COVID-19: Summary of Quebec and Federal Tax Measures and Financial Assistance

April 8, 2020

Download your reference page of the financial aids put in place in Quebec and Canada

The ongoing COVID-19 pandemic is forcing different levels of government to institute measures to reduce the burden on taxpayers and protect the economy.

The following is a summary of the principal measures announced to date:

- Measures with respect to tax deadlines in Québec and Canada;
- Measures relating to businesses;
- Measures with respect to employees and self-employed individuals;
- Measures pertaining to judicial and administrative time limits.

Measures to ease tax deadlines in Quebec and Canada

On March 18 and March 27, 2020, the Minister of Finance of Canada announced the extension of filing deadlines for certain income tax returns and of payment deadlines for certain amounts owing for individuals, trusts and corporations for federal income tax purposes. The Minister of Finance of Québec matched the federal deadline extensions for provincial income tax purposes on the same day.

Individuals	**New deadlines (Quebec and Canada)**
	June 1, 2020
Income tax return filing	For individuals conducting unincorporated businesses (and their spouse or partner) the deadline is June 15, 2020.
Payment of income taxes	For any balance that would normally be due on March 18, 2020, the new payment date is extended to September 1, 2020
QPIP/QPP/ HSF/RAMQ contributions	For any balance that would normally be due on March 18, 2020, the new payment date is extended to September 1, 2020 (Quebec only)
Instalment payments	For any balance that would normally be due on March 18, 2020, the new payment date is extended to September 1, 2020

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Trusts (other than specified investment flow-through trusts)	**New deadlines (Quebec and Canada)**
Income tax return filing	May 1, 2020
Payment of income taxes	For any balance that would normally be due on March 18, 2020, the new payment date is extended to September 1, 2020
QPIP/QPP/ HSF/RAMQ contributions	For any balance that would normally be due on March 18, 2020, the new payment date is extended to September 1, 2020 (Quebec only)
Instalment payments	For any balance that would normally be due on March 18, 2020, the new payment date is extended to September 1, 2020

Corporations	**New deadlines (Quebec and Canada)**
Income tax return filing	New deadline for tax returns normally due before May 31 is June 1, 2020
Payment of income taxes	For any balance that would normally be due on March 18, 2020, the new payment date is extended to September 1, 2020
Instalment payments	For any balance that would normally be due on March 18, 2020, the new payment date is extended to September 1, 2020
Payment of QST/GST	For payments of QST/GST normally due on March 31, April 30 and May 31, the new deadline is June 30, 2020.
Source deductions	No measure has been announced to date

Partnerships	**New deadlines (Quebec and Canada)**
Filing of Partnership Information Return T5013/TP-600-v	May 1, 2020

Not-for-profit organizations and registered charities	**New deadlines (Canada only)**
Filing of Information Return T3010	December 31, 2020

Person making a payment to a non-resident	**New deadlines (Canada only)**
Filing of Statement of Amounts Paid or Credited to	May 1, 2020

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Deadlines for payments of import and export fees have been extended to June 30, 2020.

Deadlines regarding filings and payments of tax on lodging otherwise due before April 30, 2020 are postponed to July 31, 2020.

Deferral of tax payments in many Québec municipalities

Many Québec municipalities have decided to defer municipal tax payment deadlines in order to reduce the burden on taxpayers. Here are the new deadlines set by some of them:

Municipalities	New deadline for the next tax payment
Montréal	July 2, 2020
Lévis	Interest on balances owing will be suspended until May 30, 2020
City of Québec	Payments due on May 4, July 3 and September 3, 2020 are postponed until August 4, September 3 and November 3, 2020, respectively.
Trois-Rivières	September 8, 2020
Longueuil	Payments due on April 6, June 6 and September 8, 2020 are postponed until May 6, July 6 and September 8, 2020, respectively.
Gatineau	Payments that were due on March 31 and June 30 are postponed until August 31, 2020
Sherbrooke	Payments due on May 4, July 3 and September 3, 2020 are postponed until August 4, October 3 and December 3, 2020, respectively.
Laval	September 1, 2020 for the 1st and 2nd payments.

