



COVID-19 and Your Taxes

AGENDA

- Introduction
- Income Tax Filing & Payment Due Dates
- Support for Businesses
- Support for Individuals
- Support from B.C.
- Questions



Introduction



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Established in 1978, Clark, Robinson provides accounting, auditing, taxation and consulting services for corporations, individuals and not for profit organizations in the North Okanagan.

Born and raised in Vernon, Ryan began his accounting career in 1993 and received his CA designation in 1997. Prior to joining Clark, Robinson, Ryan spent 26 years split between two National accounting firms working across the country but living mostly in Vernon. Most recently, Ryan was a partner leading the incentives tax practice for western Canada.

With a passion for problem solving and developing outside the box thinking to help address the challenges faced by businesses today, Ryan has crafted his tax career over 26 years to serve and help companies of all sizes and many different industries address their unique tax and business challenges.

Ryan is currently working towards completing his Family Enterprise Advisor (FEA) designation through the Family Enterprise Xchange (FEX). FEX is the new independent association of business families and their professional advisors, the FEA. The FEX community provides supportive, shared wisdom, world-class expertise, and education to address the realities and opportunities unique to Family Enterprise.

After being a road warrior for 12+ years, Ryan is much more of a home body these days. Ryan, his wife Kim, and their daughters Camryn and Parker, enjoy many seasonal activities throughout the beautiful Okanagan Valley, including hiking, biking, and spending time with family and friends.

Income Tax Filing & Payment Due Dates

Individuals

- June 1, 2020 – T1 Personal Tax Returns
- June 15, 2020 – T1 Personal Tax Returns with Business or Self Employment Income
- September 1, 2020 – Taxes Due

Trusts

- May 1, 2020 – Filing due date
- September 1, 2020 – Taxes due

<https://www.canada.ca/en/revenue-agency/campaigns/covid-19-update/covid-19-filing-payment-dates.html>



Income Tax Filing & Payment Due Dates

Corporations

- June 1, 2020 – Corporations that would otherwise have a filing due date after March 18 and before June 1
- September 1, 2020 – Taxes Due

Payroll Remittances

- Unchanged

GST

- Filing requirements unchanged
- Amounts owing deferred until the end of June



Support for Businesses

Canada Emergency Wages Subsidy (CEWS)

- 75% wage subsidy paid to employers
 - Maximum of \$847/week and 75% of the employee's pre-crisis wages
 - Subsidy for 12 weeks retroactive to March 15, 2020
 - Applications available through CRA's My Business Account starting April 27, 2020
 - Taxable income to the employer
- Eligible Employers
 - Individuals, corporations, charities & partnerships
 - Need to have a 30% drop in revenues (month by month comparison to 2019 with some exceptions)
- Eligible Employee
 - Individual employed in Canada who is not without remuneration by that employer for 14 or more days before the claim period.
- Eligible remuneration
 - Salary, wages, commissions, taxable benefits
 - NOT Severances or Stock Options Benefits

<https://www.canada.ca/en/department-finance/news/2020/04/the-canada-emergency-wage-subsidy.html>

<https://www.canada.ca/en/revenue-agency/services/subsidy/emergency-wage-subsidy.html>

<https://www.taxtemplates.ca/wage-subsidy/>



Support for Businesses

10% Wages Subsidy for Employers

- Eligible Employers
 - Individuals, certain partnerships, non-profit organizations, registered charities, or Canadian-Controlled Private Corporations (CCPCs).
 - Pay salary, wages, or taxable benefits to employees between March 18, 2020 and June 19, 2020
 - Taxable income to the employer
- Application
 - Reduce payroll withholdings remitted to CRA with payroll remittance
 - Cannot reduce withholdings for EI and/or CPP

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

<https://www.taxtemplates.ca/wage-subsidy/>



Support for Businesses

Canada Emergency Commercial Rent Assistance (CECRA)

- **Eligibility**
 - You own property that generates rental revenue from commercial property
 - You have a mortgage loan secured by the commercial property occupied by one or more small business tenants
 - You have or will enter into a rent reduction agreement for the period April, May, and June 2020 that will reduce impacted small business tenants rent by at least 75%
 - Your rent reduction agreement includes a moratorium on evictions
 - You have declared rental income on your tax return for 2018 and/or 2019
- **What is an Impacted Small Business Tenant?**
 - Businesses including non-profit and charitable organization who:
 - Pay no more than \$50,000 in monthly gross rent per location
 - Generate no more than \$20 million in gross sales
 - Have temporarily ceased operations or has experienced at least a 70% decline in pre-COVID-19 reduction.
 - Revenue loss is measured by comparing revenue in April, May, and June of 2020 to that same month in 2019 or to an average of Jan/Feb 2020 revenues.
- Offers Assistance for April, May and June 2020
- Can be applied for retroactively

