



Canadian tax alert

COVID-19 – Recent government support measures

April 6, 2020

The federal and provincial governments continue to respond to the impact of COVID-19 on our society. Over the past few days, some additional support measures were announced. As well, the federal government has promised amendments in the near future to the Canada Emergency Response Benefit (CERB), to enable more Canadians to qualify for this temporary income support program. Our Tax and Legal team is closely monitoring all government announcements and will remain available to support you during this unprecedented and uncertain time.

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In this update, we highlight recent developments from the federal government as well as the governments of British Columbia, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia and Prince Edward Island and Newfoundland and Labrador.

FEDERAL MEASURES – April 3-6, 2020

April 3, 2020

Financial support for food banks and local food organizations

- The federal government will provide \$100M in funding to support food banks and local food organizations across Canada.
- Funding will be delivered through the Local Food Infrastructure Fund.

Canada Child Benefit (CCB) amendment

- The enhanced CCB announced on March 18, 2020 will be available to families with children in April, rather than in May as previously stated.

April 4, 2020

Canada's big banks lower interest rates on credit cards

- The six largest banks in Canada will temporarily reduce credit card interest rates for personal and small business customers meeting specific eligibility requirements, such as clients receiving payment deferrals or users requesting to skip a payment.
- The interest rate cuts vary from bank to bank, but are estimated to be approximately 50%.

April 6, 2020

Update: The CERB is now available

- Eligible Canadians can begin applying online for the CERB. Applicants can expect their first payment within three to five business days (via direct deposit) of submitting the application.
- People who had already applied for Employment Insurance (EI) under one of the COVID-19 programs that was replaced by the CERB need not reapply for the CERB.
- It has also been confirmed that certain dividends received by shareholders could be considered income for the determination of eligibility for the CERB.

Changes to the New Horizons for Seniors Program (NHSP)

- Increased flexibility is being provided to successful applicants to use funding previously received through the community-based stream of NHSP to support seniors' needs due to the pandemic.
- Activities can include providing:
 - Electronic devices to connect seniors with their families and the community
 - Food and medication delivery to self-isolated seniors at home
 - Assistance to seniors to undertake essential activities such as attending medical appointments
 - Support to hire staff
 - Information to seniors on how to care for themselves during COVID-19

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- The maximum NHSP project period will also be extended from the current 12 months to 24 months.

BRITISH COLUMBIA MEASURES – April 2, 2020

\$3.5M to support post-secondary students

- Domestic students attending a post-secondary institution in British Columbia who incur unexpected financial difficulties that could influence the continuation of studies, can apply through their school's financial aid office for support towards living expenses, food, travel and computers needed to complete courses online. Each application will be assessed on a case-by-case basis.

MANITOBA MEASURES – April 3, 2020

Health-care equipment creation

- \$100M will be invested to support local businesses to make products and solutions (essential medical supplies, equipment, hotel capacity and other critical needs) to fight COVID-19 in the near term.

Deferral of various taxes and payments

- A four-month deferral has been announced for individuals and businesses in respect of provincial income taxes to August 31, 2020. No interest or penalties will accrue during that period. A further extension to October 1, 2020 is also possible if the federal government agrees.
- A six-month extension for any interest or penalties for Manitoba Hydro or gas bills, Manitoba Public Insurance premiums, Workers Compensation Board premiums and education property taxes has also been announced.
- Effective July 1, 2020, the province is removing the annual provincial sales tax from property insurance on residential and business properties.

Increased shelter capacity during the COVID-19 crisis

- The province is investing an additional \$1.2M to add and repurpose more than 140 new shelter beds for those experiencing homelessness and to further encourage social distancing.

ONTARIO MEASURES – April 3–6, 2020

April 3, 2020

Additional funding to assist retirement homes

- The province is providing \$20M in additional financial support to protect seniors in retirement homes by enabling retirement homes to address increased infection control and active screening procedures.
- This amount is on top of the \$5M in funding announced on March 17, 2020.

April 4, 2020

Launch of the COVID-19 Residential Relief Fund (CRRF)

- \$40M is being allocated to support organizations that offer residential services for children and youth, people with developmental disabilities and victims of domestic violence.
- The funding will cover expenses such as additional staff and compensation, personal protective equipment, residential respite for caregivers, and transportation to reduce client exposure.

Connecting job seekers with agri-food jobs

- The province is launching a new web portal (www.ontario.ca/AgFoodJobs) to connect workers with employers seeking to fill positions in the agri-food sector to support the provincial food supply chain, from farming and food processing to transport and grocery retail.

April 6, 2020

Support for Families initiative

- \$300M in direct financial support is being provided for families while schools and child care centres are closed due to the pandemic.
- A one-time payment of \$200 per child under 13 years of age and \$250 for persons with special needs under 22 years of age.
- Applications are available online, but parents already receiving direct deposit payments from the Support for Parents program will be automatically enrolled in the new initiative.

Property tax deferral for residences and businesses in remote Northern Ontario

- Taxpayers in unincorporated areas of Northern Ontario will have their property taxes for each of the four 2020 provincial land tax instalments deferred for 90 days without interest accrual or penalties.
- This amounts to \$15M in deferred property taxes for people and businesses located outside of municipal boundaries in Northern Ontario, impacting over 63,000 properties.

