

GMS Flash Alert

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Canada - Extensions on Tax Filings in Light of COVID-19 Crisis

Canada has announced new financial and tax measures in response to COVID-19. In particular, the Canada Revenue Agency (CRA) will delay tax filing deadlines for individuals to June 1, 2020, and for trusts to May 1, 2020.

Following the federal announcement, Quebec's government announced further extensions for tax and instalment payments due dates in order to harmonize with the federal measures.

WHY THIS MATTERS

As the COVID-19 crisis continues to up-end daily life and present a number of challenges for businesses and individuals, the decision to extend the tax filing deadlines will provide relief to taxpayers who may require more time to organize their tax affairs.

More Details on Federal Measures

As noted above, the CRA will delay tax filing deadlines for individuals to June 1, 2020 (from April 30) and for trusts to May 1, 2020.¹ In addition, individuals and businesses that owe tax balances and instalments on or after March 18, 2020 and before September 2020, will now have until September 1, 2020, to remit these amounts.

Further, Canada will provide a temporary wage subsidy to help small businesses retain employees and an Emergency Care Benefit to offer financial support to affected individuals. In addition, the Canada Account, administered by the Export Development Corporation (EDC), will provide additional support to companies, including exporters, through loans, guarantees or insurance policies. Eligible employers may have access to a range of temporary relief measures such as a 10-percent wage subsidy and changes to Employment Insurance for affected employees. To provide cash-flow relief,

businesses may also choose to defer income tax payments until September 1, 2020. An additional \$10 billion has been allocated to the EDC and BDC for loans to small- and medium-sized businesses.

KPMG NOTE

These measures may help businesses maintain their cash-flow despite any disruptions caused by COVID-19.

Related Resources from KPMG in Canada

For additional details, see our English and French *TaxNewsFlash-Canada* 2020-14, "[COVID-19 – Tax Deadline Delay and More Relief Announced](#)" and "[COVID-19: Mesures d'aide fédérales](#)," published by the KPMG International member firm in Canada. (For other steps taken by the Canadian government to address the impact of the COVID-19 crisis, including an unprecedented package of fiscal stimulus measures to help stabilize Canada's economy, click on this [report](#) from the KPMG International member firm in Canada.)

Quebec Harmonizing with Federal Deadline Delays

Following the federal announcement, Quebec's government announced further extensions for tax and instalment payments due dates in order to harmonize with the federal measures.² As a result, for 2019 personal tax returns, an individual's balance of tax and contribution payments will be extended to past August 31, 2020 (from April 30, 2020) and a trust that has a tax due date on or before March 30, 2020 for its 2019 tax return, the payment due date will be extended to past August 31, 2020.

FOOTNOTES:

1 For the announcement on the CRA's website, see: <https://www.canada.ca/en/revenue-agency.html> .

2 For the announcement on the website for Revenu Québec, see: <https://www.revenuquebec.ca/fr/salle-de-presse/communiques-de-presse/details/167313/2020-03-17/> .

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Contact us

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