



TAX ALERT - GOVERNMENTS EXTEND TAX FILING AND PAYMENT DEADLINES

March 31, 2020



The Federal and provincial governments have announced extensions to the various tax filing and payment deadlines to help taxpayers affected by the economic disruption from COVID-19.

This is a summary of the changes announced to March 30, 2020.

Federal tax filing updates

- The tax filing deadline for individuals will now be June 1, extended from April 30.
- The filing deadline for trusts will be May 1, extended from March 30.
- The tax filing deadline for corporations has been extended to June 1, 2020 in some cases. We understand that if the tax return would ordinarily be due between March 18 and June 1, it is now due June 1. Otherwise, the normal six-month filing deadline applies.
- The partnership filing deadline for partnerships with a December 31, 2019 year-end will now be May 1, extended from March 31.
- The filing deadline for the Registered Charity Information Return, Form T3010, has been extended to December 31, 2020 if the return is due after March 18, 2020.
- Form NR4 Statement of Amounts Paid or Credited to Non-Residents of Canada has been extended to May 1, 2020 from March 31, 2020.
- The CRA has stated that in general, income tax filings and elections that are not included in the above list of extensions and are due after March 18, 2020 will be due June 1, 2020.
- This broad announcement does not apply to tax filings for Scientific Research and Experimental Development claims, nor does it apply to employer payroll withholdings. There are no extensions for remittances of employer payroll withholdings.
- There have been no announcements on whether the filing deadlines for GST/HST returns whether monthly, quarterly, or annual, have been extended. We recommend that these continue to be filed by their due dates.

Federal tax payment updates

- For individuals, the payment of any tax balance owing for 2019 that would have been due on April 30 has been extended until September 1st.

- For trusts, the payment of income tax balances and instalments that would have become due after March 18 and before September 1, 2020 has been extended to September 1, 2020.
- The June 15 individual instalment payment for 2020 will now not be due until September 1st.
- For corporations, payments of Part I tax that become due on or after March 18 (whether it is a balance due or an instalment payment), will not be due until September 1st. Note that by specifically referencing Part 1 tax, the Canada Revenue Agency (CRA) is not extending Part IV tax. Part IV tax is a refundable tax on certain inter-corporate dividends received by Canadian private corporations and is due on filing a corporate tax return. The payment of Part IV tax has not been extended.
- When a taxpayer makes a payment of certain taxable amounts to a non-resident of Canada, such as dividends, or rent, a withholding tax is required. The taxpayer is also required to remit this tax so that the CRA receives the payment on or before the 15th day of the month following the month the amount was paid or credited to the non-resident person. There has been no extension of time to pay this withholding tax.
- GST/HST remittances have been extended to June 30, 2020, to the extent that they would be due after March 18, and before June 30, 2020. In general, this means that the following remittances are extended until June 30, 2020:
 - Monthly filers remittance amounts collected for the February, March and April 2020 reporting periods;
 - Quarterly filers remittance amounts collected for the January 1, 2020 through March 31, 2020 reporting period; and
 - Annual filers, whose GST/HST return or instalments are due in March, April or May 2020.
- The payment of customs and duties have also been extended. Payments owing for customs and duties and the GST on imports that would otherwise be due in respect of the months of March, April and May are deferred to June 30, 2020.

Québec tax filing updates

- The tax filing deadline for individuals will now be June 1, extended from April 30.
- The filing deadline for trusts will be May 1, extended from March 30.
- The tax filing deadline for corporations has been extended to June 1, 2020 in some cases. We understand that if the tax return would ordinarily be due between March 18 and June 1, it is now due June 1. Otherwise, the normal six-month filing deadline applies.
- Partnerships that had until March 31, 2020, to file the Partnership Information Return (TP-600-V) for 2019 now have until May 1, 2020.
- Québec will allow businesses to postpone QST returns in respect of the March 31, April 30 and May 31 QST filings until June 30, 2020.
- In general, Quebec will follow the federal extensions to income tax filings and elections that are not included in the above list of extensions and are due after March 18, 2020 to extend to June 1, 2020.
- This broad announcement does not apply to employer payroll withholdings. There are no extensions for remittances of employer payroll withholdings.

Québec tax payment updates

The Quebec government originally announced changes to tax payment dates on March 17. The government then made amendments to be more aligned with the Federal announcements on March 18 and March 27. These dates reflect those updates.

- For individuals, the payment of any tax balance owing for 2019 that would have been due on April 30 has been extended until September 1st.
- For trusts, the payment of income tax balances and instalments that would have become due after March 18 and before September 1, 2020 has been extended to September 1, 2020.
- The June 15 individual instalment payment for 2020 will now not be due until September 1st.