QUEBEC MEASURES – April 3-6, 2020

April 3, 2020

Emergency support for small and medium-sized businesses (SMEs)

- A total funding of \$150M will be allocated among the various regional county municipalities (RCMs) and equivalent territories in order to support businesses that are experiencing cash flow problems as a result of the COVID-19 crisis. More specifically, the funding will be granted as follows: \$40M for Montreal, \$10M for Quebec City, and \$100M for the other RCMs and equivalent territories.
- This measure is intended for businesses operating in every sector of the economy, including co-operative organizations, non-profit organizations and charities engaged commercial activities.
- The support will be provided in the form of loans and loan guarantees, up to a maximum of \$50,000. The amount of funding will be targeted at the cash flow needs of the business determined on a reasonable basis, and should be used by the business to address issues related to supply or to the capacity to deliver products or services. .
- To qualify, the business must have operated in Quebec for at least one year, be closed temporarily or show early signs of closing, and it should be seeking to maintain, consolidate or boost its activities. In addition, the business will be required to establish causation between COVID-19 and its financial or operational hardship.
- Businesses placed under the protection of the Companies' Creditors Arrangement Act and the Bankruptcy and Insolvency Act are excluded.
- Please see the [Quebec government website](#) for information about how to apply for this measure, or contact your RCM.

Incentive program to retain essential workers (IPREW)

- This incentive program, with an investment of \$890M, will top-up the salary for individuals working essential jobs so that their revenues reach, at a minimum, the equivalent of the CERB.
- An amount of \$400 per month will be paid to workers for a maximum of four months.
- This program is intended for part-time or full-time workers receiving gross wages of \$550 or less per week, and that have a total annual estimated employment income of at least \$5,000 but no more than \$28,600.
- The workers must establish that their job is included in the list of essential services sectors and they have not received any amount under the CERB or any other temporary aid for workers program.
- An online application form will be available on May 19, 2020 on the government website.

April 6, 2020

The Coordinated Actions for Continued Employment program

(information currently available in French only)

- This program will be accepting projects retroactively from March 15, 2020 until September 30, 2020 or until the allocated budget of \$100M for this program has been exhausted.
- This program, designed to support training and enhanced employment opportunities, is two-fold, with one component for businesses and one for collective promoters/organizations supporting employment.
- The following training opportunities are eligible under both components of this program: employees' basic training, francization, e-skills training, ongoing training related to a company's business operations (whether linked or not to the position held by the employee being trained), training advocated by professional associations, training made necessary due to a business resuming its operations, training related to adapting or changing business activities in a time of economic uncertainty due to COVID-19 that enables the organization to maintain or diversify the business activities (e.g., health safety, remote work, etc.), and training for employee requalification.
- To apply, businesses and self-employed workers must contact their local business adviser and collective promoters must submit a grant application form by email to following address: partenaires@mtess.gouv.qc.ca.

NEW BRUNSWICK MEASURES – March 31, 2020

Property assessment request for review extension

- The deadline for property owners to request a property assessment review has been extended by 30 days to May 1, 2020.

NOVA SCOTIA MEASURES – April 2, 2020

Launch of Small Business Impact Grant

- \$20M in funding is being provided for small businesses and social enterprises.
- Eligible applicants will receive 15% of their revenue from either April 2019 or February 2020 as a one-time payment, up to a maximum of \$5,000.
- More details will be provided in the coming week.

New Worker Emergency Bridge Fund

- \$20M in funding is being provided to support the self-employed and laid-off individuals who do not qualify for EI, in order to help bridge the gap between mandated business closures and layoffs and the CERB.
- The government will provide a one-time, \$1,000 payment to eligible applicants.
- More details will be provided in the coming week.

PRINCE EDWARD ISLAND MEASURES – April 3, 2020

Property tax amendments

- The government has announced an extension of the deadline for 2020 property assessment appeals to December 31, 2020.
- Provincial property tax and fee payments are deferred until December 31, 2020.
- interest for 2020, including all past due amounts, is suspended.
- Tax sale processes relief is provided for remainder of 2020.
- Provincial tax bills will not be mailed until June 2020.

Additional funding for the Emergency Contingency Fund

- \$15M is being added to the Emergency Contingency Fund, bringing the total to \$40M to support new provincial programs and expand existing programs.

NEWFOUNDLAND AND LABRADOR MEASURES - March 25 – April 3, 2020

March 25, 2020

Support for food sharing programs

- \$500,000 in funding has been allocated for to Food First NL to support community food programs.
- The funding includes \$275,000 from the Labour Market Partnerships program to support community food providers to retain and hire staff.

March 26, 2020

Legislative amendments to support residents and businesses

- The government has introduced job protection in the form of a leave of absence without pay for employees that must take time away from work as a result of COVID-19.
- Eviction of renters will be prohibited if they have lost income due to COVID-19.
- \$200M in contingency funding has been allocated to address the impacts of the virus and reduced oil prices.
- Long-term borrowing authority of \$2B has been provided for to enable ongoing government operations and increase the government's ability to respond to revenue volatility.

March 27, 2020

Deadline extension for the cost-shared cellular service pilot initiative

- The application deadline for the second intake of the program to expand cellular service has been extended to June 30, 2020.

March 30, 2020

Deadline extension for Fuel Tax Exemption Permits

- Initially set to expire March 31, 2020, the expiration date for permit holders to procure tax-exempt marked gasoline and light fuel oil has been extended to June 30, 2020.
- This extension primarily supports fishers.

April 3, 2020

Deadline extension for aquaculture licenses

- Expiration date of existing aquaculture licenses will be extended by the Department of Fisheries and Land Resources from March 31, 2020 to May 31, 2020.

For more information on COVID-19, see our [Canadian COVID-19 information hub](#) and our [global COVID-19 information hub](#)

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