

Client Alert

March 24, 2020

Canadian Tax Measures in Response to COVID-19

The Canadian federal, provincial and municipal governments and courts have announced measures to provide relief to taxpayers in light of the impact of the restrictions aimed at slowing the spread of COVID-19. These measures are subject to change as the situation progresses.

Tax Measures

Tax filing and payment deadlines¹

- The federal government will allow taxpayers to defer the payment of all income tax amounts and instalments owing after March 18, 2020 until September 1, 2020 without interest or penalties. This payment deferral only applies to tax amounts owing under Part I of the *Income Tax Act*, and not to amounts owing under other Parts, such as withholding tax on amounts paid to non-residents. Similar extensions have been granted by the governments of [Alberta](#)² and [Quebec](#).
- The filing deadline for 2019 tax returns for individuals (other than trusts) is deferred until June 1, 2020. The filing deadline for trusts with a taxation year ending on December 31, 2019 is deferred until May 1, 2020. Extensions have not been granted to filing deadlines for corporate and partnership tax returns at this time; however, the CRA will recognize electronic signatures on the forms used to authorize tax preparers to file taxes in an effort to reduce in-person meetings.³ Revenu Quebec has announced similar measures in respect of its authorization forms.⁴
- British Columbia is [extending filing and payment deadlines](#) until September 30, 2020 for employer health tax, provincial sales tax (including municipal and regional district tax), carbon tax, motor fuel tax and tobacco tax. Saskatchewan is permitting businesses directly impacted by COVID-19 that are unable to file their Saskatchewan tax return(s) by the due date to submit a request for relief from penalty and

¹ <https://www.canada.ca/en/department-finance/news/2020/03/canadas-covid-19-economic-response-plan-support-for-canadians-and-businesses.html>

² The Alberta deferral period ends one day earlier, on August 31, 2020.

³ Form T183, Information Return for Electronic Filing of an Individual's Income Tax and Benefit Return and T183CORP Information Return for Corporations Filing Electronically

⁴ https://www.revenuquebec.ca/en/covid-19-faq?no_cache=1 (TP-1000.TE-V and CO-1000.TE)



interest charges on the affected return(s).⁵

- As of March 23, 2020, no deferral measures have been announced for GST/HST, Quebec sales tax or Manitoba provincial sales tax, so due dates for returns and remittances remain the same (although there [have been calls for extending GST/HST return and remittance deadlines](#)).
- A number of municipalities have extended deadlines for payment of property taxes. Examples include Montreal (extension from June 1 to July 2); and Vancouver and Toronto (60 days).
- Impacted individuals may be entitled to additional tax benefits and credits.⁶

Objections

- Filing deadlines for objections to reassessments by the CRA or provincial tax authorities have not been extended. Advanced filing of a notice of objection is advisable in case of delays to mailing and/or courier services. Taxpayers are advised if possible, to register and file their notice of objection through the CRA's online "[My Business Account](#)" webpage to mitigate any delays. Relief may be available if a deadline cannot be met due to circumstances outside of the taxpayer's control.

Audit activity

- CRA interaction on ongoing audits has been suspended for the "vast majority of businesses" and the CRA will not initiate any post assessment income tax or GST/HST audits for small or medium businesses for the next four weeks. The CRA may interact with taxpayers where the statutory time limit for reassessment is approaching or on "high-risk" GST/HST refund claims that require contact prior to payment.

Competent authority and Advance Pricing Arrangements

- The competent authority services division continues to operate but the individuals are all working from home and dealing with information technology resource constraints to ensure that these CRA resources are allocated first and foremost to teams within the CRA tasked with delivering the supports and benefits announced by the federal government in response to COVID-19. As well, given orders for non-essential personnel to remain home, there is currently no mail

⁵ Penalty and interest waiver requests can be submitted electronically through the Saskatchewan eTax Service (SETS), by email or via mail. ([Measures for businesses \(Information Bulletin IN2020-03\)](#))

⁶ <https://www.canada.ca/en/revenue-agency/campaigns/covid-19-update.html>



processing for this group so if taxpayers need to make a filing, they should contact CASD (MAP-APA/PAA-APP.CPB/DGPO@cra-arc.gc.ca) to determine alternative means for filing.

Budget announcements

- The federal budget, originally scheduled to be delivered March 30, 2020, has been put on hold, with no rescheduled date announced as of March 23, 2020.
- The Ontario budget, originally scheduled to be delivered on March 25, 2020, has been put on hold, with no rescheduled date announced as of March 23, 2020.
- Implementation of previously announced measures in the British Columbia budget that would require non-residents to register for and collect provincial sales tax on certain e-commerce supplies effective July 1, 2020 will be delayed. Timing will be re-evaluated sometime before September 30, 2020.⁷

Courts

Tax Court of Canada

- The Tax Court of Canada has cancelled all sittings and conference calls scheduled from March 16 to and including May 1, 2020 and has closed its registry offices until further notice.
- All timelines prescribed by the *Tax Court of Canada Rules* have been extended and/or abridged and the requirement to comply with all other rules of procedure has been dispensed with during the period from March 16, 2020 until May 1, 2020 inclusive. Parties should be prepared to file any materials due during this period when normal operations resume.

Federal Court

- The Federal Court has adjourned all hearings scheduled between March 16, 2020 and April 17, 2020 inclusive. Exceptions may be made for urgent matters on a case-by-case basis, including where hardship or substantial financial consequences are likely to result from delay.

⁷ Similarly, implementation of PST on sweetened carbonated drinks was also previously planned for July 1, 2020; however, an identical delay and future evaluation will apply. Aligning the carbon tax rates with the federal carbon pricing backstop as previously announced in the budget is also postponed until further notice.



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- Filing deadlines between March 16, 2020 and April 17, 2020, inclusive, have generally been suspended. The registry offices remain open with reduced staff, however the Federal Court is accepting and encouraging electronic filing through the Court's e-filing portal during this time. Otherwise, parties should be prepared to file their materials when normal operations resume.

Federal Court of Appeal

- The Federal Court of Appeal has adjourned all hearings scheduled between March 16, 2020 and April 17, 2020 inclusive.
- The Federal Court of Appeal has suspended most filing deadlines. This excludes deadlines for filing appeals to the Federal Court of Appeal (e.g., from the Tax Court of Canada). Registry offices remain open, but with reduced staff. The Federal Court of Appeal is accepting and encouraging electronic filing by email during this time. Otherwise, parties should be prepared to file their materials when normal operations resume.

As many government (including CRA and court) employees are working from home with limited system access, delays should be expected.

Please contact us if you have any questions about how the above measures impact you or if you require assistance seeking additional relief.

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