

Indirect Taxes

Over the past month, the federal and provincial governments of Canada have announced various relief measures with respect to the filing and payment of indirect taxes. These measures were then subject to modifications and clarifications. Their objective is to help companies facing liquidity problems given the current crisis. We summarize these measures below.

Goods and Services Tax (GST) / Harmonized Sales Tax (HST) & Quebec Sales Tax (QST)

On March 27, 2020, the Prime Ministers of Canada and Quebec announced the postponement until June 2020 of the payment of the GST / HST and the QST.

With regard to this announcement, Finances Canada and Revenu Québec specify, on their respective websites, that the deadline for paying the GST / HST and the QST, for any payments or remittances that become due on or after March 27, 2020, and before June 1st, 2020, is extended to June 30, 2020. No interest nor penalty will be applied if the payment is made before the end of June 2020.

Note that for the GST / HST as well as the QST, the tax authorities have clarified that there is no postponement of the date for filing the returns. Thus, returns must be filed within the prescribed deadline. However, the tax authorities have confirmed that, if a business is unable to file its return within the prescribed deadline, no late filing penalty will apply as long as the return is filed by June 30, 2020.

In addition, also on March 27, 2020, the federal government announced the postponement to June 30, 2020 of the payment of customs duties and GST on products imported into Canada by businesses.

Tax on lodging in Quebec

On April 9, 2020, Finances Québec announced the postponement to July 31, 2020 of the deadline for filing the lodging tax return that would otherwise have had to be filed by April 30, 2020, as well as the deadline to make the related payment.

Therefore, under this measure, registrants will generally have to file two returns by July 31, 2020, one for the first calendar quarter of 2020 and one for the second calendar quarter of this year.

British Columbia Provincial Sales Tax (PST)

British Columbia postponed to September 30, 2020 the deadline for filing PST returns and making the related payment, for all returns and payments that become due as of March 23, 2020 and before September 30, 2020. No late payment penalty will be assessed and no interest will be applied before September 30, 2020.

Manitoba Retail Sales Tax (RST)

Small and medium businesses with monthly RST remittances of no more than \$10,000 per month that would normally be due on April 20, 2020 and May 20, 2020 will now be due on June 22, 2020.

Small and medium businesses that file on a quarterly basis that have a due date of April 20, 2020 will now have the due date extended to June 22, 2020.

In addition, the businesses that qualify for the above filing extension that were not able to file their February 2020 RST return or to make the related payment by March 20, 2020 will not be assessed a late filing penalty and interest will not be applied until after June 22, 2020.

Businesses that are not eligible for the extension will still be required to file their RST returns and make their payments by the normal due dates. However, businesses directly impacted by the COVID-19 crisis, that are unable to file or make their payment by the required due date, should request a cancellation of the interest and penalty imposed by the tax authority.

Saskatchewan Provincial Sales Tax (PST)

Saskatchewan PST registrants should file their monthly or quarterly PST returns on time.

For registrants experiencing cash flow problems as a result of the COVID-19 crisis, Saskatchewan has extended the PST payment as follows:

- Monthly filers can postpone until July 31, 2020 the payment of the amounts due for the reporting periods of February, March and April 2020;
- Quarterly filers can postpone until July 31, 2020 the payment of amounts due for the reporting period from January 1 to March 31, 2020.

No interest nor penalty will be applied to the extent that payment of PST is made by July 31, 2020.

The information in this release is of a general nature. For the purposes of your business' particular situation, you would be advised to consult with a sales tax professional.

PSB Boisjoli's sales tax professionals will gladly assist you with any sales tax matter.