Measures concerning businesses

In Québec

Concerted temporary action program for businesses (PACTE)

On March 20, 2020, the Government of Québec announced a temporary program administered by

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Investissement Québec aiming to facilitate access to credit for businesses in the form of a loan guarantee.

Businesses that are already clients of Investissement Québec can communicate directly with their project director or account manager by email or by phone using the online directory.

Businesses that are not clients of Investissement Québec and that wish to benefit from such a loan guarantee must first contact their financial institution, which will itself contact an Investissement Québec account manager.

Any questions on a specific situation regarding this program should be directed to Investissement Québec's client centre, reachable at 1 844-474-6367.

Caisse de dépôt et placement du Québec's 4 billions dollars fund

The *Caisse de dépôt et placement du Québec* (**CDPQ**) announced, on March 30, 2020, the creation of a 4-billion-dollar fund to assist Québec businesses temporarily affected by COVID-19. This financing will take diverse forms, which are not yet specified.

In order to qualify for this financing, businesses must:

- Have been profitable before the beginning of the COVID-19 crisis;
- Have promising growth perspectives in their sector;
- Seek a minimum financing of 5 million dollars or more.

Businesses that want to apply for this financing may do so by filing an online form.

Accelerated treatment and payment of certain tax credits

The Government of Québec and Revenu Québec have put in place several administrative measures aiming to supplement businesses' cash flow. These measures are further described below.

Concerted Action to Maintain Employment Program (CAMEP) (New)

On April 6, 2020, the Government of Québec announced a new subsidy program of 100 million dollars aimed at helping businesses impacted by COVID-19 pandemic by supporting workforce skills development.

The CAMEP is a two-pronged measure:

- Business Component, which targets businesses by supporting the business's own activities aiming to improve human resources management and workforce skills.
  - This support will take the form of financing of online or in-person training activities (subject to regulation on physical distancing set by Public Health Authorities), through reimbursement of eligible expenditures.
- Collective Promoters Component which targets organizations that offer a collective approach to meet the training needs of businesses and the workforce.
  - A Collective Promoter is a group of employers or workers able to create employment-related projects and who can supervise or ensure their implementation, such as sectoral labour committees, training mutual and recognized employers' associations, legally constituted workers' associations, etc.

Eligibility criteria

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The following entities will be eligible to CAMEP:

Employers;
Self-employed workers (whether or not they are incorporated) employing other workers;
Workers' and employers' associations;
Professional groupings;
Group of employers;
Group of workers;
Collective Promoters recognized by the C*ommission des partenaires du marché du travail* for the Collective Promoters Component of CAMEP;
Cooperatives;
Economic social enterprises; and
Not-for-profit organization and community organization.

Eligible training activities

The following types of training activities offered by an entity listed above will be eligible to CAMEP:

Basic employee training;
Francization;
Digital-skill training;
Continuing education on business activities, no matter if they are related or not to the actual position of the trainee;
Training encouraged by a professional order;
Training essential to the resumption of business activities;
Training related to a strategic shift in business activities in the context of economic uncertainties caused by COVID-19 and aiming to maintain or diversify business' activities; and
Re-qualification training for workers.

Eligible expenditures

The following expenditures, engaged by an entity listed above in the course of an eligible training activity will be eligible to CAMEP:

Salaries and wages of workers (excluding social benefits) for a maximum of $25 per hour;
Professional fees of consultants or trainer for a maximum of $125 per hour;
Indirect fees for trainers (meals, transportation, accommodations, etc.) at real cost;
Indirect fees for workers in training (transportation, meals, accommodations, etc.) at real cost;
Elaborating, adapting or purchasing of training material, at real cost;
Adapting of an in-person training course into an online training course;
Registration or subscription fees of an online platform, at real cost;
If applicable, fees related to management activities (banking fees, training material) paid by the delegated entity up to 10 % of those fees;
Diagnostic of the human resources functions and, if applicable, of other management functions (Business Component only);
Consultant fees in human resources management (organizational communication, telecommuting, etc.) (Business Component only); and
Coaching and management training (Business only).

Eligible expenditures, subject to certain exceptions regarding salaries and wages that will be explained further in this section, will give rise to a reimbursement of:

100 % of eligible expenditures on the first $100,000 or less;
50 % of eligible expenditures between $100,000 and $500,000.

