KPMG

GMS Flash Alert

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Canada – COVID-19: CRA Further Extends Travel Restrictions Tax-Related Relief

Multinational entities and individuals can continue to rely on the Canada Revenue Agency (CRA) relief for cross-border tax issues caused by travel restrictions **until September 30, 2020**.[1] (For related coverage, see GMS *Flash Alert* 2020-335, July 30, 2020.)

The CRA says it does not anticipate further extensions of the guidance, and taxpayers whose situation persists past September 30 are advised to contact the CRA.

Payment due dates for 2019 individual tax returns and 2019 or 2020 corporation or trust returns, as well as for instalment payments which had been set at September 1, 2020, have been further extended to September 30, 2020.

WHY THIS MATTERS

This new guidance should relieve any anxiety taxpayers in Canada may have felt about impending deadlines and due dates and their residency status in light of their extended stays in Canada (and for Canadians overseas) due to COVID-19-related restrictions.

This guidance also clarifies that these travel restrictions may not affect the tax residency of a nonresident individual, or the ability of a cross-border employee to qualify for treaty benefits on employment income.

In addition, the CRA's guidance provides administrative relief to reflect its processing delays regarding certain withholding tax waiver requests and Section 116 Certificates.

Background

Previously, the CRA indicated that its guidance would only apply from March 16, 2020 to August 31, 2020, but that it was prepared to extend its relief measures where needed.

FOOTNOTE:

1 See the CRA webpage at: https://www.canada.ca/en/revenue-agency/campaigns/covid-19-update/covid-19-filing-payment-dates.html .

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RELATED RESOURCE:

This article is excerpted from "CRA Further Extends Travel Restrictions Relief," in *TaxNewsFlash-Canada* (no. 2020-70, September 1, 2020), a publication of the KPMG International member firm in Canada.

You Are Invited to a Webcast on September 10!

On September 10, 2020, from 2:00 p.m. – 3:00 p.m. EDT (UTC -4) KPMG will hold a webcast on '*Applying a "work anywhere" culture for your organization: Navigating through international and domestic issues*'. GMS professionals – Robert Smith and Kshipra Thareja – together with Prisco Morelos from eBay and Pam Dunleavy from Aires Relocation, will discuss the challenges of a work anywhere culture. Please register to join us.

Contact us

For additional information or assistance, please contact your local GMS or People Services professional or one of the following professionals with the KPMG International member firm in Canada:

Georgina Tollstam
Tel. +1 416-777-8735
gtollstam@kpmg.ca

Sonia Gandhi
Tel. +1 416-549-7870
soniagandhi@kpmg.ca

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