



COVID-19 Government Initiatives for Businesses
Tax Deferrals and Related Measures

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 VINE and PARTNERS LLP
Chartered Professional Accountants

The Government of Canada and provincial governments have introduced a wide range of measures to help businesses deal with the economic fallout of the COVID-19 pandemic and necessary social distancing measures. This release provides the current state of tax payment deferrals and related measures as of December 31, 2020, most of which are now historical in nature.

Topics covered include:

1. Deferral of GST/HST Tax Remittances
2. Deferral of Corporate Tax Remittances and Filing
3. Wage Boost for Essential Workers

Other business measures including wage subsidies, subsidies for rent and similar costs, loan programs, and measures directly in support of families and individuals, are the subject of five separate releases.

[COVID-19 Government Initiatives for Business — Wage Subsidies](#)

[COVID-19 Government Initiatives for Businesses — Subsidies for Rent and Related Costs](#)

[COVID-19 Government Initiatives for Businesses — Credit Availability Program](#)

[COVID-19 Government Initiatives for Individuals — Work from Home Expenses](#)

[COVID-19 Government Initiatives for Families and Individuals](#)

DEFERRAL OF GST/HST TAX REMITTANCES

The CRA allowed all businesses to defer, until the end of June 2020, any Goods and Services Tax/Harmonized Sales Tax (“GST/HST”) payments or remittances that become owing on or after March 27, 2020, and before June 2020. This meant that no interest applied if your payments or remittances were made by the end of June 2020. This includes quarterly instalment payments required to be made by an annual filer.

The deadline for businesses to file their GST/HST returns was unchanged. However, recognizing the difficult circumstances faced by businesses, the CRA said it wouldn’t impose penalties where a return was filed late provided that it was filed by June 30th.

On July 27, 2020 it was announced that the CRA will also waive arrears interest on existing tax debts from April 1, 2020, to June 30, 2020, for GST/HST returns. While this measure for existing tax debts did not cancel penalties and interest already assessed on a taxpayer’s account prior to this period, it ensured that a taxpayer’s existing tax debt did not grow through interest charges during this time.

Processing of paper copies of GST/HST returns have been delayed. The CRA encourages registrants to file electronically, especially if they are expecting a refund.

The full FAQ released by the CRA is available [here](#).

DEFERRAL OF CORPORATE TAX REMITTANCES AND FILING

Remittances

Payments that became due on or after March 18, 2020 could be paid by September 30, 2020 without interest or penalty.

On July 27, 2020 the CRA announced that it will also waive arrears interest on existing tax debts related to individual, corporation, and trust income tax returns from April 1, 2020, to September 30, 2020. While this measure for existing tax debts did not cancel penalties and interest already assessed on a taxpayer's account prior to this period, it ensured that a taxpayer's existing tax debt did not grow through interest charges during this time.

Filing Due Dates

Corporate income tax returns that were or are due after March 18, 2020 and before the end of May became due on June 1, 2020.

On May 22, 2020, the CRA extended the filing deadlines for corporations and trusts. The CRA deferred the deadline for T2 corporation income tax returns otherwise due in June, July, or August to September 1, 2020. The deferral also applied to forms T106 and T1135, and any elections, forms and schedules that must be filed with the T2 return or on the same day as the return.

The CRA later announced that no late filing penalties would be applied to returns otherwise due in June, July, or August if the return was filed September 30.

The filing due date for 2019 NR4 returns was extended to May 1, 2020. Remittances of Part XIII tax from payments to non-residents were still due by the 15th day of the month following the payment.

The May 1 due date also applied to trust and partnership returns otherwise due before May 1.

The deadline for T3 trust returns that would otherwise have been due in June, July, or August was extended to September 1, 2020.

The due date for other information returns that would otherwise have been due after March 18, 2020 and before June 2020 was deferred to June 1, 2020.

Full details as set out by the CRA are available [here](#).

WAGE BOOST FOR ESSENTIAL WORKERS

On April 15, 2020 the Government of Canada announced that it would work with provinces and territories through a new transfer to cost-share a temporary top up to the salaries of low-income essential workers that the provinces and territories have deemed essential in the fight against COVID-19.

The Government of Canada covered a portion of the cost of providing temporary financial support to these low-income workers, thereby helping to support employers in keeping their workers on staff, while also ensuring fairness.

Through this new transfer, provinces and territories were able to provide their low-income essential workers (those who earn less than \$2,500 per month), with a top up. The workers specifically mentioned in the Finance Backgrounder are:

- those on the front-line in hospitals and nursing homes,
- those ensuring the integrity of the food supply, or
- providing essential retail services to Canadians.