



Canadian tax alert

COVID-19 – Recent support announcements

April 20, 2020

The federal and provincial governments continue to work on support measures to offset the economic effects of COVID-19. Over the past few days, some additional announcements were made. Our Tax and Legal team is closely monitoring all government announcements and will remain available to support you during this unprecedented and uncertain time.

In this update, we highlight recent developments from the federal government as well as the governments of Saskatchewan, Manitoba, Ontario, Quebec and Prince Edward Island.

Contacts:

Philippe Bélair

Tax & Legal Leader
Tel: 514-393-7045

Albert Baker

National Tax Policy Leader
Tel: 416-643-8753

Atlantic Region

Katie Rogers

Tel: 506-663-6728

FEDERAL MEASURES – April 13-18, 2020

April 13, 2020

Support for Canada's agri-food sector

- The government announced \$50M to help farmers, fish harvesters and food production and processing employers offset the cost related to following the mandatory 14-day isolation period required for all workers arriving from abroad.
- Employers will be eligible to receive \$1,500 for each temporary foreign worker, to ensure isolation requirements are fully met. Funding is conditional on employers not violating the mandatory isolation protocol or any other public health order.
- The program will be available as long as the Quarantine Act is in force and the isolation protocol is followed.

April 14, 2020

Health and social support for northern communities

- New support to address immediate health, economic and transportation needs in the north has been announced. The measures include:
 - The transfer of \$72.6M to the Yukon, Northwest Territories and Nunavut governments to support COVID-19 health and social services
 - In partnership with the territorial governments, the provision of \$17.3M to support northern air carriers to ensure continued supply of food and supplies to remote and fly-in communities
 - The allocation of \$15M in non-repayable support for territorial businesses to address operational costs related to impacts of COVID-19 not already covered by other government measures
 - The provision of an additional \$25M to Nutrition North Canada to increase subsidies on nutritional food and personal hygiene products for families

Funding to safeguard Canada's food supply

- \$20M is being provided to the Canadian Food Inspection Agency (CFIA) to support critical food inspection.
- The funds will allow the CFIA to hire, train and equip additional staff to conduct inspection activities, to redeploy staff to focus on critical services, and to increase interaction with industry and trading partners to minimize supply disruptions.
- Funding will also support flexible ways to carry out inspections, including expanded use of electronic tools and access to the CFIA's remote service delivery network.

Quebec & Ottawa

Patrick Bilodeau

Tel: 613-751-5447

Mohamed Sheibani

Tel: 613-751-5320

Ontario

Gary Gluckman

Tel: 416-601-6029

Prairies

Markus Navikenas

Tel: 403-267-1859

British Columbia

David Mueller

Tel: 604-673-2661

Related links:

[Deloitte Tax Services](#)

April 16, 2020

Canada Emergency Business Account (CEBA) eligibility

- To help a greater number of businesses cover non-deferrable operating costs, the government is expanding the CEBA to businesses that paid between \$20,000 and \$1.5M in total payroll in 2019. This replaces the previous payroll limits of between \$50,000 and \$1M.

New small business rent assistance program

- The government announced its intention to introduce the Canada Emergency Commercial Rent Assistance (CECRA) for small businesses. The program will be a partnership with provincial and territorial governments, and will seek to provide loans, including forgivable loans, to commercial property owners who, in turn, will lower or forgo the rent charged to small businesses for the months of April (retroactively), May and June.
- Details will be released as the federal government works with the provinces and territories.

April 17, 2020

New funding for businesses and organizations

- The government announced an investment of over \$1.7B in new, targeted measures aimed at protecting Canadian jobs and increased support to businesses and organizations. These include:
 - \$675M to Canada's regional development agencies to provide financing support to small and medium-sized businesses that are unable to access existing support measures
 - \$287M to the Community Futures Network to provide access to capital for rural businesses and communities
 - \$500M for a new COVID-19 Emergency Support Fund for Cultural, Heritage and Sport Organizations, to support artists and athletes
 - \$250M to Canada's Industrial Research Assistance Program (IRAP) to assist innovative, early-stage companies that are unable to access existing COVID-19 business support such as the Canada Emergency Wage Subsidy, given its revenue-based eligibility rules
 - \$20.1M for Futurpreneur Canada, an organization that supports young entrepreneurs across Canada, to provide payment relief for its clients for up to 12 months

Support for the oil and gas industry

- Recognizing that Canada's energy sector has been disproportionately affected during the time of this pandemic, the government announced new economic measures to help retain and create energy sector jobs.
- The government will provide up to \$1.72B to clean up orphan and/or inactive oil and gas wells. This includes:
 - Up to \$1B to the government of Alberta
 - Up to \$400M to the government of Saskatchewan

- Up to \$120M to the government of British Columbia
- \$200M in repayable funding to the Alberta Orphan Well Association
- Up to \$750M, primarily in the form of repayable contributions, will be allocated to create a new proposed Emissions Reduction Fund. This fund will focus on methane emissions. Of the total funding, an allocation of \$75M will be for the offshore oil and gas sector.
- The government has expanded the eligibility criteria for the Business Credit Availability Program (announced March 13, 2020) to support medium-sized businesses in Canada's energy sector that may have larger financing needs in order to maintain operations and retain their employees.

April 18, 2020

Support for Indigenous businesses

- The government announced an investment of up to \$306.8M for small and medium-sized Indigenous businesses, through support to Aboriginal Financial Institutions (AFIs).
- The funding will allow AFIs to offer interest-free, short-term loans and non-repayable contributions to Indigenous-owned businesses unable to access the government's existing COVID-19 support measures.
- This support will help AFIs cover operational expenses, and help the National Aboriginal Capital Corporations Association increase its operational capacity.

