

COVID-19 UPDATE

(Vol 7)

COVID-19 – Updated Guidance on CRA Deadlines

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BREAKING NEWS

Trudeau announced this morning:

1. The wage subsidy for eligible small and medium-sized business is being raised to 75%, retroactive to March 15th.
2. A new “Emergency Account” for Businesses was introduced – a maximum of \$40,000, guaranteed by the federal government; with no interest for one year and the potential to have some of the loan forgiven
3. Ability to defer GST/ HST payments until June

Unfortunately, we have virtually no details we can share with you at this time. Trudeau has promised more information over the next few days – so we will share when we obtain more details.

Hello again ...

Chartered Professional Accountants Canada (CPAC) provided its’ members with guidance this morning on the current status of the “COVID-19 Tax Landscape”. We felt this update would be useful for both our business and individual clients, as changes in business deadlines affect individuals’ ability to file personal income tax returns, etc.



Federal Changes

The federal government announced additional extensions to many for tax-related deadlines.

Unless, otherwise noted:

- Taxpayers may defer several other administrative matters for items that are due after March 18, 2020, until June 1, 2020, including the filing of returns, forms, elections, designations, and responses to information requests
- This includes the March 31st deadline for T1134 forms and T2s (corporate tax returns)
- T5013s (Partnership returns) deadline has been extended to May 1st
- The deadlines for Trusts and NR4 Information returns are extended to May 1st
- The deadline for filing the T1135 form (foreign property) is the same date as for the related personal, corporate or trust return – so these deadlines have also been extended
- **Payment and remitting requirements are not covered by this announcement**
- **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**
- If your charity has a T3010 or Registered Charity Information Return due between March 18th and Dec 31st, the filing deadline has been extended to Dec 31st
- Paperwork related to Investment Tax Credits must still be filed as originally prescribed
- Note that some returns and payments will still be due at the usual time (but this was not specified in the guidance provided)

No guidance has yet been provided (that we know of) for the following:

- Due dates for September and October year-ends
- GST returns

CPA Canada does not expect any relief for other tax-related payments such as withholding taxes under Part XIII – as some or all of these payments are collected from other taxpayers.

Keeping Up to Date with CRA

CRA tells us that we can follow them:

- On Facebook (type in Canada Revenue Agency)
- On Twitter - @CanRevAgency, or
- On LinkedIn (again, type in Canada Revenue Agency).

Ontario WSIB

- Businesses may defer premium reporting and payments until August 31, 2020 (including those who report and pay monthly, quarterly or annually are eligible – automatic eligibility)
- No interest will accrue, and no penalties will be charged during this six-month deferral period.
- You can choose to continue to report and pay on a monthly, quarterly or annual basis. You can also report now and defer payment until later.

Employment Matters

You may also wish to keep up to date on employment matters through the law firm you use or through another organization. One such organization is <https://stlawyers.ca/blog-news/covid-19-employment-rights-everything-you-need-to-know/>. We are not endorsing this or any other employment law firm, but this firm does have an Employment Law TV talk show currently. Whoever you choose to follow, ensure you obtain proper advice before implementing any decisions. These online sources only provide general guidance.

Overall

We are still preparing your personal income tax returns, payroll and corporate year-ends – working remotely and in constant contact with each other (the “new” way of doing business).

Once the additional personal tax documents become available, we can quickly finalize your personal income tax returns.

Please continue to drop off or send in your personal tax returns, as well as your corporate year-ends.

We will continue to provide updates as more information becomes available.

Stay healthy!

Allan Roque and Marcia McCann