc.ca](mailto:cbsa-asfc_caarm.gcra@cbsa-asfc.gc.ca).

## **Benefits, Credits, and Support for Individuals**

### **File early if possible (per the CRA)**

File your income tax and benefit return electronically before June 1, 2020 to make sure your benefits and credits are not interrupted. Register for direct deposit on CRA's My Account for the quickest and most reliable way to get benefit and credit payments. Allow up to 5 business days after the scheduled payment date to receive your benefit or credit payment before calling us... If you have received a letter from the CRA that includes a date to respond or asks for documents, no action is required from you at this time. Verification work is currently on hold and the CRA will re-contact you once the current COVID-19 measures are lifted. If you are a benefit recipient whose payments have been stopped or adjusted after a validation review and you have sent in the requested documentation, your account will be processed on a priority basis. It is important to note that, although reviews have been postponed, it does not prevent future actions or reviews from being completed. Benefit recipients will need to keep their supporting documents, in case they are selected for review in the future.

We encourage you to file your income tax and benefit return electronically and as early as possible before June 1, 2020, to make sure your benefits and credits are not interrupted. You are encouraged to register for direct deposit on CRA's My Account self-service portal, as this is the quickest and most reliable way to get benefit and credit payments. It can sometimes take up to five business days after the scheduled payment date to receive your benefit or credit payment. Please allow this time before calling us.

### **Backgrounder: Canada Emergency Response Benefit – From: Employment and Social Development Canada (April 1, 2020)**

The Canada Emergency Response Benefit provides temporary emergency income support to workers who have stopped working and are without employment or self-employment income for reasons related to COVID-19.

The Canada Emergency Response Benefit replaces the Emergency Care Benefit and the Emergency Support Benefit announced on March 18, 2020.

#### **Eligibility**

The CERB will be available to workers: 1) residing in Canada, who are at least 15 years old; 2) who have stopped working because of COVID-19; 3) who had income of at least \$5,000 in 2019 or in the 12 months prior to the date of their application; and 4) who are or expect to be without employment or self-employment income for at least 14 consecutive days in the initial four-week period.

For subsequent benefit periods, they expect to have no employment income.

The Benefit is also available to workers who, after March 15, are eligible for Employment Insurance regular or sickness benefits.

The income of at least \$5,000 may be from any or a combination of the following sources: employment; self-employment; maternity and parental benefits under the Employment Insurance program and/or similar benefits paid in Quebec under the Quebec Parental Insurance Plan.

The Benefit is only available to individuals who stopped work as a result of reasons related to COVID-19. If you have not stopped working because of COVID-19, you are not eligible for the Benefit.

### Application process

- Applications for the CERB will open on April 6, 2020 at [Canada.ca/coronavirus](https://Canada.ca/coronavirus).
- Applicants will be asked simple questions that help direct them to one of two service options:
- Canadians who would generally be eligible for EI benefits will be directed to apply for the CERB through Service Canada through Appliweb; or
- Canadians who would generally not be eligible for EI benefits will be directed to apply for the CERB through the CRA's MyAccount or CRA's automated toll-free line at 1-800-959-2019.

Canadians calling the toll-free line at 1-800-959-2019 will be connected to the CRA's automated telephone system. This is a dedicated line for CERB applications.

Applicants will need to affirm that they meet the eligibility criteria and information that individuals provide during the application process may be verified at a later time.

The benefit is available from March 15, 2020, to October 3, 2020. You can apply no later than December 2, 2020.

### Applying online

Canadians can get ready to apply for the CERB by signing up to My Account or My Service Canada Account. They should also make sure their direct deposit and mailing information is up to date with the CRA.

### Amount

The CERB will be paid in blocks of four weeks in the amount of \$2,000, which is equivalent to \$500 per week. If an individual's situation continues, they can re-apply for a payment for multiple 4-week periods, to a maximum of 16 weeks (4 periods).

### Processing time

Once the application process opens as of April 6, 2020, Canadians can expect to receive payments within three to five business days through direct deposit or within 10 business days by cheque.

***Finance News Release 2020-03-25: Canada Emergency Response Benefit***

The Government of Canada is taking strong, immediate and effective action to protect Canadians and the economy from the impacts of the global COVID-19 pandemic. No Canadian should have to choose between protecting their health, putting food on the table, paying for their medication or caring for a family member.

To support workers and help businesses keep their employees, the government has proposed legislation to establish the Canada Emergency Response Benefit (CERB). This taxable benefit would provide \$2,000 a month for up to four months for workers who lose their income as a result of the COVID-19 pandemic. The CERB would be a simpler and more accessible combination of the previously announced Emergency Care Benefit and Emergency Support Benefit.

The CERB would cover Canadians who have lost their job, are sick, quarantined, or taking care of someone who is sick with COVID-19, as well as working parents who must stay home without pay to care for children who are sick or at home because of school and daycare closures. The CERB would apply to wage earners, as well as contract workers and self-employed individuals who would not otherwise be eligible for Employment Insurance (EI).

Additionally, workers who are still employed, but are not receiving income because of disruptions to their work situation due to COVID-19, would also qualify for the CERB. This would help businesses keep their employees as they navigate these difficult times, while ensuring they preserve the ability to quickly resume operations as soon as it becomes possible.

The EI system was not designed to process the unprecedented high volume of applications received in the past week. Given this situation, all Canadians who have ceased working due to COVID-19, whether they are EI-eligible or not, would be able to receive the CERB to ensure they have timely access to the income support they need.

Canadians who are already receiving EI regular and sickness benefits as of today would continue to receive their benefits and should not apply to the CERB. If their EI benefits end before October 3, 2020, they could apply for the CERB once their EI benefits cease, if they are unable to return to work due to COVID-19. Canadians who have already applied for EI and whose application has not yet been processed would not need to reapply. Canadians who are eligible for EI regular and sickness benefits would still be able to access their normal EI benefits, if still unemployed, after the 16-week period covered by the CERB.

The government is working to get money into the pockets of Canadians as quickly as possible. The portal for accessing the CERB would be available in early April. EI eligible Canadians who have lost their job can continue to apply for EI here, as can Canadians applying for other EI benefits.

Canadians would begin to receive their CERB payments within 10 days of application. The CERB would be paid every four weeks and be available from March 15, 2020 until October 3, 2020.

This benefit would be one part of the government's COVID-19 Economic Response Plan, to support Canadian workers and businesses and help stabilize the economy by helping Canadians pay for essentials like housing and groceries, and helping businesses pay their employees and bills during this unprecedented time of global uncertainty.

## Quotes

“We know that people are worried about their health, their jobs and their financial situations. Our government is doing whatever it takes to protect the health and safety of Canadians, and to support workers, families and businesses. The Canada Emergency Response Benefit would make sure that money gets in the hands of workers as quickly as possible to support them in their time of need, and would help businesses keep their employees during this difficult period. Canadians can rest assured that the government stands ready to take any and all necessary actions as we continue to confront these challenging times together.”

- Bill Morneau, Minister of Finance

“Through the Canada Emergency Response Benefit, the Government of Canada would be helping support those Canadians who are unable to work due to the COVID-19 pandemic. It is during these difficult times that Canadians should not have to choose between protecting their health and continuing to support their families. We recognize this, and are there for them.”

- Carla Qualtrough, Minister of Employment, Workforce Development and Disability Inclusion

“The government understands that the outbreak of COVID-19 is having a significant impact on all Canadians. Through the Canada Emergency Response Benefit, we would provide much-needed financial support to those who have lost their income because of COVID-19. The Canada Revenue Agency is playing an important role by getting benefit payments to Canadians quickly and efficiently.”

- Diane Lebouthillier, Minister of National Revenue

### ***The new Canada Emergency Response Benefit***

We will provide a taxable benefit of \$2,000 a month for up to 4 months to:

- i) workers who must stop working due to COVID-19 and do not have access to paid leave or other income support,
- ii) workers who are sick, quarantined, or taking care of someone who is sick with COVID-19,
- iii) working parents who must stay home without pay to care for children that are sick or need additional care because of school and daycare closures,
- iv) workers who still have their employment but are not being paid because there is currently not sufficient work and their employer has asked them not to come to work,
- v) wage earners and self-employed individuals, including contract workers, who would not otherwise be eligible for Employment Insurance.

The Canada Emergency Response Benefit will be accessible through a secure web portal starting in early April. Applicants will also be able to apply via an automated telephone line or via a toll-free number.

[See the *COVID-19 Emergency Response Act*, PART 2, which enacts the *Canada Emergency Response Benefit Act*]

The *Canada Emergency Response Benefit Act* is enacted as follows:

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## An Act respecting income support payments for workers (coronavirus disease 2019)

### Short title

1 This Act may be cited as the *Canada Emergency Response Benefit Act*.

### Definitions

2 The following definitions apply in this Act.

COVID-19 means the coronavirus disease 2019.

Minister means the Minister of Employment and Social Development.

“week” means the period of seven consecutive days beginning on and including Sunday.

“worker” means a person who is at least 15 years of age, who is resident in Canada and who, for 2019 or in the 12-month period preceding the day on which they make an application under section 5, has a total income of at least \$5,000 — or, if another amount is fixed by regulation, of at least that amount — from the following sources:

(a) employment;

(b) self-employment;

(c) benefits paid to the person under any of subsections 22(1), 23(1), 152.04(1) and 152.05(1) of the *Employment Insurance Act*; and

(d) allowances, money or other benefits paid to the person under a provincial plan because of pregnancy or in respect of the care by the person of one or more of their new-born children or one or more children placed with them for the purpose of adoption.

3 With the consent of the Minister of Finance, the Minister may, by regulation, fix an amount for the purposes of the definition worker in section 2.

4 The Minister must make an income support payment to a worker who makes an application under section 5 and who is eligible for the payment.

5 (1) A worker may, in the form and manner established by the Minister, apply for an income support payment for any four-week period falling within the period beginning on March 15, 2020 and ending on October 3, 2020.

(2) No worker is permitted to file an application after December 2, 2020.

(3) An applicant must provide the Minister with any information that the Minister may require in respect of the application.

6 (1) A worker is eligible for an income support payment if

(a) the worker, whether employed or self-employed, ceases working for reasons related to COVID-19 for at least 14 consecutive days within the four-week period in respect of which they apply for the payment; and

(b) they do not receive, in respect of the consecutive days on which they have ceased working, (i) subject to the regulations, income from employment or self-employment, (ii) benefits, as defined in subsection 2(1) of the *Employment Insurance Act*, (iii) allowances, money or other benefits paid to the worker under a provincial plan because of pregnancy or in respect of the care by the worker of one or more of their new-born children or one or more children placed with them for the purpose of adoption, or (iv) any other income that is prescribed by regulation.

(2) An employed worker does not cease work for the purpose of paragraph (1)(a) if they quit their employment voluntarily.

(3) The Minister may, by regulation,

(a) exclude a class of income from the application of subparagraph (1)(b)(i); and

(b) prescribe any other income for the purposes of subparagraph (1)(b)(iv).

7 (1) The amount of an income support payment for a week is the amount fixed by regulation for that week.

(2) With the consent of the Minister of Finance, the Minister may, by regulation, fix the amount of an income support payment for a week specified in the regulation.

(3) Regulations made under subsection (2) may distinguish among different classes of workers.

8 (1) The maximum number of weeks for which income support payments may be made to a worker is 16 weeks or, if another number of weeks is fixed by regulation, that number of weeks.

(2) With the consent of the Minister of Finance, the Minister may, by regulation, fix a number of weeks for the purpose of subsection (1).

9 The Minister is authorized to collect and use, for the purposes of the administration and enforcement of this Act, the Social Insurance Number of a person who makes an application under this Act.

10 The Minister may, for any purpose related to verifying compliance or preventing non-compliance with this Act, by notice served personally or by confirmed delivery service, require that any person provide any information or document within the reasonable time that is stated in the notice.

11 An income support payment (a) is not subject to the operation of any law relating to bankruptcy or insolvency; (b) cannot be assigned, charged, attached or given as security; (c) cannot be retained by way

of deduction, set-off or compensation under any Act of Parliament other than this Act; and (d) is not garnishable moneys for the purposes of the Family Orders and Agreements Enforcement Assistance Act.

12 (1) If the Minister determines that a person has received an income support payment to which the person is not entitled, or an amount in excess of the amount of such a payment to which the person is entitled, the person must repay the amount of the payment or the excess amount, as the case may be, as soon as is feasible.

