

Tax filings and payments – revised deadlines and related terms

The following is a summary of the extensions and relief measures regarding income tax compliance announced by the federal government. These measures are intended to relieve some of the financial distress and uncertainties experienced by businesses and individuals.

Once Parliament resumes, after September 23, its activities, emergency measures legislation will be introduced to deal with the formal extension of deadlines and other announced measures — the information below is based on information currently available.

The Government of Canada announced on March 27, 2020 that certain administrative income tax actions required of taxpayers (including returns, elections, designations and information requests, but excluding payroll deductions payments and all related activities) that were originally due after March 18, 2020, were deferred to June 1, 2020. This announcement did not apply to any deadlines that are otherwise specified.

Individuals

For individuals, the filing due date for 2019 personal tax returns was deferred from April 30, 2020 to June 1, 2020. No late-filing penalties will be applied if returns are filed and payments are made by September 30, 2020.

The deadline to pay any income tax amounts, including tax balances due, as well as installments, that become owing on or after March 18, 2020 and before September 1, 2020 was deferred until September 1, 2020. On July 27, 2020, the Canada Revenue Agency announced that the deadline to pay personal income tax amounts was further deferred from September 1, 2020 to September 30, 2020. No interest or penalties will accumulate on these amounts during this period as long as payments are made by the new deadline.

Trusts

For trusts with a taxation year end on December 31, 2019, the filing due date for income tax returns was deferred to May 1, 2020. The filing due date for trusts that otherwise had a filing due date between March 31 and May 30, 2020, is

deferred to June 1, 2020. The filing due date for trusts that otherwise had a filing due date between May 31, 2020 and August 2020, is deferred to September 1, 2020. No late-filing penalties will be applied if returns are filed by September 30, 2020.

The deadline to pay any income tax amounts, including tax balances due, as well as installments, that were owing on or after March 18, 2020 and before September 1, 2020 was deferred until September 1, 2020. On July 27, 2020, the Canada Revenue Agency announced that the deadline to pay trust income tax amounts was further deferred from September 1, 2020 to September 30, 2020. No interest or penalties will accumulate on these amounts during this period as long as returns are filed and payments are made by the new deadline.

Corporations

For corporations, the filing due date for corporate income tax returns was not been deferred for corporations with a calendar year end. The filing due date for corporate income tax returns that would otherwise have been due after March 18 and before May 31, 2020, was deferred to June 1, 2020. The filing due date for corporate income tax returns that would otherwise have been due between May 31, 2020 and August 2020, was deferred to September 1, 2020. No late-filing penalties will be applied if returns are filed by September 30, 2020.

The deadline to pay any income tax amounts, including tax balances due, as well as installments, that become owing on or after March 18, 2020 and before September 1, 2020 was deferred until September 1, 2020. On July 27, 2020, the Canada Revenue Agency announced that the deadline to pay corporate income tax amounts was further deferred from September 1, 2020 to September 30, 2020. No interest or penalties will accumulate on these amounts during this period as long as payments are made by the new deadline.

Interest on Existing Tax Debt

On July 27, 2020, the CRA announced that it was waiving arrears interest on existing tax debts related to individual, corporate and trust income tax returns from April 1, 2020 to September 30, 2020. As a result, an existing tax debt will not continue to grow due to arrears interest charges during this period.