

June 24, 2020 – Updates on Government Relief Initiatives

Payment and filing deadline deferrals

Description	Due date
Personal tax instalment	The instalment due June 15, 2020 have been deferred and it is now due September 1, 2020.
Corporation income tax owing	Filing deadline September 1, 2020 – for corporations that would otherwise have a filing deadline on May 31, or in June, July, or August 2020. This extension also applies to form T106, T1135, and any elections, forms and schedules that must be filed with the return. Corporate income taxes under Part I are due September 1, 2020 if they would otherwise have been due on or after March 18, 2020 and before September 1, 2020. You may still be subjected to instalment interest if you did not make the required instalments throughout the year.
Corporation income tax instalments	Corporate income taxes instalments under Part I are due September 1, 2020 if they would otherwise have been due on or after March 18, 2020 and before September 1, 2020.
HST	GST/HST instalments and payments due on or after March 27, 2020, and before June 30, 2020 can be deferred until June 30, 2020.
Property taxes (Toronto/ Mississauga)	The following due dates were extended for the City of Toronto: May → extended to July 2 July → extended to August 4 August → extended to September 1 September → extended to October 1 The following due dates were extended for the City of Mississauga: April → extended to July 2 May → extended to August 6 July → extended to October 1 August → extended to November 5 September → extended to December 3
Ontario EHT	The annual exemption for 2020 was increased from \$490,000 to \$1 million. There is a five-month relief period beginning April 1, 2020 for any amounts that became due during this period, it does not apply to existing debt prior to the relief period. No late filing penalties and no interests would be due during the relief period.
Ontario WSIB	The due date for premium reporting and payments have been extended to August 31, 2020 for reporting and payments that would have otherwise been due: Monthly: March 31, April 30, May 31, June 30, July 31, August 31 Quarterly: April 30, July 31 Annual: April 30

Canada Emergency Wage Subsidy (CEWS)

On May 15th, Finance Minister Bill Morneau announced that this program will be extended to August 29th, 2020 to further assist the economy. They are contemplating a change to the 30% revenue decline threshold. Any potential changes would commence as of periods 5 (July 5th to August 1st) and/or 6 (August 2nd to August 29th). Further details on this will be forthcoming.

The 4th claim period will cover eligible remuneration from June 7th to July 4th. This is tested on June 2020 revenue, and the method of comparison must be consistent with the prior claim periods (i.e. either average of January 2020 & February 2020, or to the same month in 2019).

Previously, the Government's position is that you are deemed to have received the TWSE (10% subsidy), as a result you were required to deduct on Line F the amount you qualify for under the TWSE from your CEWS claim even if you had not yet taken advantage of the program by reducing your payroll tax remittances. They have changed their position since, you are now allowed to make an election to deem the TWSE subsidy to be equal to zero and thus not have to reduce your CEWS claim, however this also means you cannot claim the TWSE subsidy by reducing your payroll remittances.

After the TWSE eligibility period ends on June 19, 2020, employers will be required to complete a self-identification form for each payroll account. The CRA will use this information to reconcile the subsidy with your payroll account. You will need to identify the amount of the TWSE that was reduced from your remittances, or if you have made an election to deem the TWSE at a lower amount or zero, this needs to be reported as well.

Canada Emergency Student Benefit (CESB)

On May 1st, 2020, the Canadian Government passed Bill C-15 into legislation to introduce the Canada Emergency Student Benefit (CESB) to assist students experiencing difficulties due to COVID-19. You must apply **before** September 30th, 2020. Application for the first eligibility period May 10th to June 6th is now open. The next period will be June 7th to July 4th.

You may apply by phone at 1-800-959-2019, or via your CRA My Account. However, you cannot apply if you have already applied for CERB or EI. Please have your 2018 and 2019 personal tax return ready for security verification.

The application page now also further clarified for those enrolled in a post-secondary educational program that leads to a degree, diploma, or certificate, it must be at least 12 weeks in duration.

Updates to the Canada Emergency Response Benefit (CERB)

Previously, you could only receive the CERB for a maximum of four claim periods, Prime Minister Trudeau has now confirmed this would be extended to a maximum of six claim periods. You would continue to apply as you have for the previous 16 weeks of benefits, either through CRA if you are not EI eligible or through Service Canada if you are EI eligible.

Updates to the Canada Emergency Business Account (CEBA)

Since the original announcement, the Government has lowered the payroll threshold requirement. Many business owners compensate themselves with dividends instead of salaries and wages, which created an issue meeting the minimum payroll threshold. You are no longer required to have a minimum payroll of \$20,000, as long as you have:

- a business operating account at a participating financial institution
- a Canada Revenue Agency business number, and to have filed a 2018 or 2019 tax return.
- eligible non-deferrable expenses between \$40,000 and \$1.5 million. Eligible non-deferrable expenses could include costs such as rent, property taxes, utilities, and insurance.

The government will start accepting new applications for the CEBA starting June 19th.

There are other criteria to meet for the 25% loan forgiveness requirement, please contact your financial institution.

Support for Small Businesses

The Minister of Innovation, Science and Economic Development announced the introduction of a hotline to provide small businesses in need with financial planning advice amid COVID-19. The support line was created to provide customized financial guidance to the smallest business owners in urgent need and help them make the best decisions as they navigate this crisis. The phone number is 1-866-989-1080 (toll-free) and will be open seven days a week, from 8 a.m. to 8 p.m. (ET).

Support for Seniors

Service Canada will be providing a one-time additional payment to seniors eligible for the Old Age Security (OAS) pension:

- Automatic, no application required if you are eligible to receive OAS as of June 2020
- \$300 for seniors eligible for the OAS, and an additional \$200 for seniors eligible for the Guaranteed Income Supplement (GIS)
- Both the individual and their spouse would each receive this amount if they are both receiving OAS
- The one-time payment is non-taxable, and will be issued during the week of July 6th

Home Office Expenses for Employees

- CRA has provided a technical interpretation to indicate that it would not consider reimbursements for employees of up to \$500 for personal-use computer equipment due to the COVID-19 crisis to be taxable benefits.
- The CRA is reviewing the home office expense rules to assess how it applies to COVID-19 measures. Currently the rules state that for home office expenses to be deducted against employment income, the home office must be “the place where the individual principally performs the duties of the office or employment”, it did not specify that this requirement has to be met for the whole year. This may allow expenses to be deducted for the period in which stay-at-home measures are in place.