

2020 Issue No. 22
24 March 2020

Tax Alert – Canada

BC relief plan

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 23 March 2020, the BC government announced a \$5 billion relief plan for BC residents and businesses affected by the current situation. This plan includes \$2.8 billion in support for individuals to weather the crisis and \$2.2 billion in relief for businesses and economic recovery. Premier John Horgan said, "Our action plan focuses on services to protect people's health and safety, gives immediate relief to people and businesses, and plans for BC's economic recovery over the long term." Finance Minister Carole James said this action plan is the first step to support people and businesses. This Alert summarizes the key support measures.

Help for BC individuals

Emergency Benefit for Workers

Of the \$2.8 billion allocated to individuals, \$1.1 billion will be used to support income for workers and families. This includes a one-time \$1,000 tax-free "Emergency Benefit for Workers" payment to British Columbians whose employment has been negatively affected due to the crisis. Workers who are eligible for federal Employment Insurance or either the new federal Emergency Care Benefit or Emergency Support Benefit are also eligible for this program. The application process will open in April 2020, with payment expected in May 2020.

Student loans repayment extension

All BC student loan payments will automatically be paused for six months from 30 March 2020 until 30 September 2020 with no interest.

Help with insurance and utility bills

The Insurance Corporation of British Columbia announced that customers on a monthly automatic payment plan can defer their payment up to 90 days with no penalty.

On 13 March 2020, BC Hydro announced [an assistance program](#) that provides customers with the option to defer bill payments or arrange for flexible payment plans with no penalty. This initiative is in addition to their existing Customer Crisis Fund Grant program, which provides support of up to \$600 to individuals experiencing financial hardship.

Rental protections

On 18 March 2020, BC Housing placed a temporary moratorium on evictions and rent adjustments for tenants in subsidized and affordable housing.

Medical Services Plan (MSP)

Under BC's public health insurance, the MSP coverage wait period will be waived for those returning from impacted areas who intend to stay in BC. BC is also waiving the wait period for those who return to BC to maintain coverage if it is found that they were outside of the province for longer than the allowable time period. Temporary MSP coverage may also be granted for some individuals, such as those who are out of province and unable to return or those with an expired work or study permit.

Licensed day care providers

On 20 March 2020, the BC government announced emergency funding to help support licensed child care providers that wish to stay open in order to support families and front-line workers as well as those that are closed due to the current situation. Those centres that are closed will receive support to help cover fixed costs.

Extended tax deadlines and other measures

- ▶ **Provincial tax filing and payment deadlines** – Many deadlines are deferred until 30 September 2020, effective immediately. This includes the extension of filing and payment deadlines for Provincial Sales Tax (PST), employer health tax, motor fuel tax, carbon tax, tobacco tax, and municipal and regional district tax.

- ▶ **Deferral of certain BC budget measures** – Measures announced in the 2020-21 BC budget (tabled on 18 February 2020) to expand PST registration requirements for Canadian sellers of goods, as well as for Canadian and foreign sellers of software and telecommunication services, and to impose PST on sweetened carbonated drinks with effect from 1 July 2020 will be deferred. Similarly, the scheduled increase to the carbon tax, which was to take effect on 1 April 2020, will be deferred, and carbon tax rates will remain the same until further notice.
- ▶ **Reduction in school property tax for 2020** – School property tax for properties in the business and light and major industry property classes (i.e., classes 4, 5 and 6) will be halved for the 2020 tax year.
- ▶ **Climate action tax credit increase** – In July 2020, a one-time special payment will be made by British Columbia to individuals through an increase in the maximum amounts under its BC Climate Action Tax Credit. A family of four will receive up to \$564 under the enhanced credit (compared with up to \$450 under the regular credit for the July 2020 to June 2021 benefit year).

Learn more

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