

GST/HST Relief and Tax Relief Measures for Ontario, Alberta and BC Businesses

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On March 18, 2020, the Government of Canada announced the implementation of a series of tax measures as part of the COVID-19 Economic Response Plan. (Read more.) Further updates are below.

GST/HST Remittance Deferral

GST/HST collected are generally due by the end of the month following the vendor's reporting period. On March 27, 2020, the Government of Canada announced that the deadline for the payment of GST/HST will be extended to June 30, 2020 as follows:

- Monthly filers will have until June 30, 2020 to remit amounts collected for the February, March and April 2020 reporting periods;
- Quarterly filers will have until June 30, 2020 to remit amounts collected for the January 1, 2020 through March 31, 2020 reporting period; and
- Annual filers, whose GST/HST return or instalment are due in March, April or May 2020, will have until June 30, 2020 to remit amounts collected and owing for their previous fiscal year and instalments of GST/HST in respect of the filer's current fiscal year.

Provincial Income Tax Measures

The federal government administers the income taxes for all provinces and territories, except Alberta and Quebec. As such, the measures announced by the federal government with respect to income tax filings, payments and audits also apply to the provincial income taxes administered by the federal government.

The following is a summary of the key provincial tax measures announced by the governments of Ontario, Alberta and British Columbia.

Ontario

Interest and Penalty Relief for Businesses

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- For a five-month period beginning April 1, 2020 and ending August 31, 2020, interest and penalties will not apply for Ontario businesses that miss filing and remittance deadlines. Interest and penalties will be waived automatically.
- The interest and penalty relief period is available to all Ontario businesses that are required to file returns and make remittances under the following provincially-administered tax programs:
 - Employer Health Tax
 - Tobacco Tax
 - Fuel Tax
 - Gas Tax
 - Beer, Wine & Spirits Tax
 - Mining Tax
 - Insurance Premium Tax
 - International Fuel Tax Agreement
 - Retail Sales Tax on Insurance Contracts and Benefit Plans
 - Race Tracks Tax
- The relief does not apply to outstanding taxes, interest or penalties owing from filing periods prior to the relief period.

Employer Health Tax (EHT) Exemption

- Retroactive to January 1, 2020, the EHT exemption for 2020 will be increased from \$490,000 to \$1 million.
- Eligibility for the exemption and tax rates will remain the same. The EHT exemption is generally available for private-sector employers with total annual Ontario remuneration of less than \$5 million.

Regional Opportunities Investment Tax Credit

- 10% refundable corporate income tax credit for Canadian-controlled private corporations that make qualifying investments in specified regions of Ontario that become available for use after March 24, 2020.
- Qualifying investments include capital expenditures that are included in Class 1 and Class 6 for capital cost allowance purposes, such as expenditures for constructing, renovating or acquiring eligible commercial and industrial buildings.
- The tax credit will be available for qualifying expenditures over \$50,000 and up to \$500,000 in a taxation year.

Property Taxes

- The planned property tax reassessment for 2021 will be postponed.
- 2021 property assessments will be based on the same valuation date that was in effect for 2020.

Cassels

Temporary Suspension of Audit Activity

- The Government of Ontario is temporarily suspending audit interactions with most Ontario businesses and representatives for the month of April 2020.

Alberta

Tax Filings and Payments

- The filing due date for Alberta corporate income tax returns has been extended until June 1, 2020 for returns due after March 18, 2020 and before June 1, 2020.
- The deadline to pay Alberta corporate income tax balances and instalments that become due between March 18, 2020 and August 31, 2020 is deferred until August 31, 2020. Interest and penalties that would otherwise be payable in respect of these amounts will be waived.
- The deferral does not apply to balances or instalments for which payments were made prior to March 18, 2020.

Audits and Collections

- Alberta will modify its provincial corporate income tax audit and collection practices. Details of these changes have not yet been announced.

Property Taxes

- The province will reverse the 3.4% increase in the provincial education property tax rate for 2020.
- Alberta will freeze the education property tax rates for 2020 at their 2019 level, reversing the 3.4% increase announced in the 2020 provincial budget.
- Alberta will defer the collection of the education property tax for businesses for 6 months.

Relief for the Energy Sector

The Government of Alberta has also announced the following measures to provide economic relief to Alberta's energy industry:

- The Government of Alberta will fund the industry levy for the Alberta Energy Regulatory for a period of six months, providing \$113 million in industry relief.
- The Government of Alberta will extend the term of mineral agreements expiring in 2020 by one year.
- The Government of Alberta has extended a loan to the Orphan Well Association in the amount of \$100 million.

British Columbia

Employer Health Tax

- Businesses with a payroll over \$500,000 can defer their employer health tax payments until September 30, 2020. Businesses with a payroll under this threshold are already exempt from the tax.

Provincial Taxes

- The tax filing and payment deadlines for the provincial sales tax (PST), municipal and regional district tax on short-term accommodation, tobacco tax, motor fuel tax and carbon tax are extended until September 30, 2020.
- The scheduled April 1 increase to the provincial carbon tax, the new PST registration requirements on e-commerce and the implementation of PST on sweetened carbonated drinks will be delayed. Timing will be reviewed by September 30, 2020.

Property Taxes

- The BC School Tax will be reduced by half for business and light- and major-industry property classes.

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This publication is a general summary of the law. It does not replace legal advice tailored to your specific circumstances.