(2) The amount of the erroneous payment or overpayment, as determined by the Minister, constitutes a debt due to Her Majesty in right of Canada, as of the day on which it was paid, that may be recovered by the Minister.

(3) The amount of any debt referred to in subsection (2) may be certified by the Minister, and registration of the certificate in the Federal Court has the same effect as a judgment of that Court for the amount specified in the certificate and all related registration costs.

13 (1) Subject to subsections (2) to (7), no action or proceedings are to be taken to recover money owing under this Act after the expiry of the six-year limitation or prescription period that begins on the day on which the money becomes due and payable.

(2) Money owing by a person under this Act may be recovered at any time by way of deduction from, set-off against or compensation against any sum of money, including an income support payment under this Act, that may be due or payable by Her Majesty in right of Canada to the person, other than an amount payable under section 122.61 of the Income Tax Act.

(3) If a person's liability for money owing under this Act is acknowledged in accordance with subsection (5), the time during which the limitation or prescription period has run before the acknowledgment does not count in the calculation of that period.

(4) If a person's liability for money owing under this Act is acknowledged in accordance with subsection (5) after the expiry of the limitation or prescription period, an action or proceedings to recover the money may, subject to subsections (3) and (6), be brought within six years after the date of the acknowledgment.

(5) An acknowledgment of liability means (a) a promise to pay the money owing, made by the person or their agent, mandatary or other representative; (b) an acknowledgment of the money owing, made by the person or their agent, mandatary or other representative, whether or not a promise to pay can be implied from it and whether or not it contains a refusal to pay; (c) a part payment by the person or their agent, mandatary or other representative of any money owing; or (d) an acknowledgment of the money owing, made in the course of proceedings under the Bankruptcy and Insolvency Act or any other legislation dealing with the payment of debts by the person, their agent, mandatary or other representative or the trustee or administrator.

(6) The running of a limitation or prescription period in respect of money owing under this Act is suspended during any period in which it is prohibited to commence or continue an action or other proceedings against the person to recover money owing under this Act.

(7) This section does not apply in respect of an action or proceedings relating to the execution, renewal or enforcement of a judgment.

14 No interest is payable on any amount owing to Her Majesty in right of Canada under this Act as a result of an erroneous payment or overpayment.

## Employment Insurance

If you were recently laid off or have reduced hours and qualify for Employment Insurance benefits, you can submit [your request today](#)... If you are sick, quarantined or have been directed to self-isolate, we will waive the requirement to provide a medical certificate to access EI sickness benefits. [See Part 18 of the *COVID-19 Emergency Response Act* and [P.C. 2020-153](#) (SOR/2020-44), *Regulations Amending the Employment Insurance Regulations*.]

## Goods and Services Tax credit (GSTC) payment amounts

The Government has introduced a one-time special payment to be made by early May through the Goods and Services Tax credit for low-and modest-income families. The average additional benefit will be approximately \$400 for single individuals and \$600 for couples. An individual is not required to apply for this benefit – if eligible, the payment will be automatically made.

### *COVID-19 Emergency Response Act*

#### PART 1

#### Subsection 2(1)

Section 122.5 [GST/HST credit] of the *Income Tax Act* is amended by adding the following after subsection (3):

(3.001) An eligible individual in relation to a month specified for a taxation year who files a return of income for the taxation year is deemed to have paid during the specified month on account of their tax payable under this Part for the taxation year an amount determined by the formula  $0.5(A - B)$  where

A is the total of

(a) \$580,

(b) \$580 for the qualified relation, if any, of the individual in relation to the specified month,

(c) if the individual has no qualified relation in relation to the specified month and is entitled to deduct an amount for the taxation year under subsection 118(1) because of paragraph (b) of the description of B in that subsection in respect of a qualified dependant of the individual in relation to the specified month, \$580,

- (d) \$306 times the number of qualified dependants of the individual in relation to the specified month, other than a qualified dependant in respect of whom an amount is included under paragraph (c) in computing the total for the specified month,
- (e) if the individual has no qualified relation and has one or more qualified dependants, in relation to the specified month, \$306, and
- (f) if the individual has no qualified relation and no qualified dependant, in relation to the specified month, the lesser of \$306 and 2% of the amount, if any, by which the individual's income for the taxation year exceeds \$9,412; and
- B is 5% of the amount, if any, by which the individual's adjusted income for the taxation year in relation to the specified month exceeds \$37,789.

#### Subsection 2(2)

Section 122.5 of the Act is amended by adding the following after subsection (3.01):

(3.02) Notwithstanding subsection (3.001), if an eligible individual is a shared-custody parent (within the meaning assigned by section 122.6, but with the words qualified dependant in that section having the meaning assigned by subsection (1)) in respect of one or more qualified dependants at the beginning of a month, the amount deemed by subsection (3.001) to have been paid during the specified month is equal to the amount determined by the following formula:  $0.5(A + B)$  where

A is the amount determined by the formula in subsection (3.001), calculated without reference to this subsection; and

B is the amount determined by the formula in subsection (3.001), calculated without reference to this subsection and subparagraph (b)(ii) of the definition eligible individual in section 122.6.

#### Subsection 2(3)

Section 122.5 of the Act is amended by adding the following after subsection (4):

(4.1) Notwithstanding subsection (4) and for the purposes of this section, the month specified in subsection (3.001) is May 2020 (or an earlier month designated by the Minister) and the taxation year is the 2018 taxation year.

#### Subsection 5(1)

Paragraph 152(1)(b) [Assessment] of the Act is replaced by the following:

(b) the amount of tax, if any, deemed by subsection 120(2) or (2.2), 122.5(3) or (3.001), 122.51(2), 122.7(2) or (3), 122.8(4), 122.9(2), 122.91(1), 125.4(3), 125.5(3), 125.6(2), 127.1(1), 127.41(3) or 210.2(3) or (4) to be paid on account of the taxpayer's tax payable under this Part for the year. [emphasis added]

## Subsection 5(2)

Paragraph 152(1.2)(d) of the Act is replaced by the following:

(d) if the Minister determines the amount deemed by subsection 122.5(3) *or* (3.001) to have been paid by an individual for a taxation year to be nil, subsection (2) does not apply to the determination unless the individual requests a notice of determination from the Minister. [emphasis added]

## Subsection 5(3)

Paragraph 152(4.2)(b) of the Act is replaced by the following:

(b) redetermine the amount, if any, deemed by subsection 120(2) or (2.2), 122.5(3) *or* (3.001), 122.51(2), 122.7(2) or (3), 122.8(4), 122.9(2), 122.91(1), 127.1(1), 127.41(3) or 210.2(3) or (4) to be paid on account of the taxpayer's tax payable under this Part for the year or deemed by subsection 122.61(1) to be an overpayment on account of the taxpayer's liability under this Part for the year. [emphasis added]

## Canada Child Benefit (CCB) payment amounts

An extra \$300 per child is being provided through the Canada Child Benefit (CCB) for 2019-20. This measure is intended to provide approximately \$550 more for the average family. The benefit will be delivered as part of the scheduled CCB payment in May.

### *COVID-19 Emergency Response Act*

#### PART 1

#### Section 3

Section 122.61 of the Act is amended by adding the following after subsection (1):

(1.01) If the month referred to in subsection (1) is May 2020, each amount expressed in dollars referred to in paragraphs (a) and (b) of the description of E in subsection (1) is deemed, for that month, to be equal to that amount (as adjusted under subsection (5)) plus an additional amount of \$3,600. For greater certainty, the adjustment in subsection (5) shall not take into account this additional amount.

## Registered Retirement Income Funds (RRIFs)

The Government is reducing the required minimum withdrawals from Registered Retirement Income Funds (RRIFs) by 25% for 2020.

### *COVID-19 Emergency Response Act*

#### PART 1

#### Section 4

Section 146.3 of the Act is amended by adding the following after subsection (1.3):

Adjusted minimum amount for 2020

(1.4) The minimum amount under a retirement income fund for 2020 is 75% of the amount that would, in the absence of this subsection, be the minimum amount under the fund for the year.

Exceptions

(1.5) Subsection (1.4) does not apply to a retirement income fund for the purposes of subsections (5.1) and 153(1) and the definition periodic pension payment in section 5 of the *Income Tax Conventions Interpretation Act*.

Section 7

Section 8506 of the Income Tax Regulations is amended by adding the following after subsection (7):

(7.1) The minimum amount for a member's account under a money purchase provision of a registered pension plan for 2020 is 75% of the amount that would, in the absence of this subsection, be the minimum amount for the account for the year.

### ***Canada Revenue Agency – Economic Statement - New Measure for Annuitants of Registered Retirement Income Funds***

On March 18, 2020 the Right Honourable Justin Trudeau, Prime Minister of Canada, announced a set of economic measures as part of the Government of Canada's Covid-19 Economic Response Plan. That statement included proposed changes to the calculation of the 2020 required minimum withdrawal for registered retirement income funds (RRIF). This measure also applies to individuals receiving variable benefit payments from a defined contribution registered pension plan (RPP) and a pooled registered pension plan (PRPP). Therefore, in this notice, all references to a RRIF includes variable benefit payments from a defined contribution RPP or a PRPP.

The following questions and answers are provided to help financial institutions, RRIF annuitants, as well as sponsors and members of defined contribution registered pension plans and pooled registered pension plans, understand the changes.

1. What are the changes?

The main changes are the following:

The minimum amount that must be withdrawn from RRIFs will be reduced by 25% for 2020. For example, if the 2020 minimum amount would have been \$10,000, the reduced minimum amount will be \$7,500.

The minimum amount for individuals receiving variable benefit payments under a defined contribution registered pension plan or pooled registered pension plan will also be reduced by 25% in 2020. Variable benefits are payments made to plan members from a defined contribution pension plan or pooled registered

pension plan in a manner similar to a RRIF. Therefore, in this notice, all references to a RRIF apply to variable benefit payments as well.

2. What is the status of the Government's announcement to reduce the required RRIF minimum withdrawals for 2020 by 25%?

On March 18, 2020, the Prime Minister announced a new set of economic measures to help stabilize the economy during this challenging period. One of the measures reduces the required minimum withdrawals from Registered Retirement Income Funds (RRIFs) by 25% for 2020. These measures were delivered as part of the Government of Canada's COVID-19 Economic Response Plan. The proposal was included in a detailed Notice of Ways and Means Motion tabled in the House of Commons on Tuesday, March 24, 2020. The legislation containing these measures received Royal Assent on Wednesday, March 25, 2020 and is now law.

3. Will individuals who have already withdrawn more than the reduced 2020 minimum amount be permitted to re-contribute to their RRIFs an amount up to the 25% proposed reduction?

No. Individuals who have already withdrawn more than the reduced 2020 minimum amount will not be permitted to re-contribute to their RRIFs an amount up to the 25% proposed reduction.

4. Is the 25% reduction to the minimum amount applicable for 2020 and future years?

No. These changes apply only for 2020.

5. Do the changes apply to Life Income Funds and other locked-in RRIFs?

Yes. These changes apply to all types of RRIFs.

6. There is no tax withheld when the minimum amount is withdrawn from a RRIF. If I chose to withdraw the unreduced minimum amount in 2020, will I have tax withheld?

No. Tax will only be withheld if you withdraw more than your unreduced minimum amount for 2020.

### **Mortgage support**

[Per Finance News Release 2020-03-25]

[Canadian banks](#) have committed to work with their customers on a case-by-case basis to find solutions to help them manage hardships caused by COVID-19. Canadians who are impacted by COVID-19 and experiencing financial hardship as a result should contact their financial institution regarding flexibility for a mortgage deferral. This allows flexibility to be available – when needed – to those who need it the most.

Contact your financial institution for further mortgage assistance.

The Canada Mortgage and Housing Corporation and other mortgage insurers offer [tools to lenders](#) that can assist homeowners who may be experiencing financial difficulty. These include payment deferral, loan re-

amortization, capitalization of outstanding interest arrears and other eligible expenses, and special payment arrangements.

Canada's mortgage insurers are committed to providing homeowners with solutions to mitigate temporary financial hardship related to COVID-19. This includes permitting lenders to defer up to six monthly mortgage payments (interest and principal) for impacted borrowers. Deferred payments are added to the outstanding principal balance and subsequently repaid throughout the life of the mortgage.

