

Alleviating the crunch

How new government programs can help



Outline



- Federal Supports for Business
 - Business Credit Availability Program
 - Federal Wage Subsidy
 - Changes to tax deadlines
 - Other Measures
 - Supports for Workers
- Provincial Supports
 - Province by province overview
- What CFA is doing
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 - Advocacy efforts

Business Credit Availability Program



- Will provide more than \$10 billion of additional support, largely targeted to small and medium-sized businesses.
- Aimed at financing credit-worthy Canadian businesses with viable business models
- To access BCAP you must first contact your financial institution – they will work with BDC and/or EDC where appropriate.
 - Business Development Bank of Canada (www.BDC.ca)
 - Export Development Canada (www.EDC.ca)
- There is no limit for how much you can borrow
 - BDC, EDC and participating financial institutions will continue to employ internal risk management practices for granting credit.
- Issue – BDC currently requires a personal guarantee from the borrower
 - CFA is working with the federal government to try and amend this requirement
- [For more information](#)

Federal Wage Subsidy

- Temporary wage subsidy for a period of three months.
- Equal to 10% of remuneration paid during that period, up to a maximum subsidy of \$1,375 per employee and \$25,000 per employer.
- Associated CCPCs will not be required to share the maximum subsidy of \$25,000 per employer.
- Subsidy is self administered – reduce federal, provincial income tax remittances to the CRA
- [For more information](#)

Changes to tax-filing and payment deadlines



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- Individuals
 - Deadline to file deferred until June 1, 2020.
 - Deadline to pay 2019 taxes moved to September 1, 2020 (no penalties or interest accrued)
- Self-employed
 - Filing deadline remains June 15, 2020
 - Deadline to pay any balance due has been extended from April 30, 2020, to September 1, 2020.
- Businesses
 - Filing deadlines are unchanged – due six months after the taxation year-end.
 - Deadline to pay income tax amounts that become owing or due after March 18, 2020 and before September 1, 2020 has been extended to September 1, 2020.
 - No penalties or interest if your balance due is paid by September 1, 2020.
- Audits
 - The CRA will not contact any small or medium (SME) businesses to initiate any post assessment GST/HST or Income Tax audits for the next four weeks.



Other Measures

- Extending the Work-Sharing program
 - an adjustment program to help avoid layoffs when there is a temporary reduction in business activity
 - extending the maximum duration from 38 weeks to 76 weeks
- Insured Mortgage Purchase Program
 - provides long-term stable funding to banks and mortgage lenders to help facilitate continued lending
- Supporting financial stability
 - Bankers' Acceptance Purchase Facility – BoC
 - Lowering the Domestic Stability Buffer – OSFI
 - Standing Term Liquidity Facility - BoC

Supports for Workers

- Increasing the Canada Child Benefit (CCB)
 - providing an extra \$300 per child per year
- Special Goods and Services Tax credit payment
 - One-time payment - \$400 for individuals and \$600 for couples
- Mortgage support
 - Canadian banks are offering mortgage payment deferment (added interest is incorporated into the new monthly payment once the deferment ends).
- Canada Emergency Response Benefit – new
 - a taxable benefit of \$2,000 a month for up to 4 months to workers who must stop working due to COVID19 and do not have access to paid leave or other income support
 - Applications start April 6

British Columbia



- Supports for people (\$2.8 billion)
- \$1.1 billion to boost the income of people affected by COVID-19.
 - New B.C. Emergency Benefit for Workers will provide a tax-free \$1,000 payment to workers who have been laid-off, sick, quarantined, etc.
- Increasing and expanding the B.C. Climate Action Tax Credit in July 2020 (families, \$564; individuals, \$218)
- \$1.7 billion includes investments in housing and shelter supports, income and disability assistance programs and crucial health services
- ICBC is extending deferrals to up to 90 days
- Supports for business (\$2.2 billion)
- Businesses with a payroll over \$500,000 can defer their employer health tax payments until Sept. 30, 2020.
 - Businesses with a payroll under this threshold are already exempt from the tax.
- Extending tax filing and payment deadlines for the provincial sales tax (PST), municipal and regional district tax on short-term accommodation, tobacco tax, motor fuel tax and carbon tax until Sept. 30, 2020.
- Deferred the increase to the provincial carbon tax, along with new PST registration requirements on e-commerce and the implementation of PST on sweetened carbonated drinks, will be delayed and their timing will be reviewed by Sept. 30, 2020.
- Business and light- and major-industry property classes will see their school tax cut in half.
 - Provides \$500 million in immediate relief for business
 - Allows commercial landlords to immediately pass savings on to their tenants in triple-net leases.