Reimbursement of salaries and wages: interaction between CAMEP and other wage-based subsidies granted by the Government of Québec or Canada

The reimbursement terms of salaries and wages as eligible expenditures vary depending on the other wage-based subsidies granted by the Government of Québec or Canada that a business receives.

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Terms announced as of April 6, 2020, are the following:

25 % of total salaries and wages of employees in training (up to a maximum of $25 per hour), if the business receives the Canada Emergency Wage Subsidy of 75 % described below;
90 % of total salaries and wages of employees in training, if the business receives the Temporary Wage Subsidy for Employers of 10 % described below;
100 $ of salaries and wages of employees in training if the business receives no wage-based subsidy from the Government of Québec or Canada.

Duration of CAMEP

Projects detailing eligible training activities must be submitted to Services Québec. Services Québec will accept new projects until September 30, 2020, or until the $100 million dollars envelope runs out. Eligible training activities are not subject to a minimum or maximum duration.

Further details concerning this measure are expected to be announced within the next few days.

Small and Medium Businesses Emergency Aid (Québec) (New)

This program aims to relieve SMBs experiencing financial difficulties due to the present COVID-19 crisis through loans of up to $50,000.

Eligible Businesses

Businesses operating in all sectors, including social economy enterprises, cooperatives, and nonprofit organizations conducting commercial activities are eligible under the following conditions:

They are in business in Québec since at least one year;
They are temporarily closed, on the brink of closing or showing warning signs of imminent closure;
They are in a context of maintaining, consolidating or reviving their activities;
They are able to demonstrate a direct link between their financial difficulties and the present COVID-19 crisis.

Businesses under the protection of the *Companies' Creditors Arrangement Act* (R.S.C., 1985, c. C-36) or of the *Bankruptcy and Insolvency Act* (R.S.C., 1985, c. B-3) are excluded from this program.

Eligible Financing

Financing granted by this program aims to relieve businesses' cashflow needs and is determined based on reasonable and documented expenses.

Cashflow needs must be caused by either:

Impossibility or substantial reduction of the capacity to deliver products (goods or services) or merchandise.

Financing will take the form of a loan guarantee of up to $50,000

How to Apply

Businesses wishing to benefit from this program must contact their Regional County Municipality (RCM), their municipality's office or the organization in charge of administering their RCM's Local Investment Funds.

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Flexibility towards loans granted by Local Investment Funds (Québec) (New)

A 6-month moratorium on reimbursement (both capital and interests) of loans granted by Local Investment Funds. Interests accrued during this period will be capitalized.

This measure is in addition to the previously announced moratoriums related to the investment policies of most Local Investment Funds.

In Canada

Canada Emergency Wage Subsidy (CEWS) (New)

The Government of Canada announced, on March 30, that it will grant a temporary wage subsidy, the Canada Emergency Wage Subsidy (the "**CEWS**"), to eligible employers, no matter their size and number of employees.

Bill C-14 adopting the CEWS has been sanctioned on April 11, 2020.

The Government of Canada will subsidize the first 75% of pre-crisis wages or salaries of existing employees, to a maximum salary of $58,700, amounting to a maximum amount of $847 per week, per salary.

This measure is retroactive to March 15, 2020. As of now, this measure covers a twelve-week period, from March 15, 2020, to June 6, 2020, inclusively.

The CEWS does not abolish the Temporary Wage Subsidy described below. An eligible employer who received an amount via the Temporary Wage Subsidy will see the amount of his CEWS reduced accordingly.

For more details concerning he CEWS as well as examples of calculation of CEWS amount, read our complete CEWS brief here.

Temporary Wage Subsidy for Employers

Announced on March 18, 2020, the Temporary Wage Subsidy for Employers allows eligible employers (in respect to this specific measure, notwithstanding the status, or lack thereof, of eligibility to the CEWS described above), to reduce payments of source deductions of an amount equivalent to 10 % of remuneration paid between March 18 and June 20, 2020, for a maximum amount of $1,375 per eligible employee and a maximum total amount of $25,000 per eligible employer.

Eligible employers are:

- Individuals (excluding trusts);
- Canadian-controlled private corporations ("**CCPCs**") which taxable capital in Canada for the previous taxation ear (including associated corporations) is inferior to $15 million dollars;
- Registered charities;
- Not-for-profit organization; and
- Partnerships the members of which are eligible employers.