### **Support for people who need it most**

[Per Finance News Release 2020-03-25]

#### *A new Indigenous Community Support Fund*

We will provide \$305 million for a new distinctions-based Indigenous Community Support Fund to address immediate needs in First Nations, Inuit, and Métis Nation communities.

#### *Enhancing the [Reaching Home initiative](#)*

We continue to support people experiencing homelessness during the COVID-19 outbreak by providing \$157.5 million to the Reaching Home initiative. The funding could be used for a range of needs such as purchasing beds and physical barriers for social distancing and securing accommodation to reduce overcrowding in shelters.

#### *Support for women's shelters and sexual assault centres*

We are supporting women and children fleeing violence, by providing up to \$50 million to women's shelters and sexual assault centres to help with their capacity to manage or prevent an outbreak in their facilities.

### **Take advantage of the CRA's digital services**

With the outbreak of COVID-19, taxpayers are encouraged to use the CRA's suite of secure [digital services](#) to interact with the CRA and easily manage their tax affairs anytime, anywhere. These services can quickly help Canadians track their refund, view or change their return, check benefit and credit payments, view RRSP limits, set up or update direct deposit, and receive email notifications.

Individuals registered for [My Account](#) can access certified software that has features that make tax-filing even easier: 1) [Auto-fill my return](#) automatically fills in parts of your tax return with information the CRA has on file. 2) [Express NOA](#) gives you your notice of assessment right after the CRA receives and processes your return. 2) The [ReFILE](#) service allows you to make changes to your return using certified tax software.

If you are registered for [My Business Account](#) you are able: receive your mail online; submit documents; view and pay balances; transfer payments; and much more.

## Community Volunteer Income Tax Program (CVITP)

The Canada Revenue Agency (CRA) and Revenu Québec fully expect that many community organizations are considering whether to significantly reduce or perhaps cancel the provision of services provided under the Community Volunteer Income Tax Program and Volunteer Income Tax Assistance program. We also understand that you may no longer be able to attend our tax clinics due to concerns surrounding the COVID-19 virus.

During this difficult time, we will put forth additional efforts to encourage individuals to file their tax and benefit returns electronically, or where possible, through the File My Return service, so as to ensure prompt processing. Moreover, given the extension of the filing season from April 30th to June 1st, 2020, there may be opportunities for community organizations that suspend operations to re-establish tax and benefit services prior to the June 1st filing deadline.

We understand that this service is important to you and we apologize for any inconvenience. To learn more about other ways to file your taxes, go to [Doing your taxes](#).

If you're planning to go to a free tax clinic, please check our directory before you go. Some clinics may have had to close or change their hours due to concerns surrounding the COVID-19 virus.

There are several other options for these individuals to file their taxes and we're encouraging organizations to share these options with their clients:

- **NETFILE:** If you can access a computer or a mobile device, you can file online using CRA certified tax-filing software. There are a variety of software products to meet their needs, some of which are free!
- **File my Return:** File my Return is a free, secure, and easy to use telephone service for eligible people with low income or a fixed income whose situations remain unchanged from year to year. Those who are eligible have received an invitation letter in the mail or in their T1 income tax and benefit package. The service makes it easy and lets you file your income tax and benefit through an automated phone service. For individuals who are residents of Québec, the service only completes the federal portion of the income tax and benefit return.
- **Paper filing:** You can still file your income tax return on paper. If you filed on paper last year and your address information with the CRA was up-to-date, you should have received your paper tax package in the mail by February 17, 2020.  
You can view, download and order forms at [canada.ca/taxes-general-package](https://canada.ca/taxes-general-package) or call the CRA at 1-855-330-3305 to order a copy.  
If you need to order a package, please keep in mind that it may take up to 10 days for delivery. Factor this time in so you don't miss the filing deadline.

For information on filing a Québec provincial tax return, contact [Revenu Québec](#).

### Outreach activities

The CRA is adapting its Outreach Program to support individuals during COVID-19. Through this service, the CRA offers help to individuals to better understand their tax obligations and to obtain the benefits and credits

to which they are entitled. Traditionally available in-person, this service is now available over the phone, and through webinar, where possible by completing a request online.

Outreach officers are being asked to maintain contact with partner organizations and associations to discuss the situation and concerns they may have with any planned activities. They will provide information, links, and documents to support partner organizations in helping taxpayers, where possible.

### Tax Courts – Suspensions of Hearings and Timelines

The FCA and TCC have introduced several measures in light of COVID-19 ([FCA Notice](#); [TCC Notice](#)). With respect to appeals before the Tax Court of Canada (TCC), on March 16, 2020, the TCC has ordered the extension of all timelines prescribed by the rules of that Court while it is closed for business until March 30, 2020.

### Additional Sources

- [COVID-19: How the federal government is supporting small business](#) (Canadian Federation of Independent business);
- [canada.ca/en/public-health/services/diseases/coronavirus-disease-covid-19.html](https://canada.ca/en/public-health/services/diseases/coronavirus-disease-covid-19.html);
- McCarthy Tétrault [COVID-19: Economic relief measures announced to date](#), [McCarthy Tétrault COVID-19 Hub: Latest Updates and Legal Considerations for Your Business](#);
- [Osler web page focused on COVID-19 business and legal issues](#);
- BLG [COVID-19 Resource Centre](#);
- CPA Canada's [Covid-19 updates page](#);
- [home.kpmg/ca/en/home/insights/2020/03/the-business-implications-of-coronavirus.html](https://home.kpmg/ca/en/home/insights/2020/03/the-business-implications-of-coronavirus.html);
- KPMG, [COVID-19 | Financial reporting](#);
- Blakes, "Navigating an M&A Deal Amid Covid-19", *Mergers & Acquisitions Newsletter* (Taxnet Pro), March 23, 2020;
- Torys, "COVID-19: M&A considerations", and "COVID-19: U.S. considerations for Canadian public companies", March 19, 2020;
- Blakes, "How COVID-19 Is Impacting Canada-U.S. Border Crossings", available on *Taxnet Pro*, March 24, 2020;
- CTF [COVID-19 page](#).

## Ontario

The Minister of Finance released an economic and fiscal update on March 25, 2020 instead of a full budget. Furthermore, the province released [Ontario's Action Plan 2020: RESPONDING TO COVID-19](#). Excerpts from the Action Plan with tax implications are reproduced below:

### **\$3.7 billion to support people and jobs, including:**

- \$75 million in urgent additional support for 194,000 low-income seniors by proposing to double the Guaranteed Annual Income System (GAINS) maximum payment to \$166 per month for individuals and \$332 per month for couples, for six months starting in April 2020;
- Helping families pay for extra costs associated with school and daycare closures during the COVID-19 outbreak by providing a one-time \$200 payment per child up to 12 years of age, and \$250 for those with special needs including kids enrolled in private schools;
- Providing six months of Ontario Student Assistance Program (OSAP) loan and interest accrual relief, in coordination with the federal government's measures, leaving more money in the pockets of student borrowers;
- Providing new, additional support of \$26 million to Indigenous peoples and communities, including emergency assistance for urban Indigenous people in financial need, costs for health care professionals and critical supplies to reach remote First Nations, as well as funding to address emergency planning and self-isolation needs for people in First Nation communities;
- \$200 million in new funding to provide temporary emergency supports for people in financial need as well as funding to municipalities and other service providers to respond to local needs; for example, food banks, homeless shelters, churches and emergency services;
- Making electricity bills more affordable for eligible residential, farm and small business consumers through a \$1.5 billion increase in electricity cost relief compared to the 2019 Budget. The government is also setting electricity prices for time-of-use customers at the lowest rate, known as the off-peak price, 24 hours a day for 45 days, to support ratepayers in their increased daytime electricity usage as a result of measures to contain the COVID-19 outbreak;
- \$9 million in direct support to families for their energy bills by expanding eligibility for the Low-income Energy Assistance Program (LEAP) and ensuring that their electricity and natural gas services are not disconnected for nonpayment during the COVID-19 outbreak;
- Cutting taxes by \$355 million for about 57,000 employers through a proposed temporary increase to the Employer Health Tax (EHT) exemption;
- Helping to support regions lagging in employment growth with a proposed new Corporate Income Tax credit — the Regional Opportunities Investment Tax Credit; and
- Supporting the timely delivery of critical food and supplies by amending a regulation that restricted delivery trucks from operating during off-peak hours.

### **\$10 billion in support for people and businesses to improve cash flows by:**

- Providing a five-month interest and penalty-free period to make payments for the majority of provincially administered taxes, providing \$6 billion in relief to help support Ontario businesses when they need it the most;

- Deferring the upcoming quarterly (June 30) remittance of education property tax to school boards by 90 days. This will provide municipalities with the flexibility to, in turn, provide property tax deferrals of over \$1.8 billion to local residents and businesses; and
- Providing \$1.9 billion in new financial relief by the Workplace Safety and Insurance Board (WSIB) allowing employers to defer payments for a period of six months.

#### **Fiscal prudence at historical levels, including:**

- A dedicated \$1.0 billion COVID-19 contingency fund as part of the additional health care investments;
- An increased contingency fund of \$1.3 billion; and
- An unprecedented reserve of \$2.5 billion — the largest in Ontario's history — to provide continued flexibility to respond to changing global circumstances...

#### **Supporting People and Jobs**

People across Ontario are responding to the evolving COVID-19 outbreak by taking additional precautions to keep themselves, their families and their communities safe. They should not be penalized for acting responsibly and doing the right thing by following the advice of public health officials. Building on coordinated actions with the federal government, Ontario is taking immediate steps to support people and families by planning to invest \$3.7 billion in supports for people and jobs in response to the COVID-19 outbreak.

#### **Seniors**

The Province is providing immediate financial support of an additional \$75 million to 194,000 vulnerable seniors, who may need more help to cover essential expenses during the COVID-19 outbreak, by proposing to double the Guaranteed Annual Income System (GAINS) maximum payment for low-income seniors, for six months starting in April 2020. This would increase the maximum payment to \$166 per month for individuals and \$332 per month for couples. The government is also helping seniors by providing \$5 million to support the coordination of subsidized deliveries of meals, medicines and other essentials, by working with local businesses and charities as well as existing health services.

#### **Parents**

To help parents pay for the extra costs associated with the closure of schools and daycares during the COVID-19 outbreak, the government is providing a one-time payment of \$200 per child up to 12 years of age, and \$250 for those with special needs, including kids enrolled in private schools. As part of the government's efforts to contain the COVID-19 outbreak, Ontario is also providing emergency child care options to enable parents who are front-line workers to report for work, such as health care workers, police officers, fire fighters and correctional officers.

#### **Students**

The government is temporarily suspending Ontario Student Assistance Program (OSAP) loan repayments between March 30, 2020 and September 30, 2020, during which time borrowers will not be required to make any loan or interest payments. In coordination with the federal government's measures, this will immediately leave more money in the pockets of student borrowers during these challenging economic times.

## Workers

The government is taking further measures to support Ontario workers, with initiatives including:

Quickly passing legislation to provide job-protected leave to employees in isolation or quarantine, or those who need to be away from work to care for children because of school or daycare closures due to the COVID-19 outbreak; Committing \$100 million in funding through Employment Ontario for skills training programs for workers affected by the COVID-19 outbreak; and Working with the federal government to find ways to support apprentices and enable businesses to continue to retain these skilled trades workers during the COVID-19 outbreak.

## Indigenous Peoples and Communities

The government is providing supports of \$26 million for Indigenous peoples and communities, including emergency assistance for urban Indigenous people in financial need and costs for health care professionals and critical supplies to reach remote First Nations.

## Vulnerable People

During the COVID-19 crisis, it is particularly important to support vulnerable people, including those who are homeless, unemployed or living in poverty. That is why the government is: Investing \$52 million to expand access to the emergency assistance program administered by Ontario Works to provide financial support to people facing economic hardship and help them with basic needs, such as food and rent during this public health emergency; Enhancing funding for charitable and non-profit social services organizations, for example food banks, homeless shelters, churches and emergency services such as the Red Cross, to improve their ability to respond to the COVID-19 outbreak. The government is doing this by providing \$148 million directly to Consolidated Municipal Service Managers and District Social Service Administration Boards who would allocate this funding based on local needs; and Equipping essential first responders and front-line staff in the justice sector with the necessary personal protective equipment and other critical supplies required to ensure the safety and security of all people in Ontario during the COVID-19 outbreak.

