

On March 18, 2020, the Federal Government announced Canada's COVID-19 Economic Response Plan, which is aimed to reduce the economic burden and impact on individuals and Canadian businesses. The economic impact of COVID-19 is yet to be determined, however, organizations and businesses need to familiarize themselves with the ever-changing support and tax relief programs.

Highlights of the Plan include:

- The deadline for individual taxpayers to file their 2019 tax returns has been extended to **June 1, 2020**. CRA still strongly urges taxpayers to file early to avoid any potential disruption to benefits.
- Individual taxpayers will have until **September 1, 2020** to pay the balance for their 2019 taxes, which includes instalments owing before September 2020. No interest or penalties will accrue to such outstanding amounts during that time.
- Trusts with a December 31, 2019 year-end will have until **May 1, 2020** to file tax returns.
- Trusts will have until **September 1, 2020** to pay the balance for any 2019 taxes owing, which also includes instalments owing before September 2020. No interest or penalties will accrue to such outstanding amounts during that time.
- Business will have until **September 1, 2020** to pay any income tax amounts (including instalments) that become due after March 18, 2020 and before September 1, 2020. No interest or penalties will accrue to such outstanding amounts during that time.
- All charities who have a Form T3010, Registered Charity Information Return, due between March 18, 2020 and December 31, 2020 will have until **December 31, 2020** to file.
- The maximum Child Care Benefit will be increased by \$300 per child for the 2019-2020 benefit year.
- There will be a special one-time payment in May of 2020 through the Goods and Services Tax Credit. This will have the effect of doubling the payment amount for the 2019-2020 benefit year.
- The minimal withdrawals from Registered Retirement Savings Funds by seniors will be reduced by 25% for 2020. There is a similar reduction in the minimum withdrawals by those receiving variable benefit payments under a defined contribution Registered Pension Plan.
- CRA will not initiate any post-assessment GST/HST or income tax audits for small and medium size businesses for the next four weeks, except where the legal deadline to reassess is approaching and for certain GST/HST refund claims. All interaction between taxpayers (including authorized representatives) and CRA for audits already currently underway will be temporarily suspended.

- Any collection measures on new tax debts will be temporarily suspended and CRA will be open to negotiating flexible and fair payment arrangements with taxpayers.
- Collection measures for pre-existing debts will be reviewed on a case-by-case basis by CRA to ensure that such arrangements will not cause financial hardship.
- All objections related to any matters, except for benefit and credit entitlements, will be held in abeyance until further notice and no collection measures will be taken.
- A temporary wage subsidy is available to eligible employers for 3 months who pay remuneration to employee(s) on or after March 18th and before June 20th to reduce remittances of federal, provincial or territorial income tax.

For more information, please visit the following Government of Canada Links:

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

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

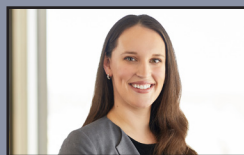
<https://www.canada.ca/en/revenue-agency/campaigns/covid-19-update/frequently-asked-questions-wage-subsidy-small-businesses.html>

Please do not hesitate to contact us, your relationship partner or lawyer if you have any questions or if we can be of assistance in guiding you through these new challenges.

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*This article represents general information and is not legal advice. Please contact us if you would like legal advice that is tailored to your particular circumstances. We would be happy to help.*