Notably, this measure is a diminution of source deduction payments and does not incur any injection of cash in the eligible employer's business: no check or electronic transfer will be paid to an employer in application of this measure.

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This measure does not allow to reduce payments of contributions to the Canadian Pensions Plan, Employment-Insurance premiums or payments due to Revenu Québec.

Eligible employers are allowed to reduce payments of source deduction for the first payment period concerning remuneration paid from March 18 to June 20, 2020.

Should the amounts of the subsidy for an eligible employer for the period exceed the amounts of source deduction due for the period, the eligible employer will be allowed to reduce payment of source deductions beyond the end of the period, after June 19, 2020.

This measure does not alleviate employers' obligations to remit income tax deduction (beyond the subsidy amount computed using the method described above), to contribute to the Canadian Pensions Plan and to pay Employment-Insurance premiums.

The amount of this subsidy that will be deducted from an eligible employer's source deduction will be included in the employer's taxable income for the year.

No registration or filing is needed to benefit from this measure. However, employers will have to keep supporting records, which include:

1. the total remuneration paid between March 18, 2020, and June 20, 2020;
2. the amount of federal, provincial and territorial income tax that was deduced from that remuneration; and
3. the number of employees paid in the period.

The Government of Canada announced that organizations that are not eligible to the CEWS described above may still be eligible to the Temporary Wage Subsidy for Employers.

Amounts deducted from source deductions by virtue of this measure will diminish any amount due to an employer by virtue of the CEWS, thus eliminating duplication of benefits.

Canada Emergency Commercial Rent Assistance (CECRA)

The Government of Canada has announced its intention to introduce the CECRA in order to provide loans, including forgivable loans, to commercial property owners who in turn will lower or forgo the rent of SMBs for the months of April (retroactive), May and June, 2020.

A partnership between the Government of Canada and the provincial governments will be necessary to administer this program, as regulation of owner-tenant relationships is a private law matter. Announcements detailing these measures should followin the coming days.

Canada Emergency Business Account – Loan guarantee of $40,000 to SMBs (New)

On March 27, 2020, the Government of Canada announced that SMBs and not-for-profit organizations will be able to take out a government-backed loan from private banks up to a maximum of $40,000. These loans will be interest-free for a year.

To be eligible, businesses will have to demonstrate that they had a total payroll ranging between $50,000 and $1 million for 2019.

The reimbursement of this loan before December 31, 2022, will incur a write-off of 25% of the debt, for a maximum write-off of $10,000.

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Easing of the cash reserve requirements for financial institutions ($300 billion of additional funds) (Canada)

The Office of the Superintendent of Financial Institutions has relaxed the rules concerning the mandatory cash reserves of Canadian financial institutions. This measure will increase the loaning capacity of Canadian large banks up to $300 billion and will facilitate access to credit for borrowers.

Co-Lending Program for Small and Medium-sized Enterprises

The BDC and certain financial institutions will co-lend to SMBs in order to fund their operational expenses and cash-flow needs. The BDC will loan a maximum amount of $5 million per loan. Eligible financial institutions will be responsible for managing this program and will be the point of contact with clients.

New Loan Guarantee for Small and Medium-sized Enterprises

EDC will guarantee new operating credit and cash flow term loans that financial institutions extend to SMBs up to $6.25 million.

Measures for employees and self-employed individuals

In Québec

Temporary Aid for Workers Program (PATT)

The Government of Québec announced on April 8, 2020 that the PATT program will end as of April 10, 2020, due to the introduction, by the Government of Canada, of the Canada Emergency Response Benefit.

Incentive Program to Retain Essential Workers (IPREW)

The Government of Québec announced a new financial aid granted to essential workers during the period of the COVID-19 crisis, aimed at compensating differences between worker's normal salary and the CERB.

The IPREW consists of a payment of $100 per week, amounting to $400 per month, for a maximum duration of 16 weeks. The first IPREW payment is scheduled for May 27, 2020. All subsequent payments will take place every two (2) weeks.