## Electricity Relief

The government is supporting people and businesses with the costs of electricity during the COVID-19 outbreak. That is why the government is: Providing \$9 million in direct support to families for their energy bills by expanding eligibility for the Low-income Energy Assistance Program (LEAP) and by ensuring that their electricity and natural gas services are not disconnected for nonpayment during the COVID-19 outbreak; and Supporting more affordable electricity bills for eligible residential, farm and small business consumers, by providing approximately \$5.6 billion for electricity cost relief programs in 2020–21. This is an increase of approximately \$1.5 billion compared to the 2019 Budget plan. The Province is also setting electricity prices for residential, farm and small business time-of-use customers at the lowest rate, known as the off-peak price, 24 hours a day for 45 days to support ratepayers in their increased daytime electricity usage as they respond to the COVID-19 outbreak, addressing concerns about time-of-use metering.

## Employer Health Tax

The government is cutting taxes by \$355 million for about 57,000 employers by proposing a temporary increase to the Employer Health Tax (EHT) exemption from \$490,000 to \$1 million for 2020. With this plan, more than 90 per cent of private-sector employers would not pay EHT in 2020. Eligible private-sector employers with annual payrolls up to \$5 million would be exempt from EHT on the first \$1 million of total Ontario remuneration in 2020. The maximum EHT relief from the exemption would increase by \$9,945 to \$19,500 for 2020 for eligible employers. About 57,000 private-sector employers would pay less EHT, including about 30,000 who would not pay any EHT for 2020, effectively eliminating EHT for these employers for one year. The exemption would return to its current level of \$490,000 on January 1, 2021.

## Regional Opportunities Investment Tax Credit

To support business investment in regions of the province where employment growth has been significantly below the provincial average, Ontario is proposing a new 10 per cent refundable Corporate Income Tax credit. The Regional Opportunities Investment Tax Credit would be available to eligible businesses that construct, renovate or acquire qualifying commercial and industrial buildings in designated regions of the province, saving them up to \$45,000 in the year.

## Support for People and Businesses to Improve Cash Flow

Ontario is making \$10 billion available to improve cash flows for people and businesses through tax and other deferrals over the coming months to provide relief during this challenging economic time, in coordination with the federal government.

### \$6 Billion in Tax Deferrals

To help support Ontario businesses when they need it most, the government is providing a five-month interest and penalty-free period for businesses to make payments for the majority of provincially administered taxes. Beginning April 1, 2020, the Province is providing flexibility to about 100,000 businesses in Ontario to help manage their cash flows during this challenging time. This will continue for a period of five months, up until August 31, 2020, and is expected to make available \$6 billion to improve the cash flows of Ontario businesses. For this period, the Province will not apply any penalty or interest on any late-filed returns or incomplete or late tax payments under select provincially administered taxes, such as the Employer Health Tax, Tobacco Tax and Gas Tax. The initiative and relief period complement the relief from interest and penalties from not remitting Corporate Income Tax owing that was announced by the federal government on March 18, 2020.

### \$1.8 Billion in Education Property Tax Deferrals

The Province recognizes that many residents and businesses are facing challenges in making their scheduled property tax payments. The government is working closely with municipalities as they introduce measures to provide property tax relief, for example, by allowing taxpayers to defer property tax payments. To encourage these actions, the government is deferring the property tax payments municipalities make to school boards by 90 days. In addition to collecting municipal property taxes, municipalities collect and remit education property taxes to school boards on a quarterly basis. Deferring the June 30 quarterly remittance to school boards by 90 days will provide municipalities with the flexibility to, in turn, provide over \$1.8 billion in property tax deferrals

to residents and businesses. To ensure this does not have a financial impact on school boards, the Province will adjust payments to school boards to offset the deferral.

### **\$1.9 Billion in Workplace Safety Expenses**

Working in conjunction with the government of Ontario, the Workplace Safety and Insurance Board (WSIB) will allow employers to defer payments for a period of six months. This will provide employers with \$1.9 billion in financial relief. All employers covered by the WSIB's workplace insurance are automatically eligible for the financial relief package. Schedule 1 employers with premiums owed to the WSIB will be allowed to defer reporting and payments until August 31, 2020. The deferral will also apply to Schedule 2 businesses that pay WSIB for the cost related to their workplace injury and illness claims. In addition, no interest will be accrued on outstanding premium payments and no penalties will be charged during this six-month deferral period.

### **Responsibly Managing the Province's Finances**

Events like the COVID-19 outbreak underscore why governments must be positioned to act in a time of crisis. Through its action plan, Ontario is immediately allocating the necessary resources to tackle the COVID-19 outbreak, while continuing to invest in people. As a result, the 2020–21 deficit is projected to be \$20.5 billion. This plan builds on the government's responsible approach to managing Ontario's finances with measures to provide further flexibility to respond to this rapidly changing global outbreak. This includes historic levels of prudence, including a dedicated \$1.0 billion COVID-19 contingency fund, an increased contingency fund of \$1.3 billion and an unprecedented reserve of \$2.5 billion, the largest in Ontario's history. Ontario's strong economic fundamentals have positioned the government to respond decisively to this outbreak. The Province will continue to actively monitor and mitigate risks, coordinating with partners and other levels of government, while continuing to retain flexibility to respond as conditions evolve.

### **Conclusion**

Ontario's Action Plan: Responding to COVID-19 outlines the government's first steps to protect public health, and support people and jobs. Ontario will continue to work diligently with health experts, business leaders, financial institutions, economists and municipal and federal partners to respond swiftly and effectively to this outbreak, so that the people of Ontario are supported and protected during the COVID-19 outbreak. The people and businesses of Ontario have shown immense cooperation, resilience and determination to tackle this crisis by helping one another. To every family, person, business and community — the Ontario government is right there beside you.

### **Other**

See also Canadian Federation of Independent Business – [Ontario: COVID-19 relief measures for your business](#).

## Quebec

### [COVID-19: FAQ](#)

#### ***Individuals***

What is the deadline to file my income tax return? The deadline to file your income tax return for 2019 has been extended to June 1, 2020.

What is the deadline to pay an income tax balance for 2019? For individuals and individuals in business, the deadline to pay an income tax balance for 2019 has been extended to September 1, 2020.

What's happening with instalment payments? If you must make instalment payments, the June 15, 2020 payment has been suspended until September 1, 2020.

What's happening with the various tax credits (solidarity tax credit, family allowance, etc.)? Even though the income tax return filing deadline has been extended, Revenu Québec will make payments as planned on July 1.

Should I wait to file my income tax return? If you expect to receive a refund, you should file your return right away to get it quickly.

#### ***Businesses***

Are there relief measures for some partnerships that must file the Partnership Information Return? Partnerships that had to file a Partnership Information Return (form TP-600-V) for 2019 by March 31, 2020, now have until May 1, 2020, to file the return.

#### ***Tax preparers***

What are the relief measures for tax preparers? Revenu Québec will allow tax preparers to use an electronic signature on some forms that their clients must sign (TP-1000.TE-V for individuals and CO-1000.TE for corporations) in order to limit in-person contact.

### **COVID-19 – The Québec government announces new measures to help individuals and businesses**

#### **News Release 2020-03-27**

Québec City, March 27, 2020 – The Québec government is announcing new measures to help individuals and businesses to weather this difficult period.

First, Québec is following the federal government's lead and allowing businesses to postpone filing until June 30, 2020 their returns and payments in respect of the March 31, April 30 and May 31 QST remittances, without interest or penalties.

Moreover, Québec will accelerate the processing of requests for tax credits intended for businesses and tax refunds.

Through the new measures, the government is adding \$8 billion to companies' liquid assets in the coming months.

- More than \$7.3 billion for the postponement of the QST payment
- More than \$600 million in accelerated payments of tax credits

The new measures follow those already implemented since the outset of the pandemic and total \$18 billion, equivalent to 4% of GDP: 1) the Programme d'aide temporaire aux travailleurs (PATT); 2) the [Programme d'action concertée temporaire pour les entreprises](#) (PACTE) (\$2.5 billion) [(To make a request, visit Investissement Québec's website)]; 3) the relaxation of rules governing the production of income tax returns and the payment of tax balances payable and tax instalments (\$8.3 billion); 4) the suspension for six months of all student loans repayments; 5) a 25% reduction in 2020 of the amounts of mandatory withdrawals from a [RRIF].

Revenu Québec is also establishing new initiatives to make life easier for individuals and businesses.

- Families that receive advance payment of the tax credit for childcare expenses will have access to information that will enable them to avoid repaying the overpayments in the future.
- A four-month extension has been granted of the deadlines for renewing the advanced payments of the tax credit for home-support services for seniors. The payments under way are maintained until the renewal.
- The renewal date for payments relating to the Shelter Allowance Program is postponed until December 1, 2020. The payments under way are maintained until the renewal.

To ensure that Quebecers immediately have access to the refunds due to them, Revenu Québec is doing everything possible to accelerate the processing of income tax return in respect of which it must make a payment. Accordingly, since February 24, 2020, Revenu Québec has refunded nearly \$800 million to the individuals who have already filed their income tax returns.

“Our priority continues to be the health and safety of Quebecers. However, we are aware that the situation is difficult for businesses and individuals. For this reason, we are announcing new measures to help them. Since the outset of the crisis, we have announced economic support measures totalling more than \$18 billion, equivalent to 4% of GDP.”

Eric Girard, Minister of Finance

Related link:

For information on COVID-19 and the assistance programs offered, please visit [Québec.ca/coronavirus](https://quebec.ca/coronavirus).

## **The Québec government will harmonize its measures with two federal government assistance measures announced yesterday**

### **News Release 2020-03-20**

Québec City, March 19, 2020 – To maximize the assistance offered to individuals and businesses affected by the exceptional circumstance stemming from COVID-19, the Québec government is announcing that it is harmonizing its measures with two measures that Ottawa announced yesterday.

#### ***A measure to protect retirees***

Québec will follow suit with the federal government concerning its measure to reduce by 25% in 2020 the amount of mandatory withdrawal from a registered retirement income fund (RRIF). This measure will protect retirees who possess RRIFs who are put at a disadvantage by the state of stock markets.

#### ***Flexibility for income tax returns***

Moreover, Revenu Québec and the Canada Revenue Agency are harmonizing their practices and postponing to June 1, 2020 the deadline for individuals to file their income tax returns. What is more, the deadline for both individuals and businesses to pay any tax balance due and tax instalments is postponed to September 1, 2020. [The tax payment and filing deadline deferral only applies to Quebec income taxes. The deferral does not apply, for example, to the compensation tax or tax on capital payable certain financial institutions].

“The decision to harmonize with the federal government seeks to increase the assistance available and to simplify the lives of individuals and businesses in Québec. The economic monitoring committee continues to follow the situation closely and the necessary measures will be implemented gradually.”

Eric Girard, Minister of Finance

### **INFORMATION BULLETIN 2020-4 (March 18, 2020)**

#### **POSTPONEMENT AFTER AUGUST 31, 2020 OF THE PAYMENT OF CERTAIN AMOUNTS PAYABLE PURSUANT TO VARIOUS TAX PROVISIONS**

As part of the publication of the Information Bulletin 2020-31, the Ministère des Finances du Québec announced the postponement to June 1, 2020 of the personal income tax return filing-due date for the 2019 taxation year and the postponement to May 1, 2020 of the income tax return filing-due date for certain trusts for the 2019 taxation year.

It also announced the postponement to July 31, 2020 of the payment of certain amounts payable pursuant to various tax provisions, especially in respect of individuals and businesses.

Moreover, the Department of Finance Canada made public the same day Canada’s COVID-19 Economic Response Plan: Support for Canadians and Businesses.

The measures that the Department of Finance Canada announced concerning the income tax return filing-due date for individuals and certain trusts are analogous to those announced by the Ministère des Finances du Québec on March 17, 2020. However, the Department of Finance Canada is allowing taxpayers to postpone after August 31, 2020 the payment of income tax payable starting March 18, 2020 and before September 2020.

Consequently, in harmonization with the postponement that the Department of Finance Canada announced, the postponement of the payment of certain tax instalments and tax balance payable granted pursuant to the Québec taxation system will be extended.

