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Global Tax Alert

News from EY Americas Tax

Canada announces certain tax measures to support Canadians and businesses

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In light of recent events, on 18 March 2020, the Canadian Government made some significant announcements related to Canada's response to supporting Canadians and businesses. These announcements included certain tax measures.

Effective immediately:

The personal tax return filing deadline will be extended from 30 April to 1 June. However, the Canada Revenue Agency (CRA) encourages individuals who expect to receive benefits under the goods and services tax (GST) credit or the Canada Child Benefit not to delay the filing of their returns to ensure their entitlements for the 2020-21 benefit year are properly determined.

For trusts with a taxation year ending on 31 December 2019, the return filing due date has been extended to 1 May 2020.

The CRA will allow all taxpayers, including individuals and businesses, to defer until after 31 August 2020 the payment of any income tax that is owing on or after 18 March and before September 2020. This relief would apply to tax balances due and installments, under Part I of the *Income Tax Act*. No interest or penalties will accumulate on these amounts during this period.

The CRA will not contact any small or medium-sized businesses to initiate any post-assessment GST/Harmonized Sales Tax (HST) or income tax audits for the next four weeks. For the majority of businesses, the CRA will temporarily suspend audit interaction with taxpayers and representatives.

To reduce the necessity for taxpayers and tax preparers to meet in person, and to reduce administrative burden, the CRA will recognize electronic signatures as having met the signature requirements of the *Income Tax Act*. This provision applies to authorization forms T183 and T183Corp, which are forms that authorize tax preparers to file taxes.

The Federal Government announcement follows one by Revenu Québec on 17 March that included similar measures.

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