Workers eligible to IPREW are those who:

Are working full or part-time in a sector related to essential services during the period;
Earn a gross salary of $550 or less per week;
Earn yearly employment revenues of at least $5,000 and at most $28,600 for the year 2020;
Are aged of at least 15 years at the moment on which they claim benefits from IPREW;
Are residents of Québec on December 31, 2019 and are planning to remain residents of Québec all through the

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2020 year;
Have not received, for a week on which they claim IPREW, benefits from CERB or PATT.

IPREW claims can be filed from May 19, 2020 to November 15, 2020 through the My Account with Revenu Québec. Claimants must be registered to direct deposit with Revenu Québec in order to benefit from IPREW.

Accelerated Treatment and Payment of Certain Tax Credits

The Government of Québec and Revenu Québec have taken several administrative measures to supplement individuals' financial situations. These measures are further described below.

In Canada

Buyback of Government of Canada Bonds

The Bank of Canada has announced that it is expanding the scope of its Government of Canada bond buyback program to add liquidity to the market.

Mortgage Default Management Tools

The Canada Mortgage and Housing Corporation **(**CMHC) and other mortgage insurers have ways to assist homeowners experiencing financial difficulty.

Among these are payment deferral, loan re-amortization, capitalization of outstanding interest arrears and other eligible expenses, and special payment arrangements.

Canada Emergency Response Benefit (New)

The Canada Emergency Response Benefit (**CERB**) announced on March 25, 2020, and sanctioned by Bill C-13, replaces the Emergency Care Benefit and the Emergency Support Benefit previously announced. The CERB is a taxable benefit of $2,000 per month for a maximum period of 4 months.

The CERB was put in place in order to provide financial aid that is faster than the normal Employment Insurance program would be under the circumstances. It is therefore advised that workers eligible for both the CERB and Employment Insurance first file a CERB claim, even though the CERB is limited to a 4-month duration, because CERB claims will be processed faster than Employment Insurance claims.

Bill C-13 provides that workers must meet the following criteria to be eligible for the CERB:

Whether employed or self-employed, they have ceased working for reasons related to COVID-19 for at least 14 consecutive days within the four-week period in respect of which they are applying for the payment; and
They are not receiving, in respect of the consecutive days on which they have ceased working:
subject to the regulations, income from employment or self-employment,
benefits, as defined in subsection 2(1) of the *Employment Insurance Act*,
allowances, money or other benefits paid to the worker under a provincial plan because of pregnancy or in respect of the care by the worker of one or more of their newborn children or one or more children placed with them for the purpose of adoption, or
any other income that is prescribed by regulation.

For CERB purposes, a worker is any person aged 15 or more, who is a resident of Canada and who, for the 2019 calendar year or in the twelve (12) months preceding the date on which the

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worker files the CERB claim, earned at least $5,000 in income. The income must have come from one or several of the following sources:

1. employment;
2. self-employment;
3. benefits paid under the *Employment Insurance Act*[2];
4. allowances, money or other benefits paid to the person under a provincial plan because of pregnancy or in respect of the care by the person of one or more of their newborn children or one or more children placed with them for the purpose of adoption.

On April 15, 2020, the Government of Canada has announced that the CERB eligibility criteria will be broadened in order to:

> Allow persons to earn up to $1,000 per month during which they receive CERB;
> Extend CERB to seasonal workers who have exhausted their Employment-Insurance regular benefits and are unable to undertake their regular seasonal work as a result of the COVID-19 outbreak;
> Extend the CERB to workers who have recently exhausted their Employment-Insurance regular benefits and are unable to find a job or return to work because of COVID-19;
> Allow artists to receive royalty payments for copyrighted works produced before March 1st, 2020 while collecting CERB.

Dividends

A taxpayer who receives dividends may be eligible to CERB if the dividends paid are ordinary dividends (in general, ordinary dividends are paid from business revenues on which the Small business deduction applies).

How to apply

CERB claims are available since April 6, 2020. Payments are planned to start in the ten (10) days following the filing of a claim concerning any period starting and ending between March 15, 2020, and October 2, 2020. To file an application, click here.

A single CERB claim must be filed with Service Canada. A reimbursement must be made if you have received CERB twice or if you return to work earlier than scheduled.

It is to be noted that certain appeals concerning Employment Insurance and the Canada Pension Plan are suspended.

