As COVID-19 (Coronavirus) continues to reach new milestones and further impact the global economy, businesses are experiencing unprecedented disruption across the globe. From supply chain issues and diminished workforce mobility, to severe supply chain interruption, the threat to organizations is real and intensifying rapidly.

Many North American jurisdictions have taken tax and economic measures to reduce the financial/tax burden on companies doing business in their jurisdiction. Overall, certain North American jurisdictions have created a significant package that aims to provide relief for different groups and business.

This slide deck contains a high-level overview of the key measures that have been published in several North American jurisdictions. Policy changes are being proposed and enacted on a daily basis. Although this document will be updated, not all information will be up-to-date as the process moves forward.

Please consult with your RSM engagement team to check for new developments and to determine how these provisions will impact your business.
# Table of Contents

<table>
<thead>
<tr>
<th>Country</th>
<th>Slide Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canada</td>
<td>4</td>
</tr>
<tr>
<td>Mexico</td>
<td>13</td>
</tr>
<tr>
<td>Puerto Rico</td>
<td>16</td>
</tr>
<tr>
<td>United States</td>
<td>18</td>
</tr>
</tbody>
</table>
Business tax measures
Canada Revenue Agency (CRA) has announced the following changes and updates to Income tax and indirect tax filing and payment dates to assist businesses alleviate impact from COVID-19.

Income taxes – Update on changes to filing deadlines

<table>
<thead>
<tr>
<th>Filing / Payment Type</th>
<th>Original Deadline</th>
<th>Extended Deadline</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate Tax Filings (Federal)</td>
<td>6 months after year-end (i.e., June 30 for Dec. 31 year-ends)</td>
<td>Income tax returns for corporations otherwise due in June, July, or August are now due on Sept. 1.</td>
</tr>
<tr>
<td>Corporate Tax Filings (Alberta)</td>
<td>6 months after year-end</td>
<td>Unchanged. However, if a corporation's tax return filing deadline is between March 19, 2020 and May 31, 2020, the deadline is extended to June 1, 2020.</td>
</tr>
<tr>
<td>Corporate Tax Filings (Quebec)</td>
<td>6 months after year-end</td>
<td>Unchanged. However, if a corporation's tax return filing deadline is between March 18, 2020 and May 31, 2020, the deadline is extended to June 1, 2020.</td>
</tr>
<tr>
<td>Corporate Tax Payments (Federal and Provincial)</td>
<td>Installments (if monthly required) are due by end of month.</td>
<td>Extended to Sept. 1, 2020 for all payments due between March 18 and Aug. 31, 2020.</td>
</tr>
<tr>
<td>Part XIII Nonresident Tax Filings</td>
<td>March 30 of subsequent year</td>
<td>Extended to May 1, 2020</td>
</tr>
<tr>
<td>Part XIII Nonresident Tax Remittance Payments</td>
<td>By the 15th of subsequent month in which payment was made to nonresident</td>
<td>Unchanged</td>
</tr>
</tbody>
</table>
**Indirect taxes – General deadlines, and communication on COVID-19.**

<table>
<thead>
<tr>
<th>Filing / Payment Type</th>
<th>Original Deadline</th>
<th>Extended Deadline</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>GST/HST Returns (Monthly, Quarterly, or Annually depending on revenue)</strong></td>
<td>End of subsequent month (monthly / quarterly) / March 31 if annual filer (i.e. If monthly filer, the January return is due by end of February. If quarterly filer, the Q1 return is due by end of April)</td>
<td>Unchanged. However, the CRA will not impose penalties where a return is filed late provided it is filed by June 30, 2020.</td>
</tr>
<tr>
<td><strong>GST/HST Remittance Payments (Federal)</strong></td>
<td>Follows filing deadlines</td>
<td>Vendors with annual sales of more than $6 million remit and report monthly, and those with annual sales of $1.5 million to $6 million can remit and report on a quarterly basis (or monthly if they choose to) Remittances for February, March, and April 2020 reporting periods are extended to June 30, 2020</td>
</tr>
<tr>
<td><strong>PST Remittance Payments</strong></td>
<td>Follows filing deadlines</td>
<td>Manitoba – deferral of retail sales tax payment deadlines by an additional two months Saskatchewan – deferral of PST payments due by March 20 for three months BC – deferral of PST payments until Sept. 30, 2020</td>
</tr>
<tr>
<td><strong>QST Returns</strong></td>
<td>Follows GST/HST deadlines</td>
<td>Unchanged. However, no late-filing penalty will be imposed on returns due between March 27, 2020 and June 1, 2020 if they are filed by June 30, 2020.</td>
</tr>
<tr>
<td><strong>QST Remittances</strong></td>
<td>Follows GST/HST deadlines</td>
<td>The deadline to remit QST including the instalment payments for all the statements between March 27, 2020, and June 1, 2020 is extended to June 30, 2020.</td>
</tr>
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</table>
The Canadian government announced its strategy to implement tax and similar measures to combat the effects of COVID-19 for its taxpayers, businesses, and the Canadian economy. The measures announced are as follows:

