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Tax Alert – Canada

Alberta government support

EY Tax Alerts cover significant tax news, developments and changes in legislation that affect Canadian businesses. They act as technical summaries to keep you on top of the latest tax issues. For more information, please contact your EY advisor or EY Law advisor.

On 18 March 2020, the Alberta government announced new funding and supportive measures to provide immediate financial relief to Albertans and employers. The premier stated that “This is an initial set of measures, and more will follow in the days to come.” This is in addition to supplementary financial support previously announced for charitable and non-profit groups to support seniors and other vulnerable populations. These measures are also in addition to those announced in the federal government’s 18 March 2020 Economic Response Plan - see [EY Tax Alert 2020-15](#) for more details on the federal Economic Response Plan.

A summary of the new measures to support workers and businesses, as well as tax measures, is outlined below.

Help for Albertans and workers

Emergency isolation support

The Alberta government has budgeted a \$50 million temporary program to help bridge the gap between federal emergency payments that begin in April. This will apply to working Albertans who do not have another source of compensation (including Employment Insurance) and are required to self-isolate, as well as sole caregivers of a dependent who must self-isolate. Eligible individuals will be able to apply online next week to receive a payment of \$1,146 (\$573 per week).

Utility payment holiday

Electricity and natural gas bill payments can be deferred for the next 90 days. This applies to residential, farm and small commercial customers of any service provider.

Student loans repayment holiday

A six-month, interest-free pause on student loan repayments will begin 30 March 2020 for those who need it. No application is necessary.

Job protections

All employees, regardless of the amount of time worked, will have their jobs protected if they are required to self-isolate or are caring for a dependent that is required to self-isolate. No medical note is required.

Help for employers

Many Alberta employers, particularly small businesses, are facing extraordinary financial stresses and will need support with short-term cash flow. The government's initial solution is through deferred corporate tax payments.

Corporate income tax changes

Beginning 19 March, corporate income tax balances and instalment payments can be deferred until 31 August 2020. Presumably this will be adjusted to 1 September 2020 to match the date of the federal deferrals. It is estimated that this measure will provide Alberta businesses with access to \$1.5 billion to help them with their short-term cash flow challenges.

Access to credit

Personal customers of ATB Financial can apply to have their loans, lines of credit and mortgage payments deferred for up to six months.

Similarly, small business customers of ATB Financial can apply for deferrals on loans and lines of credit, but can also apply for additional working capital offerings.

Other businesses and agriculture customers should contact ATB Financial as some solutions are being considered for them as well.

For provincially regulated credit unions, personal and business members will be offered various financial relief solutions to ease their burdens on a case-by-case basis.

Learn more

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