Other measures (Québec and Canada)

Many other measures will be put in place, including an increase in the Canada Child Benefit, an increase in the maximum GST credit, the reduction of the minimum withdrawal amount of RRIFs, an extension for reimbursement of student loans (both in Québec and in Canada) as well as several specific credits.

Here are some of them:

***Autorité des Marchés Financiers* (AMF):** The AMF is granting an additional 45 days for the continuous disclosure filings of reporting issuers that were to be filed before June 1, 2020. For more details, click here.

Canada Economic Development for Québec Regions (CEDQR): Starting April 1, CEDQR will defer payments due to CEDQR by its clients for a duration of three (3) months. For more information, click here.

Export Development Canada ("EDC"): EDC will facilitate cash flow loans for exporting businesses

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by offering loan guarantees to their banks on loans of at most $5 million. Also, under certain conditions, EDC will cover losses on expedited goods even if the buyer has not accepted them. The cancellation of the 60-day waiting period for compensation claims was also announced. For more details, click here.

Hydro-Québec: Since March 23, Hydro-Québec has suspended the application of management fees on outstanding bills for all clients. For more information, click here.

Measures concerning judicial and administrative time limits

Amongst the emergency measures announced, the authorities have also put in place measures to ensure the respect of the taxpayers' rights, both in Québec and in Canada.

In Québec

Suspension of extinctive prescription in civil matters

On March 15, 2020, through Order 2020-4251, the Minister of Justice of Québec and the Chief Justice of Québec suspended extinctive prescription and terms for forfeiture in civil matters until the health emergency declared by the Government of Québec on March 13, 2020, comes to an end. Proceedings in civil matters are also suspended during this period, with the exception of matters deemed urgent, such as injunctions and habeas corpus applications.

This measure applies to, but is not limited to, the following:

Appeals of assessment before the Court of Québec;
Summary appeals before the small claims division of the Court of Québec;
Application of review of the Minister's decision refusing to extend the time limit for filing an objection;
Request to extend the deadline to file an appeal or a summary appeal.

Extension of various deadlines

Several deadlines to exercise a right, provide information, send documents or make an election that would have applied before May 31, have been deferred to June 1, 2020.

Failing to meet such a deadline can cause the loss of a right and generate a penalty or interest, depending on the nature of the obligation and the amount of time elapsed since the deadline.

The deadline extension will cover, among other things, the following:

Filing of an income tax return of a corporation;
Election of a choice under legal or regulatory fiscal rules, such as a rollover;
Claim of a tax credit;
Claim of fuel tax reimbursement;
Response to a request of information from Revenu Québec;
Mandatory or preemptive disclosure with regard to aggressive tax planning;
Claim of Québec Education Savings Incentive.

Extension of time to file an objection to a notice of assessment

For a notice of assessment subjected to a time limit for filing an objection ending between March 15 and June 29, 2020, the time limit is extended to **June 30, 2020**.

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However, notices of objection should still be filed within the required time limit (i.e., 90 days from the issuance of the notice of reassessment) provided for in section 93.1.1. of the *Tax Administration Act,* when possible. This is a mandatory deadline that cannot be amended. Therefore, unless otherwise indicated, a notice of objection filed after the 90-day period provided for in section 93.1.1. of the *Tax Administration Act,* should also include an application for an extension of time to file said notice of objection.

Accelerated treatment and payment of certain tax credits

For businesses: On March 27, 2020, the Government of Québec announced the advance payment of tax credits to businesses in order to inject cash in businesses as quickly as possible. This measure will allow for the advance payment of more than $600 million to businesses.

For individuals: Revenu Québec has accelerated processing of income tax returns granting a payment by Revenu Québec. Since February 24, 2020, almost $800 million has been paid in advance to individuals having already filed their income tax return.

The 4-month extension of the renewal of the tax credit for Home-Support Services for Seniors as well as the deferral of the renewal of the Shelter Allowance Program to December 1, 2020, are improving upon the socio-fiscal measures already in place in Québec.

Suspension of audits and debt collection

Revenu Québec has suspended its audit activities, except for situations presenting a risk of fraud. No contact with a taxpayer will be initiated by Revenu Québec unless it is necessary for processing a payment to the taxpayer.