SASKATCHEWAN MEASURES – April 9-14, 2020

April 9, 2020

Saskatchewan Small Business Emergency Payment program (SSBEP)

- \$50M in funding will be provided to small businesses that have been ordered to temporarily close or significantly curtail operations during the COVID-19 pandemic
- Program payments
 - Payments will be based on 15% of the monthly sales revenue of a business in either April 2019 or February 2020
 - Maximum payment will be \$5,000 per business
 - Funding can be used for any purpose, including paying fixed costs or expenditures related to reopening the business
- Eligibility criteria
 - Businesses or not-for-profit entities with fewer than 500 employees
 - Have been ordered to temporarily close or significantly curtail operations
 - Were carrying on business in Saskatchewan on Feb. 29, 2020
 - Have experienced a loss in revenue due to COVID-19
 - Plan to reopen business operations within 90 days following the cancellation of the COVID-19 public health orders, and

- Have not received any payments or amounts from any other sources, including insurance, to replace or compensate for the loss of sales revenue other than amounts from other government assistance programs
- Application
 - Entities must apply on or before July 31, 2020
 - The application form is available online

April 14, 2020

Saskatchewan support for oil and gas sector

- A number of relief measures for the provincial oil and gas sector are being introduced in response to the COVID-19 pandemic and the low price of oil, including:
 - Extending a series of filing and other deadlines
 - Extending mineral rights, scheduled to expire in 2020, including rights granted under the terms of an oil and gas lease, an exploration license or a permit
 - Reducing the industry portion of the Oil and Gas Administrative Levy by 50% this fiscal year and delaying the invoicing of the remaining balance until October 1, 2020, providing the sector with \$11.4 million of relief to address immediate liquidity challenges

MANITOBA MEASURES - April 17, 2020

Manitoba Protection Plan increased

- The government is committing an additional \$300M to the previous \$100M investment in the Manitoba Protection Plan. The funds will be used for a broad range of purposes, including:
 - Purchasing essential medical supplies and equipment
 - Supporting made-in-Manitoba production of medical equipment and personal protective equipment, including \$15M to be awarded to the production of Manitoba designed reusable silicone N95 masks
 - Providing training and grants to child-care experts to become entrepreneurs by opening their own small-scale daycare facilities
 - Establishing a COVID-19 research fund through Research Manitoba
 - Providing mental health support through a new digital online service

ONTARIO MEASURES – April 18, 2020

New funding to develop innovative solutions to combat COVID-19

- Ontario announced the COVID-19 Rapid Research Fund, providing a \$20M investment to advance medical research and develop innovative solutions to track and defeat COVID-19.
- The new fund, which will support for both direct and indirect costs, with no maximum per request, is open to universities and colleges, research hospitals and non-profit research institutions. Applicants are invited to submit proposals by April 24, 2020 that:

- Contribute to the global response to mitigate the rapid spread and potential negative consequences
- Provide evidence to inform the clinical and public health response, or inform decision-making and planning at domestic and international levels
- Are highly feasible with immediately achievable and important results
- Are supported by the vice president of research, CEO or scientific director at the applicant's institution

QUEBEC MEASURES – April 17, 2020

Support for Quebec's agriculture sector

- The government announced the investment of \$45M to help in the recruitment and support of Quebecers to work helping farmers with fieldwork this harvest season.
- \$42.6M will be provided through an additional \$100 per week incentive to farm workers, provided they work a minimum of 25 hours per week. This is in addition to the hourly wage paid to workers by their farm employer. This year, Quebec's harvest season runs from April 15, 2020 to October 31, 2020.
- \$2M will be provided to agricultural companies to assist in the transportation of workers to the fields, and \$200,000 will support hiring people to train the new workers.

PRINCE EDWARD ISLAND MEASURES – April 16, 2020

New support for tourism operators

- The government announced a new \$50M loan assistance program for the province's tourism sector. The fund will provide a maximum of \$1M in financing support at 4% interest rate to tourism operators. Both principal payments and interest will be deferred for the first 18 months.
- The province will also provide interest relief on existing loans to tourism operators for up to 18 months.
- \$1M is being allocated towards expanded marketing to assist in a quick recovery of the industry.
- The province is waiving the licensing, inspection and Tourism PEI advertising fees for the 2020 operating season.
- Non-profit organizations that received funding from Tourism PEI and/or Atlantic Canada Opportunities Agency will be fully compensated for all eligible expenses related to events cancelled as a result of COVID-19.

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

Deloitte LLP
Bay Adelaide Centre, East Tower
8 Adelaide Street West, Suite 200
Toronto ON M5H 0A9
Canada

This publication is produced by Deloitte LLP as an information service to clients and friends of the firm, and is not intended to substitute for competent professional advice. No action should be initiated without consulting your professional advisors. Your use of this document is at your own risk.

Deloitte provides audit & assurance, consulting, financial advisory, risk advisory, tax and related services to public and private clients spanning multiple industries. Deloitte serves four out of five Fortune Global 500® companies through a globally connected network of member firms in more than 150 countries and territories bringing world-class capabilities, insights and service to address clients' most complex business challenges. To learn more about how Deloitte's approximately 264,000 professionals—14,000 of whom are part of the Canadian firm—make an impact that matters, please connect with us on LinkedIn, Twitter or Facebook.

Deloitte LLP, an Ontario limited liability partnership, is the Canadian member firm of Deloitte Touche Tohmatsu Limited. Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee, and its network of member firms, each of which is a legally separate and independent entity. Please see www.deloitte.com/about for a detailed description of the legal structure of Deloitte Touche Tohmatsu Limited and its member firms.

Please note that Deloitte is prepared to provide accessible formats and communication supports upon request.

© Deloitte LLP and affiliated entities.