<https://www.cmhc-schl.gc.ca/en/finance-and-investing/covid19-cecra-small-business>

Email: CECRA@cmhc.ca

Phone: 1-800-668-2642



Support for Businesses

Canada Emergency Business Account

- \$40,000 loan to small businesses and not-for profits
- 0% interest until December 31, 2022
- ¼ of the loan up to \$10,000 forgiven if loan is paid off by December 31, 2022
- 5% interest on balance owing after December 31, 2022
- Must be fully repaid by December 31, 2025
- Must have payroll (T4'd wages in 2019) between \$20,000 and \$1.5 Million to qualify
- Apply through your financial institution (available now)

<https://www.canada.ca/en/department-finance/news/2020/03/additional-support-for-canadian-businesses-from-the-economic-impact-of-covid-19.html# New Loan Programs>

<https://www.bdc.ca/en/pages/special-support.aspx?special-initiative=covid19>



Support for Businesses

BDC Co-Lending Programs for Small to Medium Enterprises (SMEs)

- Up to \$6.25 million
- Differing maximum finance amounts based on business revenues
- 80% of financed amount provided by BDC and remaining by your financial institution
- For operational cash flow requirements
- Apply through your financial institution (available soon)

https://www.canada.ca/en/department-finance/news/2020/03/additional-support-for-canadian-businesses-from-the-economic-impact-of-covid-19.html#_New_Loan_Programs

<https://www.bdc.ca/en/pages/special-support.aspx?special-initiative=covid19>



Support for Businesses

EDC Guarantee for SMEs

- Up to \$6.25 million
- 80% guaranteed by EDC, to be repaid within one year
- For payroll and operational cash flow requirements
- Apply through your financial institution (available now)

<https://www.canada.ca/en/department-finance/news/2020/03/additional-support-for-canadian-businesses-from-the-economic-impact-of-covid-19.html# New Loan Programs>

<https://www.bdc.ca/en/pages/special-support.aspx?special-initiative=covid19>

<https://www.edc.ca/>



Support for Businesses

BDC COVID-19 Working Capital Loans

- Up to \$2 million
- Flexible repayment terms such as principal postponement for qualifying businesses
- No study fees
- Apply through BDC (available now)

Funding for Charities

- PM announced \$350 million to support charities and non-profit organizations fortify their front-line services.
- Charities and NPO's can also access CEWS and 10% Wage Subsidy

<https://www.canada.ca/en/department-finance/news/2020/03/additional-support-for-canadian-businesses-from-the-economic-impact-of-covid-19.html# New Loan Programs>

<https://www.bdc.ca/en/pages/special-support.aspx?special-initiative=covid19>

<https://www.edc.ca/>



Support for Individuals

Canada Emergency Response Benefit (CERB)

- \$500/week for up to 16 weeks
- Who is eligible?
 - Residents who are at least 15
 - Who stopped working because of COVID-19
 - May be eligible for regular EI but have exhausted their benefits between December 18, 2019 and October 3, 2020
 - Had employment or self-employment income of at least \$5,000 in 2019 or in the 12 months prior to the date of application
 - Have NOT quit their job voluntarily
 - Cannot have earned more than \$1,000 in employment or self-employment income for 14 or more consecutive days within the 4 week benefit period of your claim
- How to apply
 - CRA My Account – <https://www.canada.ca/en/revenue-agency/services/e-services/e-services-individuals/account-individuals.html>
 - Service Canada - <https://www.canada.ca/en/services/benefits/ei/cerb-application.html>
 - Need to apply for renewal for each month
 - Application days based on birth month
 - Mondays: January, February & March
 - Tuesdays: April, May , & June
 - Wednesdays: July, August & September
 - Thursdays: October, November & December
 - Fridays & weekends: All

CERB FAQ: <https://www.canada.ca/en/services/benefits/ei/cerb-application/questions.html>



Support for Individuals

Student Supports

- \$1,250/month from May to August
- Up to \$1,750/month if you take care of someone else or have a disability
- Who is eligible?
 - Must be a post secondary student, going to school in September, or graduated in 2019
 - Available if earning up to \$1,000/month
- How to apply
 - CRA My Account – <https://www.canada.ca/en/revenue-agency/services/e-services/e-services-individuals/account-individuals.html>
 - Service Canada - <https://www.canada.ca/en/services/benefits/ei/cerb-application.html>
 - Need to apply for renewal for each month
- Canada Student Service Grant
 - For those volunteering instead of working
 - Eligible for \$1,000 to \$5,000 based on work done
- 76,000 student jobs will be created. Funds will be extended scholarships, fellowships, and grants.
- Student grants will be doubled for the 2020-21 school year.
- Additional funding will be available for Inuit, Metis, and First Nations.

<https://www.canada.ca/en/department-finance/economic-response-plan.html#individuals>



Support from B.C.