Accordingly, the date of July 31, 2020 mentioned in the Information Bulletin 2020-3 respecting the postponement of the payment of certain tax instalments and the tax balance payable will be replaced by the date of August 31, 2020. Moreover, the tax balance and contributions of an individual mentioned in the Information Bulletin 2020-3 for the 2019 taxation year due not later than April 30, 2020 can be paid after August 31, 2020. The same applies to the tax balance of a trust for the 2019 taxation year due not later than March 30, 2020. [emphasis added]

### **INFORMATION BULLETIN 2020-3 (March 17, 2020)**

#### **POSTPONEMENT OF THE PERSONAL INCOME TAX RETURN FILING-DUE DATE FOR THE 2019 TAX RETURN AND OTHER POSTPONEMENT MEASURES**

In conjunction with the measures that the government has adopted in response to the COVID-19 pandemic, this information bulletin is announcing the postponement to June 1, 2020 of the personal income tax return filing-due date for the 2019 taxation year and the postponement to May 1, 2020 of the income tax return filing-due date of certain trusts for the 2019 taxation year.

It is also announcing the postponement to July 31, 2020, of the payment of certain amounts payable by individuals, trusts and corporations pursuant to tax provisions.

For information concerning the matters dealt with in this information bulletin, contact the Secteur du droit fiscal, de l'optimisation des revenus et des politiques locales et autochtones at 418 691-2236.

The English and French versions of this bulletin are available on the Ministère des Finances website at [www.finances.gouv.qc.ca](http://www.finances.gouv.qc.ca).

#### **POSTPONEMENT OF THE INCOME TAX RETURN FILING-DUE DATE FOR INDIVIDUALS AND CERTAIN TRUSTS AND PAYMENT BY INDIVIDUALS AND TRUSTS OF CERTAIN AMOUNTS PAYABLE**

Québec tax legislation stipulates that an individual subject to Québec income tax in a given taxation year must file with Revenu Québec for that taxation year an income tax return not later than April 30 of the following year. If an individual or his or her spouse operates a business or is responsible for a family-type resource<sup>1</sup> or an intermediate resource,<sup>2</sup> his or her income tax return for the taxation year must instead be filed not later than June 15 of the following year.

Moreover, every individual must pay the Minister of Revenue, for each taxation year, not later than the balance-due date applicable, i.e. April 30 the following year in the case of individuals, the amount by which the individual's tax payable for the year exceeds the aggregate of all amounts deducted or withheld in respect of his income for the year and of all other amounts paid or deemed to be paid to the Minister on or before that date as partial payment of the individual's tax payable for the year.

In the same way, certain individuals must pay the following contributions not later than April 30 in the year following that in respect of which a payment for the year must be made: contributions to the Québec Pension Plan (QPP) in respect of self-employed earnings or earnings from activities as a family-type resource or an intermediate resource; contributions to the Québec Parental Insurance Plan (QPIP) as self-employed persons or persons responsible for a family-type resource or an intermediate resource; the contributions of individuals to the Health Services Fund (HSF) payable on total income for the year; contributions to the Québec prescription drug insurance plan.

As a rule, a trust that is subject to Québec income tax for a given taxation year must file a Trust Income Tax Return if it has tax payable for the year. If the trust has tax payable, the balance of tax must be paid within the time limit granted to file the return, usually within 90 days of the end of the taxation year.

Futhermore, both individuals and trusts (other than specified investment flow-through trusts) may be subject to the payment of tax instalments payable four times a year, i.e. on March 15, June 15, September 15 and December 15.

To offset the economic impacts of the COVID-19 pandemic, the government believes that the application of certain measures pertaining to personal income tax must be immediately suspended to enable individuals to benefit from their liquid assets in the coming weeks to cope with unforeseen expenses that may arise during this period.

*Postponement of the income tax return filing-due date for individuals and certain trusts for the 2019 taxation year and payment of any tax balance on the income of individuals or trusts due for the 2019 taxation year*

For individuals whose tax return filing-due date, for the 2019 taxation year, is April 30, 2020, the government is announcing that this date will be postponed to June 1, 2020.

For trusts (other than specified investment flow-through trusts) whose tax return filing-due date, for the 2019 taxation year, is March 30, 2020, the government is announcing that this date will be postponed to May 1, 2020.

The government is also announcing that any balance of tax for individuals in respect of the 2019 taxation year, which would be due not later than April 30, 2020, can be paid not later than July 31, 2020. In the same way, the tax balance of a trust (other than a specified investment flow-through trust) in respect of the 2019 taxation year that would be due as of the date of publication of this information bulletin can be paid not later than July 31, 2020.

What is more, payments by individuals of contributions to the QPP, the QPIP, the HSF and the Québec drug insurance plan in respect of 2019 taxation year, and that should otherwise be made not later than April 30, 2020, can be made not later than July 31, 2020.

Moreover, for greater clarity, this announcement does not modify the rules governing the filing of income tax returns by individuals who operate a business, including their spouses' income tax returns and those of individuals responsible for a family-type resource or an intermediate resource. Only the date on which the tax balance and contributions for the 2019 taxation year may be paid is postponed to July 31, 2020.

*Postponement of the payment by individuals or trusts of the tax instalment due on June 15, 2020*

As a corollary to the postponement until July 31, 2020 of the payment by individuals and trusts of tax balances for the 2019 taxation year, the payment not later than June 15, 2020 of the tax instalment for the 2020 taxation year by an individual or a trust (other than a specified investment flow-through trust) can be paid not later than a date subsequent to July 31, 2020 that the Ministère des Finances will announce later. Clarifications will be announced at a later day concerning the payment of this tax instalment.

Additionally, this announcement does not modify the rules governing the calculations to determine the amount of the tax instalment normally due on June 15, 2020 and the amount of the tax instalments payable on September 15 and December 15, 2020. The same is true of the other conditions of application of tax instalments.

**POSTPONEMENT OF THE PAYMENT BY CORPORATIONS OF TAX INSTALMENTS AND REMAINDER OF TAX PAYABLE**

A corporation subject to Québec tax for a taxation year must, almost without exception, pay either monthly or quarterly tax instalments for the year. Moreover, such a corporation must pay the remainder of its tax payable for a taxation year not later than the balance-due day applicable to it for the year, that is, the last day of the period of two months that ends after the end of this taxation year. Failure by a corporation to pay its tax instalments on the dates stipulated and to pay the remainder of its tax payable for a taxation year not later than two months after the end of the year brings with it the obligation to pay interest.

Events surrounding the COVID-19 pandemic could impact the liquid assets of corporations. In order to immediately support them, certain payments of tax instalments and remainder of tax payable for a taxation year will be postponed for corporations, without interest, in accordance with the terms and conditions mentioned below.

More specifically, a corporation that would otherwise be obliged to pay an amount as a tax instalment not later than a date falling within the period that begins on the date of publication of this information bulletin and ends on July 31, 2020 may pay such an amount not later than a subsequent date that the Ministère des Finances will make public.

The calculation methods respecting tax instalments will not be modified. Only the date on which the tax instalment amount may be paid will be postponed.

In the same way, a corporation in respect of which the balance-due day applicable to it for a taxation year will fall within the period that begins on the date of publication of this information bulletin and ends on July 31, 2020, may pay the remainder of its tax payable for this taxation year not later than a subsequent date that the Ministère des Finances will make public.

The rules applicable to corporate tax return filings, especially the filing-due date of such returns, will not be modified. Only the date on which the remainder of tax may be paid will be postponed.

Details will be announced later concerning the terms of payment of tax instalments and the remainder of tax payable by a corporation whose payment may thus be postponed.

#### POSTPONEMENT OF THE PAYMENT BY SPECIFIED INVESTMENT FLOW-THROUGH (SIFT) TRUSTS OR PARTNERSHIPS OF TAX INSTALMENTS AND REMAINDER OF TAX PAYABLE

A trust or a partnership that is a specified investment flow-through (SIFT) trust or partnership subject to Québec income tax for a taxation year must, almost without exception, pay monthly tax instalments for the year. Furthermore, the SIFT trust or partnership must pay the balance of its tax payable for a taxation year not later than the balance-due day applicable to it for the year. Failure by a SIFT trust or partnership to pay its tax instalments on the dates stipulated and to pay its remainder of tax payable for a taxation year not later than the balance-due day applicable to it for the year brings the obligation to pay interest.

Following the example of the additional time period granted to corporations to pay certain tax instalments and the remainder of tax payable, deferment of the payment of certain tax instalments and the remainder of tax payable for a taxation year will also be granted to SIFT trusts and partnerships, without interest, according to the terms and conditions indicated below.

Accordingly, a SIFT trust or partnership that would otherwise be obliged to pay an amount as a tax instalment not later than a date falling within the period that begins on the date of publication of this information bulletin and ends on July 31, 2020 can pay such an amount not later than a subsequent date that the Ministère des Finances will make public.

The calculation methods respecting tax instalments will not be modified. Only the date on which the tax instalment amount may be paid will be postponed.

In the same way, a SIFT trust or partnership, for a taxation year, in respect of which the balance-due day applicable to it for the taxation year will fall within the period that begins on the date of publication of this information bulletin and ends on July 31, 2020, can pay the remainder of its tax payable for this taxation year not later than a subsequent date that the Ministère des Finances will make public.

The rules applicable to tax return filings or the filing of the information return of SIFT trusts or partnerships will not be modified. Only the date on which the remainder of tax may be paid will be postponed.

Details will be announced later concerning the terms of payment of tax instalments and the remainder of tax payable by a SIFT trust or partnership whose payment may thus be postponed.

1 According to the Act respecting health services and social services (CQLR, chapter S-4.2), family-type resources fall into two categories: foster families and foster homes. One or two persons receiving in their principal place of residence a maximum of nine children in difficulty entrusted to them by a public institution in order to respond to their needs and afford them living conditions fostering a parent-child relationship in a family-like environment may be recognized as a foster family. One or two persons receiving in their principal place of residence a maximum of nine adults or elderly persons entrusted to them by a public institution in

order to respond to their needs and afford them living conditions as close to a natural environment as possible may be recognized as a foster principal place of residence.

2 An intermediate resource is a resource that is operated by a natural person as a self-employed worker or by a legal person or a partnership and is recognized by an agency (now called: integrated health and social services) for the purpose of participating in the maintenance of users otherwise registered for a public institution's services in the community or in their integration into the community by providing them with a living environment suited to their needs, together with the support or assistance services required by their condition.

## Other

- [Mesures d'assouplissement pour les citoyens et les entreprises](#);
- [quebec.ca/coronavirus](http://quebec.ca/coronavirus);
- [quebec.ca/sante/problemes-de-sante/a-z/coronavirus-2019/](http://quebec.ca/sante/problemes-de-sante/a-z/coronavirus-2019/)  
[quebec.ca/en/health/health-issues/a-z/2019-coronavirus/essential-services-commercial-activities-covid19/](http://quebec.ca/en/health/health-issues/a-z/2019-coronavirus/essential-services-commercial-activities-covid19/);
- a three-month moratorium has been put in place for the repayment (principal and interest) of loans already granted through the [FLI](#). Interest accrued during this period will be added to the loan balance (this measure is in addition to the moratorium already in place under most investment policies in effect, which can be as long as 12 months);
- the Government of Québec announced that it is postponing the student loan debt repayments – individuals who have loan debt repayment will not have to make any payment during the next six-months (interest will not accrue during this period). Students do not need to apply for the repayment deferral. This measure automatically applies to all Aide financière aux études. See the Government of Québec's "[Repayment of a student loan](#)" web page;
- On March 22, 2020, [Hydro-Québec](#) announced that, starting March 23, 2020, it will suspend the application of charges for unpaid invoices for all its customers (individuals and businesses) until further notice;
- KPMG, "COVID-19 – Quebec Harmonizes with Federal Measures", *TaxNewsFlash Canada*, No. 2020-19, March 20, 2020;
- KPMG, "Quebec Delays Tax Deadlines in Light of COVID-19 Issues", *TaxNewsFlash Canada*, No. 2020-13.

## British Columbia

### COVID-19 Action Plan - Provincial Tax Changes

#### News Release 2020-03-23

As part of B.C.'s [COVID-19 Action Plan](#), the B.C. government announced provincial tax changes.

More information is coming soon. Check this page for future updates and subscribe to our [What's New](#) pages to stay informed.

