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Dear Clients:

RE: Canada's Covid-19 Economic Response Plan

The Government of Canada has announced a set of economic measures in response to COVID-19 to help stabilize the economy, reduce the administrative burden on taxpayers and support businesses and individuals including:

Extended tax return filing deadline for individuals

Filing date for 2019 personal tax returns has been deferred until June 1, 2020.

Extended tax return filing deadline for trusts

For trusts with a December 31, 2019 taxation year-end, the tax return filing due date is deferred until May 1, 2020.

Extended tax return filing deadline for Charities

The Charities Directorate has announced that Canadian registered charities will have until December 31, 2020 to file their annual Registered Charities Information Return (the T3010). The announcement applies to any registered charity required to file their return between March 18, 2020 and December 31, 2020. At the same time, the Charities Directorate announced that it would be suspending its operations until further notice. The call centre and all registration and audit activities are suspended.

For more details on the Government of Canada's Economic Response Plan and its impact on Registered Charities, please visit <https://www.canada.ca/en/revenue-agency/campaigns/covid-19-update/covid-19-charities.html>.

No CRA post-assessments and audits

The CRA will not be contacting small or medium-sized businesses to initiate any post-assessment GST/HST or income tax audits for the next four weeks.

Deferred payment of income tax

For all taxpayers (individuals, trusts, and corporations), all payments of income tax owing on or after March 18, 2020 and before September 1, 2020 may be deferred until after August 31, 2020. This applies to both income tax balances owing and required installments. Deferred payments will not be subject to interest or penalties during this period.

The timing of payment of other Canadian taxes including GST/HST, payroll taxes and non-resident withholding taxes, is not deferred.

EI sickness benefits

The one-week waiting period has been waived for Canadians who have been sickened as a result of the COVID-19 virus or placed into quarantine, and no medical certificate will be required.

Minimum RRIF withdrawals

The government has reduced the required minimum withdrawals from the Registered Retirement Income Funds by 25% for 2020.

Mortgage payment deferral

Canada Mortgage and Housing Corporation and other mortgage insurers will permit lenders to allow deferral on mortgage payments.

Emergency Care Benefit

Starting in April 2020, the Emergency Care Benefit will provide up to \$900 biweekly for up to 15 weeks. This program is available to self-employed workers and workers who do not qualify for EI sickness benefits if quarantined or sick. It also applies to those workers taking care of a family member who is sick and parents with children who require care of supervision due to school closures and are unable to earn employment income (employees and self-employed individuals).

Student loan grace period

Individuals currently repaying Canadian student loans will have a six-month interest-free moratorium.

Small business wage subsidy

There is a subsidy for up to 10% of remuneration paid up to a maximum subsidy of \$1,375 per employee and \$25,000 per employer for a period of three months. This applies to employers eligible for the small business deduction, as well as non-profit organizations and charities.

Employers can benefit immediately by reducing their payroll remittances of income tax withheld on their employees' remuneration. For example, if an employer has \$10,000 in federal and provincial income tax remittances to the CRA, 10% (\$1,000) of this can be held back for businesses who qualify for the small business deduction, as well as non-profit organizations and charities.

This subsidy is taxable.

Access to credit

The Business Credit Availability Program (BCAP) will provide more than \$10 billion of additional support to small and medium-sized businesses facing financial difficulties during this time. The accessibility of these funds will be announced shortly.

How to apply?

Applications for EI sickness benefit and the emergency care benefit will be available in April 2020, and require Canadians to attest that they meet the eligibility requirements.

These benefits can be accessed through:

1. the CRA *MyAccount* secure portal;
2. the Government of Canada *My Service Canada Account* portal; or
3. by calling 1-800-959-2019, which is equipped with an automated application process.

For more details on Canada's COVID-19 Economic Response Plan, please visit the Government of Canada website at <https://www.canada.ca/en/department-finance/economic-response-plan.html>.

Our offices are presently open and fully functioning. Our staff are working remotely and we are monitoring government announcements and notices every day. We are conducting business using electronic means, avoiding in-person meetings where practical, and are and will continue to be fully functional regardless of events.

We encourage clients to file their tax returns when they are able.

Please contact our office if you have any questions.

Yours very truly,



TINKHAM LLP

Encl.