- BC Emergency Benefit for Workers:
 - \$1,000 one time payment for people who lost income.
- Climate Action Tax Credit One Time Enhancement
 - For moderate to low income families
 - Claimed by filing your T1 Personal Tax Return
 - paid in July 2020
- Renters & Homeowners
 - Mortgage deferrals available through your bank
 - \$500/month Temporary rent supplement available (\$300/month without dependants)
 - Annual rent increases frozen

<https://www2.gov.bc.ca/gov/content/employment-business/covid-19-financial-supports/emergency-benefit-workers>

https://www.bchousing.org/COVID-19?bcgovtm=20200319_GCPE_AM_COVID_4_NOTIFICATION_BCGOV_BCGOV_EN_BC_NOTIFICATION

<https://www2.gov.bc.ca/gov/content/safety/emergency-preparedness-response-recovery/covid-19-provincial-support>



Support from B.C.

- Summers Job Program Expanded

- Direct funding for hiring summer staff
- All youth aged 15 to 30 are eligible
- Increase to the wage subsidy so that employers can also receive up to 100% of the provincial minimum hourly wage for each employee
- Extension to the end date for employment to February 28, 2021
- Allowing employers to adapt their projects and job activities to support essential services
- Allowing employers to hire staff on a part-time basis

<https://www2.gov.bc.ca/gov/content/safety/emergency-preparedness-response-recovery/covid-19-provincial-support>

<https://pm.gc.ca/en/news/news-releases/2020/04/08/changes-canada-summer-jobs-program-help-businesses-and-young>



Support from B.C.

- BC Student Loans
 - Starting March 30, 2020 all BC Student Loan payments are automatically frozen for 6 months
- Monthly Bills
 - BC Hydro
 - Rates reduced by 1% effective April 1,2020
 - Payment deferral and flexible repayment available
 - Residential customers who have lost their job or unable to work will receive a bill credit of 3 Times the average monthly bill
 - Does NOT have to be paid back
 - Can apply for bill relief until June 30, 2020
 - Small businesses can apply to have their bills forgiven between April and June 2020
 - Customers experiencing job loss, illness, or lost wages can access grants up to \$600 to pay their hydro bills
 - <https://app.bchydro.com/accounts-billing/bill-payment/ways-to-pay/customer-crisis-fund.html>
 - ICBC
 - Customers on a monthly plan can defer their payment for up to 90 days

<https://www2.gov.bc.ca/gov/content/safety/emergency-preparedness-response-recovery/covid-19-provincia>



Support from B.C.

- Monthly Bills
 - Fortis BC
 - Residential customers can sign up to have bills deferred from April 1 to June 30, 2020
 - Interest free repayments spread out over a full year
 - Small businesses that have been forced to close will be issued credits to offset any charges to their accounts while they have been unable to continue operating their business as usual
 - Business experiencing slow down can also apply for bill deferrals

<https://www2.gov.bc.ca/gov/content/safety/emergency-preparedness-response-recovery/covid-19-provincial-support>



Support from B.C.

- Tax Relief
 - Deferred sales tax payments for businesses – September 30
 - Delayed PST Budget 2020 changes - Indefinite
 - Delayed Carbon Tax Increases - Indefinite
 - Reduced School Tax for Businesses – Reduced by 50% for 2020
 - Deferred EHT Payments – September 30

<https://www2.gov.bc.ca/gov/content/safety/emergency-preparedness-response-recovery/covid-19-provincial-support>

<https://www2.gov.bc.ca/gov/content/taxes/tax-changes/covid-19-tax-changes>



Other Measures

- Administrative elections filing deadlines extended
- Notice of Objections – any request due by March 18 extended to June 30, 2020
- Suspended audit activities
 - No new audits being launched
 - No requests for information relating to existing audits; and
 - No audits should be finalized and no reassessments should be issued
- Suspending collections on new debt
- Taxpayer relief
 - Taxpayers unable to file a return or make a payment because of COVID-19 can request the cancellation of any penalty or interest charged.

<https://www.canada.ca/en/department-finance/news/2020/03/additional-support-for-canadian-businesses-from-the-economic-impact-of-covid-19.html# New Loan Programs>



Other Measures

- Work-sharing – Employers & Individuals (EI Top up program extended)
 - <https://www.canada.ca/en/employment-social-development/corporate/notices/coronavirus/employers-factsheet.html>
- Emergency Loan Program for Canadians Abroad
 - <https://travel.gc.ca/assistance/emergency-info/financial-assistance/covid-19-financial-help>
- RRIF Minimum Withdrawals
 - Reduced by 25%
 - <https://www.canada.ca/en/revenue-agency/services/tax/registered-plans-administrators/registered-retirement-savings-plans-registered-retirement-income-funds-rrsps-rrifs/economic-statement-measure-annuitants-rrsp-rrif.html>