#### ***Deferred Tax Payments***

Effective immediately, B.C. is extending filing and payment deadlines for the following taxes until September 30, 2020: Employer health tax; Provincial sales tax (including municipal and regional district tax); Carbon tax; Motor fuel tax; Tobacco tax

#### ***Delayed PST Budget 2020 Tax Changes***

The following tax changes announced in Budget 2020 will be postponed until further notice: Eliminating the PST exemption for carbonated beverages that contain sugar, natural sweeteners or artificial sweeteners; Expanded registration requirements for Canadian sellers of goods, along with Canadian and foreign sellers of software and telecommunication services.

#### ***Delayed Carbon Tax Increase***

Carbon tax rates will remain at their current levels until further notice. The tax measure announced in Budget 2020 aligning the carbon tax rates with the federal carbon pricing backstop is also postponed until further notice.

#### ***Reduced School Tax Rates for Businesses***

School tax rates for commercial properties (Classes 4, 5 and 6) will be reduced by 50% for the 2020 tax year.

#### ***Enhanced B.C. Climate Action Tax Credit***

An additional one-time payment will be made in July 2020 on top of the regular climate action tax credit amount for qualifying individuals and families. The previously scheduled credit increase effective July 2020 remains the same.

#### ***COVID-19 Action Plan: B.C.'s first steps to support people, businesses***

Ministry of Finance

Media Relations

250 213-7724

**British Columbians affected by the COVID-19 pandemic will benefit from \$5 billion in income supports, tax relief and direct funding for people, businesses and services.**

“The COVID-19 pandemic challenges our health, our economy and our way of life. People and businesses urgently need support,” said Premier John Horgan. “Our action plan focuses on services to protect people’s health and safety, gives immediate relief to people and businesses, and plans for B.C.’s economic recovery over the long term.”

The COVID-19 Action Plan is government’s first step to provide relief to people and businesses in British Columbia. The plan dedicates \$2.8 billion to help people and fund the services they need to weather the crisis; \$2.2 billion will provide relief to businesses and help them recover after the outbreak.

B.C.’s COVID-19 Action Plan builds on the federal government’s COVID-19 economic plan and boosts supports for British Columbians who are worried about paying their bills and staying afloat.

**Supporting people and the services they rely on**

The plan includes immediate measures to help individuals and families cope with potential illness, financial strain or precarious employment. It also adds funding to key services, such as health care, housing and social services, to make sure they continue to support British Columbians and help contain the spread of COVID-19.

“While this crisis continues, we need to make sure that people are kept safe and that vital services are available to British Columbians,” said Carole James, Minister of Finance. “That means making sure people can pay their bills, stay safe in their homes and provide for their families during this extraordinary time.”

Of the \$2.8 billion allocated to ensure people have the services and support they need during this difficult time, the B.C. government is dedicating \$1.1 billion to boost the income of people affected by COVID-19.

A new B.C. Emergency Benefit for Workers will provide a tax-free \$1,000 payment to British Columbians whose ability to work has been affected by the outbreak. The benefit will be a one-time payment for British Columbians who receive federal Employment Insurance (EI), or the new federal Emergency Care Benefit or Emergency Support Benefit as a result of COVID-19 impacts. This includes workers who have been laid-off, who are sick or quarantined, parents with sick children, parents who stay at home from work while child care centres and schools are closed, and those caring for sick family members, such as an elderly parent. The workers can be EI-eligible and non-EI eligible, such as the self-employed. The benefit will be paid to B.C. residents, in addition to their federal income supports.

The COVID-19 Action Plan takes further steps to boost income supports by increasing and expanding the B.C. Climate Action Tax Credit in July 2020. As many as 86% of British Columbians will see some extra money from this enhancement. Eligible families of four will receive up to \$564 and eligible individuals will receive up to \$218 in an enhanced payment. This boosts the regular climate action tax credit payment of up to \$112.50 per family of four and up to \$43.50 per adult.

Together, the B.C. Emergency Benefit for Workers and the enhanced B.C. Climate Action Tax Credit will complement federal income supports and help people who are struggling with job loss, reduced income or increased costs through the immediate crisis.

The Province is focused on keeping people safe, healthy and supported throughout the COVID-19 pandemic. To support that work, the action plan provides \$1.7 billion for the critical services British Columbians need.

The \$1.7 billion includes investments in housing and shelter supports, income and disability assistance programs and crucial health services, such as funding for the BC Centre for Disease Control hotline, quarantine costs, lab tests and work underway at the First Nations Health Authority and the United Way's Better at Home program for seniors.

To support non-profits, service delivery agencies and child care providers, the Province will continue to provide funding even if these agencies are closed or their regular operations have been disrupted. Licensed child care providers staying open will receive enhanced funding to keep operations going. These centres are eligible to receive seven times their average monthly operating funding from government, which is expected to cover approximately 75% of a group facility's average monthly operating expenses.

To help people with B.C. student loans, the Province is freezing B.C. student loan payments for six months, starting March 30, 2020. Federal student loan payments are being frozen as well.

British Columbians needing more time to pay their bills can also apply to existing payment deferral programs at ICBC and BC Hydro. ICBC is extending deferrals to up to 90 days. People dealing with job loss, illness or loss of wages due to COVID-19 may also qualify for BC Hydro's Customer Crisis Fund grant program for up to \$600.

### **Supporting businesses**

British Columbia has a strong economic foundation, but COVID-19 is having impacts across the country and around the world. Every aspect of B.C.'s economy will be touched by this pandemic. The COVID-19 Action Plan will help businesses get through the immediate crisis and lay the groundwork needed to get businesses back on their feet once the crisis is over.

Effective immediately, businesses with a payroll over \$500,000 can defer their employer health tax payments until Sept. 30, 2020. Businesses with a payroll under this threshold are already exempt from the tax.

In addition to the employer health tax, the Province is extending tax filing and payment deadlines for the provincial sales tax (PST), municipal and regional district tax, tobacco tax, motor fuel tax and carbon tax until Sept. 30, 2020. The scheduled April 1 increase to the provincial carbon tax, as well as the new PST registration requirements on e-commerce and the implementation of PST on sweetened carbonated drinks, will be delayed and their timing will be reviewed by Sept. 30, 2020.

Business and light- and major-industry property classes will see their school tax cut in half. This will provide \$500 million in immediate relief for business that own their property and allow commercial landlords to immediately pass savings on to their tenants in triple-net leases.

In the longer term, the recovery plan will dedicate funding to particularly hard-hit parts of the economy, such as the tourism, hospitality and culture sectors. The B.C. government is partnering with business and labour leaders to build an economic stimulus plan. The Province has allocated \$1.5 billion for economic recovery.

### **Financial Supports in Response to COVID-19**

Funding for critical services is increased by \$1.7 billion to support: Health care pressures due to the COVID-19 outbreak; Social services and vulnerable populations; Housing and shelter programs; First Nations Health Authority

#### ***B.C. Emergency Benefit for Workers***

The B.C. Emergency Benefit for Workers will provide a one-time \$1,000 payment to people who lost income because of COVID-19.

B.C. residents who receive federal Employment Insurance, or the new federal Canada Emergency Response Benefit are eligible

Applications for the one-time payment will open soon

#### ***Climate Action Tax Credit***

A one-time enhancement to the climate action tax credit will be paid in July 2020 for moderate to low-income families:

An adult will receive up to \$218.00 (increased from \$43.50)

A child will receive \$64.00 (increased from \$12.75)

#### ***Renters, Homeowners and People Experiencing Homelessness***

Funding for housing supports are increased to ensure people can maintain their housing in the event of job or income loss.

BC Housing has temporarily suspended evictions of tenants in subsidized and affordable housing due to non-payment of rent

#### ***B.C. Student Loans***

Starting March 30, 2020, B.C. student loan payments are automatically frozen for six months.

Monthly Bills

#### ***BC Hydro***

Customers can defer bill payments or arrange for flexible payment plans with no penalty through the COVID-19 Customer Assistance Program

Customers experiencing job loss, illness or lost wages due to COVID-19 can access grants up to \$600 to pay their hydro bills through the Customer Crisis Fund

### **ICBC**

Customers on a monthly payment plan who are facing financial challenges due to COVID-19 may defer their payment for up to 90 days with no penalty

### ***Tax Relief for Businesses***

The following provincial taxes have been deferred, delayed or reduced: Deferred Tax Payments for Businesses; Delayed PST Budget 2020 Tax Changes; Delayed Carbon Tax Increase; Reduced School Tax for Businesses

### **Other**

See also [Financial Supports in Response to COVID-19](#), [COVID-19 Provincial Support and Information](#), [Agricultural sector support news release](#), and [COVID-19 relief measures for your business](#) (Canadian Federation of Independent Business).

## Alberta

### News Release 2020-03-31

#### *Prioritizing emergency legislation*

Government House Leader Jason Nixon has called Alberta MLAs back to the legislature to debate important legislation related to the COVID-19 pandemic, support for Albertans, and the province's economic future.

"Our government understands that this is a challenging period of uncertainty for many Albertans. We want to assure people we are working quickly to ensure that legislation relevant to fighting the spread of COVID-19 and that our economy is set up for success once the worst of the virus passes. Albertans can be certain we are working diligently with the Opposition to address the challenges associated with COVID-19."

*Jason Nixon, Government House Leader*

Legislation to be debated deals with a number of issues, including modernizing the *Public Health Act* and protecting mobile home residents. Government will also be tabling legislation that updates the process for managing well liabilities in the province, which will create conditions to help the province's oil and gas industries rebound once the pandemic is over.

"Effectively managing oil and gas liabilities, including orphan wells and sites, is important in maintaining our reputation as a responsible energy producer. Enhancing the role of the Orphan Well Association plays a significant role in reducing the number of inactive sites in Alberta while at the same time creating jobs to support our economy. This ensures a sustainable oil and gas industry in our province for generations to come."

*Sonya Savage, Minister of Energy*

Government will be working with the Opposition to ensure MLAs are doing all they can to adhere to the best practices outlined by the chief medical officer of health. The health and safety of members and all Albertans remains our highest priority.

Alberta has a comprehensive response to COVID-19 including measures to enhance social distancing, screening and testing. Financial supports are helping Alberta families and businesses.

#### **Corporate Income Tax Special Notice Vol. 5–56: *Deferral of corporate income tax payments (March 18, 2020)***

NOTE: This special notice is intended to explain legislation and provide specific information. Every effort has been made to ensure the contents are accurate. However, if a discrepancy should occur in interpretation between this special notice and governing legislation, the legislation takes precedence.

The Government of Alberta announced new business tax relief measures today (March 18, 2020) in response to the current oil price shock and the economic impacts of the COVID-19 pandemic. These measures recognize the cash flow challenges Alberta businesses are facing in these exceptional economic circumstances and will supplement similar relief announced by the Government of Canada.

Alberta businesses with corporate income tax balances owing or installment payments coming due between March 18, 2020 and August 31, 2020, can defer making these payments until August 31, 2020. Alberta will waive penalties and interest that would otherwise be payable in respect of these payments. However, businesses are expected to continue to file their tax returns as required by legislation.

Alberta will also modify the provincial corporate income tax audit and collection practices during Alberta's Public Health Emergency (COVID-19).

This deferral measure is not available in respect of tax balances or installment payments coming due during this period for which payments were made to government prior to March 18, 2020.

#### Additional Information

For additional information on COVID-19, refer to the COVID-19 coronavirus info for Albertans page of our website.

For complete information on Alberta's corporate income tax program, refer to the Corporate Income Tax page of our website.

#### Contact Information and Useful Links

Email TRA:

[TRA.Revenue@gov.ab.ca](mailto:TRA.Revenue@gov.ab.ca)

Visit our website:

[tra.alberta.ca](http://tra.alberta.ca)

Subscribe to receive email updates:

[tra.alberta.ca/subscribe.html](http://tra.alberta.ca/subscribe.html)

TRA Client Self-service (TRACS):

[tra.alberta.ca/tracs](http://tra.alberta.ca/tracs)

#### **COVID-19 support for employers and employees**

##### **News Release 2020-03-20**

Measures to protect employers and employees from the economic disruption of COVID-19 and position Alberta for recovery.

## Overview

The Alberta government will provide immediate funding and supportive measures to support local businesses, employers and employees.

### Support for employers

#### Corporate income tax changes

- Corporate income tax balances and instalment payments will be deferred from March 19 until August 31, 2020 to increase employers' access to cash so they can pay employees, address debts and continue operations.

#### Utility payment deferral

- Residential, farm and small commercial customers can defer electricity and natural gas bill payments for the next 90 days to ensure no one will be cut off, regardless of the service provider.
- Call your utility provider directly to arrange for a 90-day deferral on all payments.

