Blaney McMurtry LLP

PUBLICATION

Tax Update: GST/HST Considerations for Canadian Businesses Affected by COVID-19

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The Department of Finance and the Prime Minister, Justin Trudeau, announced new support for small businesses on Friday, March 27, 2020. These measures come as part of the COVID-19 Economic Response Plan and aim to provide direct support and tax deferrals to Canadian workers and businesses to help them in these difficult times:

GST/HST for Canadian Businesses

- GST/HST remittances and customs duty payments are deferred to **June 30, 2020**.
- The deferral of payment to **June 30, 2020** will extend the time that:
- Monthly filers have to remit amounts collected for the February, March and April 2020 reporting periods;
- Quarterly filers have 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, have 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.

Customs Duty and Sales Tax

With respect to the payment of GST and customs duties on goods imported by businesses:

- section 33.7(1) of the *Customs Act* is being used to defer payment deadlines of statements of accounts for March, April, and May until **June 30, 2020**.

The *Customs Act* is overseen by the Minister of Public Safety and Emergency Preparedness and administered by the Canada Border Services Agency. Typically, payments owing for customs duties and the GST on imports are due before the first day of the month following the month in which the Statements of Accounts are issued.

The author would like to acknowledge and thank articling student Antoine Killin for his contributions to this article.

The information contained in this article is intended to provide information and comment, in a general fashion, about recent cases and related practice points of interest. The information and views expressed are not intended to provide legal advice. For specific legal advice, please contact us.