

UPDATE REGARDING COVID-19

The Federal and Provincial Governments are making regular announcements regarding the current Covid-19 situation and how it affects taxpayers. We are regularly monitoring Government communications and paying close attention to how these measures will impact you.

Bulat & Poustie remains ready to answer your questions and help you through these challenging times. While we are limiting in-person meetings, we remain open to receive your information. We have a secure file transfer portal if you would like to send us your information electronically, and can follow up with phone calls and emails to answer any questions you may have. If you are not already set up with access to our portal, this can be arranged by emailing Kristi Spence at kspence@bandp.ca or by calling the office at (204) 831-1700

We are committed to the health and safety of our clients, staff and the general public. We are regularly disinfecting the office and some staff are working remotely from home. If you choose to come in personally, please respect social distancing protocols and make use of sanitizing stations.

Some of the measures that the Government measures already announced include:

Individuals

Tax deadlines and payments

The Government of Canada has announced an extension of the personal tax filing deadline from April 30, 2020 to June 1, 2020 and extended the T3 Trust filing deadline from March 30, 2020 to May 1, 2020 (for most Trusts). All payments of personal income taxes that become due after March 17, 2020 will now be due September 1, 2020.

For our US tax filers, the US Government has made a similar announcement, extending the April 15, 2020 tax deadline to July 15, 2020. Payments can be deferred until July 15, 2020 without penalties and interest.

Canada Emergency Response Benefit

This will provide a taxable benefit of \$2,000 a month for up to 4 months to:

- workers who must stop working due to COVID19 and do not have access to paid leave or other income support.
- workers who are sick, quarantined, or taking care of someone who is sick with COVID-19.
- working parents who must stay home without pay to care for children that are sick or need additional care because of school and daycare closures.
- workers who still have their employment but are not being paid because there is currently not sufficient work and their employer has asked them not to come to work.
- wage earners and self-employed individuals, including contract workers, who would not otherwise be eligible for Employment Insurance.

Application details will be available through My CRA and My Service Canada beginning the first week of April.

Student Loans

The Government of Canada has placed a six-month interest-free moratorium on the repayment of Canada Student Loans for all individuals currently in the process of repaying these loans.

Goods and Services Tax Credit and Canada Child Benefit

Both the GST credit and CCB have been increased starting with the April payment. Those who previously qualified should receive increased benefits under these programs.

Businesses

Tax deadlines and payments

Payments for any amount that became owing after March 17, 2020 will be due September 1, 2020. This payment deferral option applies to all tax balances due, including instalments under Part I of the income tax act. No announcement has been made regarding a deferral of corporate filing deadlines.

Wage subsidy

The Government is proposing a wage subsidy for non-profit organizations, registered charities and Canadian controlled private corporations equal to 10% of wages paid from March 18, 2020 to June 20, 2020. The maximum subsidy will be \$1,375 per employee and to \$25,000 per employer. You will receive this subsidy by reducing your remittance of income taxes withheld from employees starting with your April remittance. If you choose not to reduce your remittances, other options will be available to receive the subsidy. Follow the link below for the Government of Canada Frequently asked questions page.

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

Business Credit Availability Program (BCAP)

The Government has announced more than \$10 billion in direct lending and other types of financial support at market rates to businesses. Businesses are encouraged to contact their financial institutions to discuss lending needs and eligibility.

<https://www.canada.ca/en/department-finance/programs/financial-sector-policy/business-credit-availability-program.html>

Work-Sharing

The Government is extending the Work-Sharing program. This program allows employers and employees to agree to reduce normal working hours. The employee would be eligible for EI benefits for a 76-week period. For further details on this program, follow the link below.

<https://www.canada.ca/en/employment-social-development/services/work-sharing.html>

Manitoba Initiatives

Provincial Sales Tax

Businesses whose monthly PST remittance is no more than \$10,000, will be able to defer their March and April PST remittances until June 22, 2020. Businesses that file PST on a quarterly basis that have a due date of April 20, 2020 will now have the due date extended to June 22, 2020. Businesses that qualify for the above extension that were not able to file their February sales tax by the March 20 deadline will not be assessed a late filing penalty. Interest will continue to apply on all outstanding debts prior to the March remittance deadlines.

Health and Post Secondary Education Tax Levy – HE Levy (Payroll tax)

Small and medium businesses with monthly HE Levy remittances of no more than \$10,000 per month normally due April 15 and May 15 will now be due June 15. No late filing penalties and interest for the March 16 due date will be applied until after June 15, 2020. Interest will continue to apply on all outstanding debts prior to the March remittance deadlines.

Full details of the announcements can be found by following these links

Government of Canada

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

Government of the United States

<https://www.irs.gov/newsroom/tax-day-now-july-15-treasury-irs-extend-filing-deadline-and-federal-tax-payments-regardless-of-amount-owed>

Province of Manitoba

<https://www.gov.mb.ca/finance/taxation/pubs/bulletins/noticerst2003.pdf>

<https://www.gov.mb.ca/finance/taxation/pubs/bulletins/noticehe2001.pdf>