Alberta



- Education property tax freeze (will save businesses \$87 million)
- Education property tax deferral for business for six months (keeps \$458 million in hands of employers).
 - Encouraging commercial landlords to pass on these savings to their tenants
- WCB premiums deferral until early 2021
 - Employers who have paid can get a rebate or credit
 - SME's - government will cover 50% of the premium
- Additional measures
 - Payment of corporate income tax deferred until Aug. 31, 2020
 - \$50 million to support emergency isolation for those who must self-isolate
 - Utility payment deferral for residential, farm, and small commercial customers for the next 90 days
 - Six-month, interest-free moratorium on Alberta student loan payments

Saskatchewan



- [List of Critical Public and Business Services](#) (changes frequently)
- [Managing Staffing and Leave](#)
 - staffing, work-sharing, layoffs and leave and EI benefits
- Provincial Sales Tax
 - three-month relief from penalty and interest charges.
- Provincial Tax Returns
 - Businesses may submit a request for relief from penalty and interest charges
- Audits have been suspended
- Provincial Utilities
 - All Crown utilities will implement bill-deferral programs allowing a zero-interest bill deferral for up to six months
- Self-Isolation Support Program
 - For workers forced to self-isolate and who are not covered by federal EI programs can receive \$450 per week, for a maximum of two weeks or \$900.
- Procurement
 - SaskBuilds Single Procurement Service will serve as a central point of contact and co-ordination (procurement@gov.sk.ca)

Manitoba



- Tax Filing Deadline Extension
 - Extended the April and May tax filing deadlines until June 22, 2020 for small and medium businesses with monthly RST remittances of no more than \$10,000.
 - Businesses that file on a quarterly basis that have a due date of April 20, 2020 have had the due date extended to June 22, 2020. [Please see this bulletin for full details.](#)
- [Other Information for Workplaces and Employees](#)

Ontario



- \$10 billion in support for people and businesses to improve cash flows by:
 - five-month interest and penalty-free period to make payments for the majority of provincially administered taxes (\$6 billion in relief)
 - Deferring the upcoming quarterly (June 30) remittance of education property tax to school boards by 90 days (\$1.8 billion in relief).
 - provides municipalities with the flexibility to provide property tax deferrals to local residents and businesses.
 - WSIB premium payment deferral for up to 6 months (\$1.9 billion in relief)

Quebec

- \$2.5 billion to help companies weather COVID-19
- [Concerted temporary action program for business \(PACTE\)](#)
 - New emergency funding measure provides ad hoc and exceptional support for businesses affected by the repercussions of COVID-19.
 - Preference given to providing loan guarantees
 - The minimum funding amount is \$50,000.
- Income Tax Deadlines
 - Individuals – filing deadline has been extended to June 1, 2020
 - Businesses - filing deadline has been extended to July 31, 2020
- [Temporary Aid for Workers Program](#) - financial assistance for workers in isolation and not eligible for another financial assistance program

New Brunswick



- Waiving late penalties on property taxes:
 - must be paid by May 31, late penalties will be reviewed on a case-by-case basis
- Deferring interest and principal payments on existing loans for up to six months on existing provincial loans.
- New operating loans for small business
 - will provide operating loans of up to \$200,000.
 - Payments of interest and principal will not be required during the first 12 months.
 - Administered through Opportunities New Brunswick (ONB)
- Injecting needed working capital for mid-to-large employers:
 - ONB can provide working capital in excess of \$200,000 to help large employers
- [WorkSafeNB](#) has announced assessment premiums deferred for three months without interest charges.

Nova Scotia



- Nova Scotia pledges \$161M to help small businesses
- Government will defer payments on all government loans and small business fees until June 30, 2020
- Changes to the Small Business Loan Guarantee Program, administered through credit unions, include:
 - deferring principal and interest payments until June 30
 - enhancing the program to make it easier for businesses to access credit up to \$500,000
 - those who might not qualify for a loan, government will guarantee the first \$100,000
- Other measures :
 - small businesses which do business with the government will be paid within five days instead of the standard 30 days
 - suspending payments on Nova Scotia student loans for six months
 - \$15 million as an incentive to Internet Service Providers to speed up projects under the Internet for Nova Scotia Initiative

Prince Edward Island

- [Emergency Income Relief for the Self-Employed](#) – a temporary program put in place to support the self-employed affected by Covid-19
- [Emergency Relief - Worker Assistance Program](#) – a temporary program to provide financial support to employers to assist their employed workers who have been impacted by reduced hours at work as a result of COVID-19
- [Emergency Working Capital Financing](#) – a financing program to provide emergency working capital financing of up to \$100,000 to assist PEI's small business
- [Employee Gift Card Program](#) – in partnership with Sobeys this temporary program will offer a \$100 Sobeys gift value to any employee who has received a lay-off notice

Newfoundland and Labrador



- [Compensation to Workers in COVID-19 Self-Isolation](#)
- No other supports have been announced



What the CFA is doing

- Lobbying federal, provincial and municipal governments for additional supports and relief
 - Wage subsidy needs to increase
 - Worker Compensation Premium Subsidy
 - Sales Tax Remittance Deferrals
 - Commercial rent relief
 - Municipalities must forgo property tax payments during this crisis
 - Relief from utility bills
 - Loan Payment Deferrals (Term Loans, CSBFP, etc.)
 - Require rating agencies to freeze credit scores
 - Create an incentive/subsidy for new hires
 - Changes to the Canada Small Business Finance Program
 - Improving access to capital
 - Increase maximum loan amount
 - Allow a portion of working capital to be financed by the CSBFP

Thank you

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