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COVID-19

FINANCIAL IMPACT UPDATE

Application Deadline Extensions For CEBA And BCAP Loans

On August 31, 2020, the Federal Department of Finance announced it has extended the loan application deadlines for the Canada Emergency Business Account (“CEBA”) and the Business Credit Availability Program (“BCAP”). The CEBA program, which provides loans up to \$40,000 with 25% forgiveness if paid by December 31, 2022, now has an application deadline of October 31, 2020. The BCAP loan application program deadline is now extended until June 30, 2021.

For more details please refer to the following link: <https://www.canada.ca/en/department-finance/news/2020/08/government-announces-greater-flexibility-and-extension-of-canada-emergency-business-account.html>

New 2020 T4 Reporting Requirements Announced

Details of the new 2020 T4 reporting requirements have been announced. For the tax year 2020, in addition to reporting employment income in Box 14 or Code 71, employers must use the following new information codes when reporting employment income and retroactive payments in the following periods:

- Code 57: Employment income - March 15 - May 9
- Code 58: Employment income - May 1- July 4
- Code 59: Employment income - July 5 - August 29
- Code 60: Employment income - August 30 - September 26



For more details please refer to the following link: <https://www.canada.ca/en/revenue-agency/campaigns/covid-19-update/support-employers-cra-covid-19.html>

In addition to the revision to T4 reporting requirements noted above, eligible employers, who have availed of the 10% Temporary Wage Subsidy (“TWS”), must file a TWS subsidy self-identification form PD-27. CRA will use the amounts declared on this PD-27 form to reconcile the 2020 annual remittances on the business’ payroll account. Filing the declaration will ensure that the company does not receive a discrepancy notice and requirement to pay under remitted payroll remittances.

The PD-27 declaration form can be found at the following link: https://www.canada.ca/en/revenue-agency/services/forms-publications/forms/pd27.html?utm_source=payroll_deductions&utm_medium=eml

Extended CRA Deadlines Reminder

Please be reminded that on July 27th, the CRA further extended the following payment deadlines to September 30th:

Individuals

- 2019 individual tax return balances owing
- Installment payments for June 15 and September 15th

Corporations

- Corporate tax balances due on or after March 18 and before September 30, 2020
- Corporate tax instalment payments that were due on or after March 18th and before September 30th (corporations were previously provided with a deferral to September 1st for these payments)

Trusts

- 2019 trust tax return balances owing
- Installment payments for June 15 and September 15th

Note that the CRA will not charge late-filing penalties where a 2019 individual return or a 2019 or 2020 corporation, or trust return is filed late as long as it is filed by September 30, 2020.

The CRA will also waive arrears interest on existing tax debts related to individual, corporation, and trust income tax returns from April 1, 2020, to September 30, 2020, and from April 1, 2020, to June 30, 2020, for Goods and Services Tax/Harmonized Sales Tax (GST/HST) returns. While this measure for existing tax debts does not cancel penalties and interest already assessed on a taxpayer’s account prior to this period, it will ensure that a taxpayer’s existing tax debt will not grow through interest charges during this difficult time.

For further detailed information, please refer to CRA’s website: <https://www.canada.ca/en/revenue-agency/campaigns/covid-19-update/covid-19-filing-payment-dates.html>



Please note that due to the rate at which the current COVID-19 situation is changing, and the response by government to feedback on its initiatives, the information contained in this update is accurate as of the release date indicated above.