Revenu Québec has suspended its debt collection activities and will be flexible in the application of payment agreements regarding a fiscal debt.

In Canada

Suspension of audits (New)

The Canada Revenue Agency has announced that no communications aiming to audit SMBs regarding the GST/HST or income tax will occur.

Also, no request for information concerning an ongoing audit will be sent to taxpayers. Ongoing audits will stop and no new assessments will be made.

If you have received a communication from the Canada Revenue Agency containing response dates or deadlines to transmit a document, no action is required from you or your representative for the time being.

Objections and appeals (New)

Objections regarding the right to a benefit or a tax credit, such as the Investment Tax Credit (SR&ED), have been deemed to be essential services. No delay should affect processing of such objections.

Objections concerning any other tax matter regarding individuals or businesses are suspended.

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On March 28, 2020, the Canada Revenue Agency announced that the deadline for any objection to a notice of assessment for which the deadline to file a notice of objection is after March 28, 2020, is deferred to June 30, 2020.

However, notices of objection should still be filed within the required time limit (i.e., 90 days from the issuance of the notice of reassessment) provided for in section 165 of the *Income Tax Act,* when possible. This is a mandatory time limit that cannot be amended. Therefore, unless otherwise indicated, a notice of objection filed after the 90-day period provided for in section 165 of the *Income Tax Act,* should also include an application for an extension of the time to file said notice of objection.

Suspension of debt collection (New)

All debt collection activities on new amounts owing to the Canada Revenue Agency are now suspended. Existing debts that are already the subject of a collection measure will be re-evaluated on a case-by-case basis.

Any taxpayer that cannot, before the payment deadline and for circumstances beyond its control, fulfill its obligations towards the Canada Revenue Agency, can file a Request for Taxpayer Relief in order to cancel interest or penalties that would be otherwise applicable.

Administrative tax measures

Administrative income tax actions required of a taxpayer by the Canada Revenue Agency that are due after March 18, 2020, can be deferred to June 1, 2020.

Such actions include filing of an income tax return, elections and requests for information.

Payments of source deductions and any related activities are expressly excluded from such deferrals.

Suspension of Tax Court of Canada delays

Appeals before the Tax Court of Canada are postponed due to the closing of the Tax Court until further notice. Conference calls scheduled between March 16 and May 29, 2020, are cancelled. The Tax Court's calendar will be reassessed on May 20, 2020.

However, notices of appeal should still be filed within the deadline provided for in section 169 of the *Income Tax Act,* when possible.

The period ranging from March 16 to the 60th day after the eventual reopening of the Court and its offices will be excluded from the computation of time under: Tax Court of Canada Rules (General Procedure); all other Rules made under the Tax Court of Canada Act governing the conduct of matters that, pursuant to section 12 of the Tax Court of Canada Act, are under the Tax Court of Canada's jurisdiction; or an Order or Direction of the Tax Court of Canada.

The Tax Court of Canada will process any applications of extensions of time to file Notices of Appeal filed during the period that the Court is closed and for 60 days thereafter as including an application for an extension of time to appeal brought on the exceptional grounds that the applicant was prevented by the crisis caused by the COVID-19 and the Court closure from filing within the normal statutory deadlines.

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Appeals to the Minister regarding the Canada Pension Plan and Employment Insurance

Taxpayers who wish to file an appeal of the Minister's decision regarding the Canada Pension Plan or Employment Insurance may do so by filing a request through My Account.

As of now, the Canada Pension Plan and Employment Insurance appeals programs are only following up on cases in which benefits are suspended. All other appeals will pick back up when all services are back to normal.

Lavery's team is available to answer any question you may have regarding the announced emergency measures as well as any related aspects.

The information and commentaries contained in the present document do not constitute a legal opinion. Their sole purpose is to allow readers, who bear all responsibility, to use them for their own ends.

The information and commentaries contained in this document are limited to the measures announced or made public by the Government of Québec and the Government of Canada on or before April 20, 2020.

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1. Normally, to be eligible for the small business deduction, a corporation must be a Canadian-controlled private corporation and its taxable capital (including that of its group of related corporations) must not exceed $15 million.
2. Subsections 22(1), 23(1), 152.04(1) and 152.05(1) of *the Employment Insurance Act*.

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