



Memorandum

To: Clients
From: Kakkar CPA Professional Corporation
Date: May 25, 2020
Re: Canada and Quebec COVID-19 response plan – tax deadlines

The Governments of Canada and Quebec announced a series of tax measures to help support those affected by the COVID-19 virus, some of which affect tax filing and payment deadlines. The memorandum lists important changes and information in respect of the tax measures.

We have issued a separate memo detailing the emergency measures.

Please note that this memorandum is up to date as of May 25, 2020.

Federal and Quebec tax filings and payment deadlines:

Individuals (other than trusts)	<p>Federal:</p> <p>The Canada Revenue Agency (“CRA”) will not charge late-filing penalties or interest if the 2019 individual (T1) income tax returns are filed, and payments are made prior to September 1, 2020. However, the CRA is preserving the June 1 filing deadline for T1 individuals, and the June 15 filing deadline for T1 self-employed individuals (sole-proprietors), in order to encourage filing returns in time to accurately calculate benefits, which rely on 2019 tax returns for entitlement calculation.</p> <p>The CRA will allow all taxpayers to defer, until September 1, 2020, the payment of any income tax amounts that become owing on or after March 18, 2020 and before September 2020. This relief would apply to tax balances due, as well as instalments. No interest or penalties will accumulate on these amounts during this period.</p> <p>The CRA encourages individuals who expect to receive benefits under the GSTC or the Canada Child Benefit not to delay the filing of their return to ensure their entitlements for the 2020-21 benefit year are properly determined.</p>
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	<p>Quebec:</p> <p>Revenu Quebec is offering the same relief offered by CRA as noted above.</p>
<p>Self-employed and their spouse or common law partner</p>	<p>Federal:</p> <p>The deadline to file your Federal 2019 personal income tax return remains unchanged at June 15, 2020.</p> <p>As noted above, the CRA will allow all taxpayers to defer, until September 1, 2020, the payment of any income tax amounts that become owing on or after March 18, 2020 and before September 2020. This relief would apply to tax balances due, as well as instalments. No interest or penalties will accumulate on these amounts during this period.</p> <p>Quebec:</p> <p>Revenu Quebec is offering the same relief offered by CRA as noted above.</p>
<p>Trusts</p>	<p>Federal:</p> <p>The deadline to file your federal T3 Trust Return with a year-end date of December 31, 2019 has been extended to May 1, 2020.</p> <p>The deadline to file your federal T3 Trust Return which have filing due dates in April or May has been extended to June 1, 2020.</p> <p>The deadlines for trust returns that would otherwise be due in June, July or August, have been extended to September 1, 2020.</p> <p>Penalties and interest will not be applied if returns are filed and payments are made by September 1, 2020.</p> <p>Quebec:</p> <p>Trusts with a filing deadline of March 30, 2020 (other than testamentary trusts that are graduated rate estates), have an extension to May 1, 2020.</p> <p>Testamentary trusts that are graduated rate estates and would have to file a tax return after March 16, 2020 for a year that ends in 2019, the filing deadline is extended to May 1, 2020.</p> <p>The deadline to pay balance of tax for 2019 has been extended to September 1, 2020. The instalment payment normally due on June 15, 2020 is now due on September 1, 2020.</p>



	<p>Trusts that are Specified Investment Flow Through (SIFT) Trusts and have balances due in the period between March 17, 2020 and August 31, 2020 are now payable by September 1, 2020.</p>
Corporations	<p>Federal:</p> <p>Corporations with T2 tax filing deadlines occurring on or after March 18, 2020 and before June 1, 2020 have been granted an extension until June 1, 2020. This would include corporations with September, October, and November 2019 year-ends.</p> <p>Corporations that would otherwise have a filing deadline in June, July, or August 2020 have been granted an extension until September 1, 2020.</p> <p>Further, the CRA will allow all corporations to defer, until September 1, 2020, the payment of any Part I income tax balance or instalments that become owing on or after March 18, 2020 and before September 1, 2020. No interest or penalties will accumulate on these amounts during this period. Therefore, all non-Part I taxes have NOT been extended (i.e. payroll, Part IV, Part IV.1, Part VI.1, Part XIII, Regulation 105 withholding, etc.).</p> <p>Quebec:</p> <p>Revenu Quebec is offering the same relief offered by CRA as noted above.</p>
Partnerships	<p>Federal:</p> <p>Partnerships that must file a federal Partnership Return T5013 for 2019 have an extension to May 1, 2020 to file the return. It is assumed that this applies to only to Partnership Returns that were due on March 31, 2020.</p> <p>It should be noted that, while initially CRA said that all returns that were due after March 18, 2020 would receive an extension, they did not specifically comment on Partnerships that did not meet the above condition. Therefore, we would suggest that any Partnership not meeting the above condition still be filed by its regular deadline.</p> <p>Quebec:</p> <p>Partnerships that must file a Quebec Partnership Return TP-600-V by March 31, 2020, and all partners are individuals, have an extension until May 1, 2020 to file the return.</p> <p>Partnerships that must file a Quebec Partnership Return TP-600-V between March 16, 2020 and May 1, 2020, and all partners are corporations, have an extension until May 1, 2020 to file the return.</p>