- For corporations, all tax payments that become due on or after March 17 (whether it is a balance due or an instalment payment), will not be due until September 1st.
- Québec will allow businesses to postpone QST remittances in respect of the March 31, April 30 and May 31 QST filings until June 30, 2020.

Alberta tax payment updates

- For corporations, all tax payments that become due on or after March 18 (whether it is a balance due or an instalment payment), will not be due until September 1st.

British Columbia tax filing and payment updates

- PST, Municipal Taxes, Tobacco Tax Motor Fuel Tax and Carbon Tax – All tax filing and payment deadlines are extended for the provincial sales tax (PST), municipal and regional district tax, tobacco tax, motor fuel tax and carbon tax until Sept. 30, 2020. The scheduled April 1 increase to the provincial carbon tax, as well as the new PST registration requirements on e-commerce and the implementation of PST on sweetened carbonated drinks, will be delayed and their timing will be reviewed by Sept. 30, 2020.
- Employer EHT - Effective immediately, businesses with a payroll over \$500,000 can defer their employer health tax (EHT) payments until Sept. 30, 2020. Businesses with a payroll under this threshold are already exempt from the tax.
- Business and light- and major-industry property tax classes will see their school tax cut in half.

Manitoba tax payment updates

- For businesses, the province will extend the April and May filing deadlines for retail sales taxes and the Health and Post Secondary Education Tax Levy, (payroll tax) for small and medium-sized businesses with monthly remittances of no more than \$10,000.

Ontario tax payment updates

- Taxpayers will not incur interest or penalties for late payment of taxes or late returns filed between April 1, 2020 and August 31, 2020 under the following provincially administered tax programs:
 - Employer Health Tax;
 - Tobacco Tax;
 - Fuel Tax;
 - Gas Tax;
 - Beer, Wine and Spirits Taxes;
 - Mining Tax;
 - Insurance Premium Tax;
 - International Fuel Tax Agreement;
 - Retail Sales Tax on Insurance Contracts and Benefit Plans; and
 - Race Tracks Tax.
- During the period between April 1, 2020 and August 31, 2020, interest and penalty relief period is available to all Ontario businesses that are required to file returns and make remittances under these tax programs. During the relief period, penalties and interest will not apply to late returns or remittances made under these tax programs.

Even with the extensions, we encourage our clients to work with us to complete their 2019 tax filing obligations on a timely basis. If you have a refund, you will want to file as soon as possible to ensure you receive your cash flow as soon as possible. If you owe income tax, it is still advisable to prepare your return on a timely basis and then take advantage of any tax payment deadline extensions for cash flow and budgeting purposes.

The tables below summarizes the new income tax return filing and tax payment deadlines Federally and for the province of Quebec:

	Tax filing deadlines			Payment deadlines		
	Initial	New Federal	New Québec	Initial	New Federal	New Québec
Individuals	April 30, 2020	June 1, 2020	June 1, 2020	April 30, 2020	September 1, 2020	September 1, 2020
Self-employed individuals and their spouse	June 15, 2020	June 15, 2020	June 15, 2020	April 30, 2020	September 1, 2020	September 1, 2020
Trusts*	March 30, 2020	May 1, 2020	May 1, 2020	March 30, 2020	September 1, 2020	September 1, 2020
Partnerships*	March 31, 2020	May 1, 2020	May 1, 2020	Not applicable	Not applicable	Not applicable
Corporations	6 months after the taxation year-end	No change, except if the return is due on between March 18 and June 1, 2020, the due date is extended to June 1, 2020	No change, except if the return is due between March 18 and June 1, 2020, the due date is extended to June 1, 2020	2 months after the taxation year-end**	Part I tax payment and instalments are extended to September 1, 2020	Corporate tax payment and instalments are extended to September 1, 2020

*For Québec, it clearly states that the tax filing deadline extension does not apply to specified investment flow-through entities. The federal government is silent on this at this moment.

**For Canadian Controlled Private Corporations, the deadline is 3 months after the taxation year-end for certain corporations that claim the small business deduction. If you have any questions about these tax changes, please contact one of our trusted [BDO Tax advisors](https://www.bdo.ca/en-ca/insights/tax/tax-alerts/tax-alert-federal-and-provincial-governments-extend-various-tax-filing-and-payment-deadlines/en-ca/contact) (<https://www.bdo.ca/en-ca/insights/tax/tax-alerts/tax-alert-federal-and-provincial-governments-extend-various-tax-filing-and-payment-deadlines/en-ca/contact>).

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The information in this publication is current as of March 30, 2020.

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