### Banks and credit unions

#### Credit unions

- Business members should contact their credit union directly to work out a plan for their personal situation

#### ATB Financial

- Small business customers can: apply for a payment deferral on loans and lines of credit for up to 6 months; access additional working capital
- Other businesses and agriculture customers can access support on a one-on-one basis. Further solutions are being considered at this time

## Job-protected leave

Changes to the Employment Standards Code will allow full and part-time employees to take 14 days of job-protected leave if they are: required to self-isolate; caring for a child or dependent adult that is required to self-isolate.

To be eligible, employees: will not be required to have a medical note; do not need to have worked for an employer for 90 days. This leave covers the 14-day self-isolation period recommended by Alberta's chief medical officer. This leave may be extended if the advice of the chief medical officer changes. The leave does not apply to self-employed individuals or contractors.

## **Vacation pay, leave or banked overtime**

Employers and employees may consider using other available leaves should an employee be required to self-isolate.

- Employees can request using their vacation pay or banked overtime, but employers are not required to grant the request. Provincial employment rules only require employers to provide vacation pay, vacation leave or pay banked overtime within a year of it being earned.
- Employers can request employees voluntarily take vacation leave and/or use their vacation pay or banked overtime, but cannot force them to do so under provincial employment rules.

## **Employment insurance benefits**

Employees may consider applying for federal Employment Insurance benefits.

- Allows up to 15 weeks of assistance if a person cannot work due to medical reasons such as self-isolation or self-quarantine.
- The one-week waiting period for Employment Insurance benefits has been waived by the federal government.

## **Business continuity plans**

Employers should consider their business continuity plans and how COVID-19 could impact their workplace. To prepare, make plans to: protect employees; limit spread in workplaces; ensure continuity of critical services if staff are ill or self-isolating; explore alternate working arrangements, such as: working from home or remotely, doing work that doesn't require contact with other people

## **Additional financial support for Albertans and employers**

### **News Release 2020-03-23**

More relief is on the way for Albertans and Alberta employers.

The government has made three significant decisions that will give Albertans and Alberta employers additional supports as they deal with the impacts of the COVID-19 crisis.

“Our priority is to keep our province strong while we get through these difficult times together. We’re doing everything we can to support Albertans and Alberta employers through this crisis. That’s why we’re focused on creating tangible savings for households and freeing up necessary cash for businesses to help them through these unprecedented times.”

Jason Kenney, Premier

## **Education property tax freeze**

During a pandemic, Alberta households should not need to worry about paying additional property taxes.

- The government will immediately cancel the decision made in Budget 2020 and will freeze education property taxes at last year's level.
- Reversing the 3.4 per cent population and inflation adjustment will save Alberta households and businesses about \$87 million in 2020-21, which means \$55 million for households and \$32 million for employers.
- The government expects that Albertans and Alberta businesses will fully realize these savings and that municipal property tax levels will not be increased as a result of the lower provincial education property tax levels.

### **Education property tax deferral for business**

When Alberta businesses are operating, they employ Albertans who can support themselves, their families and help keep the economy running. Effective immediately, the government will defer education property tax for businesses for six months.

- In the next six months, \$458 million in cash will remain with employers to help them pay employees and continue operations.
- The government expects municipalities to set education property tax rates as they normally would, but defer collection. Deferred amounts will be repaid in future tax years.
- The government encourages commercial landlords to pass on these savings to their tenants through reduced or deferred payments. This will help employers continue to manage their debts, pay their employees and stay in business.
- Businesses capable of paying their taxes in full are strongly encouraged to do so. This will assist the province in being able to support Albertans through this pandemic.

“Eliminating the scheduled adjustment of education property taxes and deferring collection of non-residential property taxes will result in savings to Albertans and improved business cash flow. This measure will help Alberta households and businesses during this time – we want to keep Albertans working while we get through these difficult times together.”

Travis Toews, President of Treasury Board and Minister of Finance

### **WCB premiums deferral for private sector businesses and support for small and medium businesses**

Private sector employers can save money on their WCB premium payments at a time when they need it most. These actions ensure the sustainability of the workers' compensation system and that injured workers continue to receive the benefits and supports they need to return to work.

- Private sector employers will have immediate financial relief by deferring WCB premiums until early 2021, effectively for one year.
- Employers who have already paid their WCB premium payment for 2020 are eligible for a rebate or credit.
- For small and medium businesses, the government will cover 50 per cent of the premium when it is due.
- Large employers will also receive a break by having their 2020 WCB premium payments deferred until 2021, at which time their premiums will be due.

- Paying 50 per cent of small and medium private sector WCB premiums for 2020 will cost government approximately \$350 million.

### **Additional measures to help families, students and employers**

Previously announced measure taken by the province to protect Albertans and assist businesses include:

- The collection of corporate income tax balances and instalment payments is deferred until Aug. 31, 2020. This gives Alberta businesses access to about \$1.5 billion in funds to help them cope with the COVID-19 crisis.
- \$50 million to support emergency isolation for working adult Albertans who must self-isolate, including persons who are the sole caregiver for a dependent who must self-isolate, and who will not have another source of pay or compensation while they are self-isolated. It is distributed in one payment instalment to bridge the gap until the federal emergency payments begin in April.
- Utility payment deferral for residential, farm, and small commercial customers to defer bill payments for the next 90 days and ensure no one is cut off from electricity and natural gas services during this time of crisis.
- A six-month, interest-free moratorium on Alberta student loan payments for all individuals who are in the process of repaying these loans.

### **Other**

- Residential, farm and small commercial customers can defer electricity and natural gas bill payments for the next 90 days, regardless of their service provider to ensure no one will be cut off, regardless of the service provider (the payment deferral is also available to Albertans who are experiencing financial hardship as a direct result of COVID-19). See [COVID-19 support for employers and employees](#).
- The Government announced on March 17, 2020, that it is implementing a six-month, [interest free moratorium on Alberta student loan payments](#).

See also the following News Releases: [Protecting jobs, providing economic relief for energy sector](#), [Economic Recovery Council](#), and [COVID-19 supports for Albertans](#). Also, see [Alberta: COVID-19 relief measures for your business](#) (Canadian Federation of Independent Business).

## Manitoba

### Manitoba Government Extends Tax Payment Filing Deadlines for Businesses

#### News Release 2020-03-22

Extension Could Help More Than 20,000 Manitoba Businesses Cope with Impacts of COVID-19: Pallister

The province is extending tax filing deadlines for businesses impacted by COVID-19, Premier Brian Pallister and Finance Minister Scott Fielding announced today.

“Manitoba businesses are facing a challenging economic situation caused by the COVID-19 pandemic and we want to help them out by giving them more time to submit provincial taxes,” said Pallister. “Some businesses may need access to these extra funds and we want to provide them with that flexibility. The allowance is one of several measures our government has introduced to help Manitobans cope during this trying and uncertain time.”

The province will extend the April and May filing deadlines for small and medium-sized businesses with monthly remittances of no more than \$10,000. It is estimated this could help more than 20,000 businesses in Manitoba, the premier noted. Businesses will have up to two additional months to remit retail sales taxes and the Health and Post Secondary Education Tax Levy, commonly called the payroll tax.

“This extension gives small and medium businesses a two month breather to deal with COVID-19,” said Fielding. “This global pandemic is impacting all Manitobans and while we focus our resources and energy on the health of Manitobans, we must be mindful of the financial toll the pandemic is having on businesses and families. Over 95 per cent of Manitoba business are small or medium sized, and they need government support through this difficult time.”

The minister noted the department will work with businesses regarding flexible repayment options above the \$10,000 cap.

Further information regarding filing requirements will be available Monday on the Manitoba Tax Publications page on the Finance Taxation website at [www.gov.mb.ca/finance/taxation/bulletins.html](http://www.gov.mb.ca/finance/taxation/bulletins.html).

For more information: Public information, contact Manitoba Government Inquiry: 1-866-626-4862 or 204-945-3744. Media requests for general information, contact Communications Services Manitoba: 204-945-3765. Media requests for ministerial comment, contact Communications and Stakeholder Relations: 204-945-4916.

## Other

- RST Notice 20-03: *Government Extends Tax Deadlines* (RST returns for businesses with monthly RST remittances of \$10K or less per month that would normally be due on April 20 and May 20 are now due on June 22, 2020. For businesses that file on a quarterly basis having a due date of April 20, the due date is extended to June 22, 2020. Businesses entitled to these extensions are also exempt from late-filing penalties and interest in respect of the March 20 filing if the business files before June 22, 2020);

- HE Notice 20-01: *Tax Filing Deadline Extension* (Health and Post Secondary Education Tax Levy (also known as HE Levy) returns for small and medium businesses with monthly HE Levy remittances of no more than \$10,000 per month that would normally be due on April 15th and May 15th will now be due on June 15, 2020);
- [Manitoba to postpone eviction hearings and freeze rent increases](#) (News Release);
- [Manitoba implementing \\$27.6-million plan to support child care for essential workers](#) (News Release);
- [Manitoba: COVID-19 relief measures for your business](#) (Canadian Federation of Independent Business)

## Saskatchewan

### Premier Announces Financial Support Plan For Saskatchewan Employers And Employees

#### News Release 2020-03-20

Today, Premier Scott Moe announced a significant financial support plan for Saskatchewan employers and employees hit by the impacts of the COVID-19 pandemic.

“During this time of great uncertainty, it is of the utmost importance that Saskatchewan people know their government is here to provide support,” Moe said. “This plan supports businesses and employees. Most importantly, it supports the opportunity to come back to work when we emerge from the COVID-19 crisis.”

The financial support plan outlines a number of mechanisms for reducing costs for businesses and individuals, providing support to self-employed individuals not covered by new federal support measures, and establishes a Business Response Team designated to support Saskatchewan businesses during this time of uncertainty.

#### *Self-Isolation Support Program*

Administered by the Ministry of Finance, the Self-Isolation Support Program will provide \$450 per week, for a maximum of two weeks or \$900. The Self-Isolation Support Program is targeted at Saskatchewan residents forced to self-isolate that are not covered by recent federally announced employment insurance programs and other supports. The program is designed to ensure that all Saskatchewan residents are covered by either a federal or provincial program to ensure no one is faced with choosing to work instead of protecting their family and community from COVID-19 by self-isolating.

The program is anticipated to cost a total of \$10 million and will mostly benefit self-employed residents of Saskatchewan that meet the following eligibility criteria: 1) They have contracted COVID-19 or are showing symptoms; 2) They have been in contact with an individual infected with COVID-19; 3) They have recently returned from international travel and have been required to self-isolate; AND 4) If they are not eligible for compensation including sick leave, vacation leave from their employer, If they do not have private insurance covering such disruptions, If they are not covered by other programs such as federal employment insurance that has been updated.

#### *Three Month PST Remittance Deferral and Audit Suspension*

Effective immediately, Saskatchewan businesses who are unable to remit their PST due to cashflow concerns will have relief from penalty and interest charges. Over the course of three-months; government estimates a potential deferral of up to \$750 million in PST collections. Businesses that are unable to file their provincial tax return(s) by the due date may submit a request for relief from penalty and interest charges on the return(s) affected.

At this time, audit program and compliance activities have been suspended to allow businesses time to focus on the health and safety of their customers and staff, reduce impacts to their business operations, and minimize the spread of the virus through reduced audit travel.

### *Crown Utility Interest Deferral Programs*

Earlier this week, government announced a crown utility interest deferral program waving interest on late bill payments for up to six months. Effective immediately, the crown utility interest deferral program is available to all crown utility customers.

### *Student Loan Repayment Moratorium*

Effective immediately, a six-month student loan repayment moratorium has been put in place, mirroring a similar federal provision. This provides individuals with student loans immediate relief, and comes at a \$4 million cost to the provincial government.

### *Changes to Employment Standard Regulations*

In addition to changes made to changes to The Saskatchewan Employment Act that introduced a new unpaid public health emergency leave and removed the 13-week employment requirement to access sick leave and the requirement for a doctor's note to access sick leave, The Employment Standard Regulations have been amended to: 1) Ensure that during a public emergency, businesses will not have to provide notice or pay in lieu of notice when they lay-off staff if it is for a period of 12 weeks or less in a 16-week period. 2) And if an employer lays off employees periodically for a total of more than 12 weeks in a 16-week period, the employees are considered to be terminated and are entitled to pay instead of notice as outlined in the Act. This will be calculated from the date on which the employee was laid off.