	Partnerships that do not fit into the above conditions are required to file their 2019 TP-600-V by May 1, 2020 or five months after year end, whichever comes first. However, if the last day of the fifth month falls after March 16, 2020, there is an extension until May 1, 2020.
NR4 Returns	NR4 returns have been granted an extension to May 1, 2020. Note that remittances of Part XIII tax must still be made by the 15 th of the month following the payments to non-residents.
Information Returns	Information returns (i.e. T1135, T1134) that have filing deadlines occurring after March 18, 2020 and before June 1, 2020 have been granted an extension until June 1, 2020. Other information returns, elections, designations, and information requests that are due are extended to September 1, 2020. Penalties and interest will not be applied if information returns, elections, designations, and information requests are filed, and payments are made by September 1, 2020. The waiver of penalties and interest for 2019 T1 individual returns and trust returns described above also applies to form T1135 and any elections, forms and schedules that must be filed with the return, provided that they are filed by September 1, 2020. For 2019 T2 corporate returns, the extension of the filing deadline applies for all purposes. In particular, the extension also applies to form T106, T1135, and any elections, forms and schedules that must be filed with the corporate return.
Administrative Measures –	Federal: <i>Note that the following Federal measures are based on information received from reliable sources but has not been officially confirmed by CRA</i> In addition to what is noted in previous sections of this memo, Taxpayers may defer the filing of all returns, forms, elections, designations, and responses to information requests, that have due dates after March 18, 2020. The filing may be deferred until June 1, 2020. The following items are specifically excluded from the above Federal administrative measures: <ul style="list-style-type: none"> • SR&ED (Research and Development) Filings • Payroll deductions, remittances (with the exception of the 10% Wage Subsidy as applicable) and other related activities Quebec: In addition to what is noted in previous sections of this memo, all administrative deadlines that would fall in the period between March 17, 2020 and May 31, 2020, have been granted an extension until June 1, 2020.



	<p>The following items are specifically excluded from the above administrative measures:</p> <ul style="list-style-type: none"> • Consumption taxes • Contributions • Source deductions and remittances
Commodity tax (GST/HST, QST)	<p>The following measures have been announced for GST/HST:</p> <ul style="list-style-type: none"> • Monthly filers have until June 30, 2020 to remit all amounts collected in February 2020 through May 2020 • Quarterly filers have until June 30, 2020 to remit all amounts collected during the period of January 1, 2020-March 31, 2020. • Annual filers, whose return or installments are due in March, April or May 2020, have to remit amounts collected for the previous year and installments for the current year by June 30, 2020 <p>The relief measures have been silent on whether or not any extensions have been granted with respect to the actual returns.</p> <p>The following measures have been announced for QST:</p> <ul style="list-style-type: none"> • All remittances (including instalments) that would normally be due between March 27 and June 1, 2020 are now due on June 30, 2020. • There have been no changes to the filing deadlines, however Revenu Quebec will not charge late-filing penalties if the returns are filed by June 30, 2020.
Charities	<p>All T3010 Charity Returns with deadlines between March 18, 2020 and December 31, 2020 have been granted an extension to December 31, 2020.</p> <p>All TP-985.22-V Quebec Charity Returns with deadlines between March 1, 2020 and December 31, 2020 have been granted an extension to December 31, 2020.</p>
CRA Activities	<p>Any objections due March 18, 2020 or later will have an extension until June 30, 2020.</p> <p>Audit and collection procedures will not be initiated during this time; audits will not be finalized during this time.</p> <p>Collections on new debts will be suspended.</p>