These amendments create a balance for employers and employees where the difficult decision may be made to lay-off employees due to public health emergencies. In this circumstance, employees would have immediate access to new federal employment insurance programs, while keeping employers financially stable to ensure employees have a job to return to.

### *Business Response Team to be Established*

To provide support to Saskatchewan businesses seeking to navigate the uncertain conditions caused by COVID-19, the Government of Saskatchewan will be establishing a single window information webpage for businesses to access information and receive timely updates on provincial support initiatives. This will be complemented by the establishment of a Business Response Team, led by the Ministry of Trade and Export Development, which will work with businesses to identify program supports relevant to particular businesses. Once the Business Response Team has been established, contact information will be communicated to the public, and to local chambers of commerce for dissemination to chamber membership.

## Other

See also:

- [Support for Businesses](#) and [Support for Workers](#);
- News Releases: [Premier Announces Financial Support Plan For Saskatchewan Employers And Employees](#), [Premier Announces Financial Support Plan For Saskatchewan Employers And Employees](#), [Saskatchewan Launches Business Response Team](#);
- [Saskatchewan: COVID-19 relief measures for your business](#) (Canadian Federation of Independent Business).

## Atlantic Provinces

### COVID-19 Measures

- **New Brunswick:** [COVID-19 Guidance for Businesses](#); [Relief on co-pay for drug plans](#); [Child care for those who lost income and essential workers](#); [One-time income benefit for unemployed workers](#); [COVID-19 relief measures for your business](#) (Canadian Federation of Independent Business);
- **Nova Scotia:** See <https://novascotia.ca/coronavirus/#support> and [COVID-19 relief measures for your business](#) (Canadian Federation of Independent Business);
- **PEI:** [Emergency Income Relief for the Self-Employed](#), [Emergency Working Capital Financing](#), [Finance PE, Province announces additional supports for individuals and families](#), [Province announces more financial support for Islanders](#), and [COVID-19 relief measures for your business](#) (Canadian Federation of Independent Business); and,
- **Newfoundland & Labrador:** [COVID-19 Information](#), [Premier Ball Announces Support for Community-Based Organizations](#), [COVID-19 relief measures for your business](#) (Canadian Federation of Independent Business)

### Assistance for Businesses Impacted by COVID-19 – Atlantic Canada Opportunities Agency

Canada's Regional Development Agencies (RDAs) are closely monitoring the COVID-19 global challenge and the potential impact it could have on your business and your workers, as well as the broader economy. RDAs are the front line for economic development in Canada and help to address key economic challenges by providing regionally tailored programs, services, knowledge and expertise

Q1. My organization received funding from ACOA to organize/participate in a trade mission that has since been canceled. What should I do if I have incurred costs related to my participation?

A1. The Government of Canada understands that the impacts and restrictions resulting from the COVID-19 global challenge are affecting all Canadians in different ways. Your ACOA account manager is ready to help. Contact them directly and they will assess your situation, provide advice on potential funding options, and help you resolve the situation.

Q2. My business has been negatively impacted by the economic shift caused by COVID-19, and I am concerned about meeting my obligations under my contribution agreement. What should I do?

A2. ACOA officials are closely monitoring the COVID-19 global challenge and the potential impact it could have on Atlantic Canadian businesses and the region's economy. Contact your ACOA account manager directly and they will assess your situation, provide advice on potential funding options, and work with you to find solutions.

Q3. My organization received funding from ACOA to host an event that we have been forced to postpone because of COVID-19 prevention measures. What should I do?

A3. ACOA is here to help. Contact your ACOA account manager, who is ready to work with you to assess your situation, provide advice on potential funding options, and help you find solutions.

Q4. I recently submitted a project application and would like to know how long the process should take. In light of the recent COVID-19 challenge, will ACOA continue to process applications?

A4. The Government of Canada continues to serve Canadians. ACOA will continue to process all applications and keep our clients up to date on information related to their project applications. You are encouraged to reach out to your nearest ACOA office, and visit our website for more information on programs offered.

Q5. My business is suffering due to the economic shift in our economy. Can ACOA help?

A5. Businesses that are impacted by sudden shifts in the economy are strongly encouraged to get in touch with ACOA officials. Business officials should speak with their account manager or call one of the following ACOA offices:

New Brunswick: 1-800-561-4030

Nova Scotia: 1-800-565-1228

Prince Edward Island: 1-800-871-2596

Newfoundland and Labrador: 1-800-668-1010

Head Office: 1-800-561-7862

## Territories

### Northwest Territories COVID-19 Economic Relief

#### *News Release 2020-03-30: Supporting people, businesses and communities in response to COVID-19*

Yellowknife — March 31, 2020

Ministers' Statements and Speeches

Good morning

It is a pleasure to be here today, starting the week by talking to you about the second wave of funding and financial program changes that the Government of the Northwest Territories is rolling out to help support individuals, families, businesses and communities.

The last time we were here, when we discussed the roll out of the first wave of financial relief the GNWT put together in response to COVID 19, I said that we would continue to look for opportunities to be creative in the delivery of government services.

I am pleased to be here again with you today to introduce a second wave of financial relief measures our government has identified to keep or put money in the hands of residents and businesses as we all do our part to prevent the spread of COVID 19.

First, I would like to talk about some changes to the Income Assistance Program.

Minister Simpson and his team have identified a series of immediate changes that will help support some of our most financially vulnerable citizens.

Today, we are introducing a one-time emergency allowance for income assistance recipients that will provide \$500 to single recipients, and \$1000 to households with two or more people to ensure that they have appropriate cleaning supplies, and are prepared for a 14 day period of self-isolation.

We are also be providing additional benefits to Income Assistance clients by excluding 'gifts and unearned income' from the calculation of earned income until June 30, 2020. This change will ensure that income assistance clients are able to keep whatever money they are given or earn over the next several months.

Next, Minister Chinna and her team at the NWTHC have identified \$5 million dollars to support the immediate need to provide housing to people who are homeless or have housing instability so that they can self-isolate. \$1.4 million of this funding will support the development of 36 housing units at the Aspen apartments and 25 units at the Arnica Inn; while \$3.6 million will be directed to renovating 130 units in communities across the NWT. These units will ensure that individuals have somewhere safe to stay right away if they need to self-isolate and will help to reduce the risk of spreading Covid-19 associated with overcrowded and instable housing.

We are also announcing several sector specific initiatives today, including:

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- Health and Social Services is waiving professional fees for medical professionals in the territory;
- The GNWT will waive interest charges on all late tax returns between March 15 and June 30 including fuel tax and payroll tax; and
- In support of our restaurant and hospitality industry, the NWTLCC will offer to buy back any unopened alcohol stock, ensuring that businesses have access to the cash they need now.

Together with the initiatives being announced by Minister Nokleby, this second wave of financial relief in response to the COVID 19 pandemic is the next step in our work to support northerners and is valued at approximately \$8.259 million. These initiatives are to be implemented immediately.

This adds to the initial financial responses announced earlier this month for a combined total value of approximately \$21.459 million in GNWT financial relief to COVID-19.

As I said the last time, we will continue our work to support the people, businesses and communities of the Northwest Territories.

Our Premier and every Cabinet Minister have regular calls with our Federal, Provincial and Territorial counterparts where we share ideas and initiatives that we are undertaking here in the NWT, as well as thoughts and ideas on how to make the Federal programs as effective as possible for each region's particular challenges; including, for example, the funding provided to Indigenous governments to support on the land activities. There is no doubt that we will need to continue to work closely with our Federal colleagues as we analyze and ultimately respond to the full financial impacts of COVID in the coming weeks and months.

We will also continue our financial response efforts at home. Several departments are already looking at what areas will require legislative or regulatory change in order to provide further relief for challenges created by the pandemic response. The Department of Finance continues to work with all departments to identify any areas where cost relief can be offered or existing financial supports made more flexible. Our unwavering goal is first and foremost to ensure the physical health of the people of the NWT by limiting the spread of COVID 19 but then also to ensure the mental, social and financial wellbeing of the NWT. We all remain committed to a whole of government response that will achieve these goals.

### **NWT News Release 2020-03-20**

The Government of the Northwest Territories (GNWT) recognizes the difficulties that the COVID-19 pandemic and health measures being taken to combat the virus' spread is causing NWT businesses, service providers, residents, governments and non-government organizations. Today, Minister Caroline Wawzonek, Minister of Finance and Minister Katrina Nokleby, Minister of Industry, Tourism and Investment, and Infrastructure, announced Economic Relief Measures that will help minimize expenses and keep cash available for immediate needs in this time of uncertainty.

The GNWT has put together an initial economic relief package valued at \$13.2 Million dollars that will take effect immediately. This package is intended to work in concert with federal incentives under Canada's \$27 billion COVID-19 Economic Response Plan announced earlier this week.

In addition to this first wave of economic relief announced today by the Minister of Finance and the Minister of Industry Tourism and Investment and Infrastructure, the GNWT will continue to identify other relief measures to assist territorial residents and business owners and operators as we respond to COVID-19.

## Quotes

“The GNWT has been able to identify immediate steps we can take to waive fees, ease funding restrictions, and defer payments in order to reduce economic stress on territorial residents and businesses. This is not a time for anyone to worry about bills or payments. Right now we want to ensure that business who provide public services can do so safely and that employees who can stay home do so without worrying about economics. By working together we stand the best chance of reducing the potential for COVID-19 infections in the NWT.”

- Caroline Wawzonek, Minister of Finance

“We recognize that this is a difficult time for business owners and service providers in the Northwest Territories. In the short term, we will provide necessary financing to small businesses to the extent that we can. In the long term, we will work with the business community to identify a path forward to economic recovery. We are going to need help from the federal government and we will continue to be a voice for Northwest Territories’ business in discussions addressing the costs and challenges that we are experiencing. In the meantime, I urge residents to do what they can to support local business and service providers.”

- Katrina Nokleby, Minister of Industry, Tourism and Investment and Infrastructure

## Quick Facts

### Immediate GNWT Response Measures

#### Fee Reduction

Provide relief to northern supply chain businesses through a removal of fees until the end of June for: Deh Cho Bridge tolls; Truck permits; Airport landing fees; BDIC - Working Capital Loans

Offer low interest loans to businesses to help offset up to one month of COVID-19 impacts. This will also be available to new BDIC clients.

#### BDIC - Defer Loan Payments

Allow for the deferral of any BDIC loan payments for a period of up to three cumulative months, between April 1, 2020 and September 30, 2020, with no penalty or additional interest charges.

#### Establish Economic Relief and Growth Advisory Group

Begin work to establish an Advisory Council to help identify the economic impacts of the pandemic; represent the business community; and ensure that the items most critical to local economies and jobs are targeted for medium and long term government support.

## Advance Portion of Net Fiscal Benefit Transfer to Indigenous Governments

Provide advance payments for the 2020 GNWT net fiscal benefit from resource revenues to Indigenous Governments that are signatories to the Devolution Agreement.

## Contribution Carryovers

Allow non-government organizations, Indigenous Governments, and Community Governments with unused contribution amounts in 2019-20 to use these funds in 2020-21.

## Payment Terms for Vendors

Allow small businesses and individuals to access cash flow more quickly by shortening the payment terms on GNWT invoices so that they are paid out as soon as possible.

## WSCC employer fees

Extension of the due date for Employer Assessment Payments from April 1 to May 1, 2020.

## GNWT Collections Policy

Provide small businesses and individuals with access to greater cash flow during this crisis, by pausing most collections efforts, including: Outside collection agency activity; GNWT set-offs on GNWT payments; GNWT set-offs on Canada Revenue Agency tax refunds; Income Assistance; Increase funding available for the Income Assistance program.

## Student Financial Assistance

Defer the payment of student loans to September 30, 2020, including not charging interest for this period.

## NTPC Load Limiters/Collections Policy

Support NWT residents by removing load limiters, ceasing disconnections, and pausing collection efforts.

For all COVID-19 Media Requests, Contact:

Cabinet Communications

Government of the Northwest Territories

[presssecretary@gov.nt.ca](mailto:presssecretary@gov.nt.ca)

## Yukon

The spring sitting of the Legislative Assembly ended early in light of the COVID-19 public health emergency, with key budget and income tax Bills receiving assent.