**Medical response – CAD 1 Billion**

Beginning on March 11, Prime Minister Justin Trudeau announced CAD 1 billion of funding to fight the COVID-19 pandemic. This funding was targeted at the health sector and was broken down as follows:

- CAD 500 million to support critical health care system needs
- CAD 275 million for vaccine development
- CAD 100 million for enhanced testing
- CAD 50 million for communication efforts
- CAD 50 million to assist other countries
- CAD 50 million for personal protection equipment

**Business Credit Availability Program (BCAP) – CAD 10 Billion**

On March 13, 2020, Federal Finance Minister Bill Morneau announced that CAD 10 billion would be available through the Business Credit Availability Program and to be administered through the Business Development Bank of Canada (BDC) and Export Development Canada (EDC). The BDC is offering support for entrepreneurs impacted by the Coronavirus COVID-19 using the following three programs:

- **Small business loans**: Loans up to CAD 100,000 to buy equipment, software, or for other business expenses. Capital payment can be postponed for the first six months and repaid over five years.

- **Working capital loans**: Loans of more than CAD 100,000 for working capital, increasing inventory to meet demand, taking advantage of discounts offered by suppliers, and supplementing a line of credit. Payments can be matched to cash flow patterns. Personal assets will not be taken as collateral.

- **Purchase order financing**: Entrepreneurs can cover up to 90% of the purchase order amount associated with larger sales, maintain a line of credit or grow their business. Offers shorter terms than the working capital loans.
Direct support for individuals and businesses – CAD 27 Billion

On March 18, Prime Minister Justin Trudeau announced additional measures in the amount of CAD 27 billion of direct funding targeted to support individuals and small businesses.

Direct funding targeted to support Canadian individuals is as follows:

- **Canada Emergency Response Benefit (CERB):** This taxable benefit provides $2,000 a month for up to four months for workers, contractors, and self-employed individuals who lose their income as a result of the COVID-19 pandemic. It replaces the previously announced emergency care benefit and emergency support benefit.

- **Employment insurance (EI) sickness benefits:** Individuals receive up to a maximum of $573 a week as a percentage (55%) of their earnings. Eligible recipients of regular insurance benefits receive the benefit for up to 45 weeks, while recipients of the sickness insurance benefit have up to 15 weeks. Waived the one-week waiting period to claim EI sickness benefits and removed the requirement to provide a medical certificate to access.

- **EI Work-Sharing Program:** Workers who agree to reduce their normal working hours as a result of developments beyond employers’ control can receive EI benefits for an extended period of up to 76 weeks.

- **Goods and services tax credit (GSTC) enhancement:** Proposition to enable a one-time special payment through the GSTC by early May 2020 to 12 million modest/low income families. Injecting CAD 5.5 billion into the economy (CAD 400 for single individuals and CAD 600 for couples).

- **Canada child benefit (CCB):** For families with children who may also require additional support, the government is proposing to increase the maximum annual CCB payment amounts for the 2019 – 2020 benefit year by CAD 300 per child. The overall increase based on current CCB recipients will be average CAD 550 per family. The incremental funding will be made in May. This measure will deliver almost CAD 2 billion in extra support.

- **Registered Retirement Income Fund (RRIF):** The government is reducing the required minimum withdrawals from the RRIF by 25% for 2020.
• **Canada student loans:** Six-month interest free moratorium on repayments starting March 30, 2020. No payment will be required, and interest will not accrue during this time. Students do not need to apply for the repayment pause.

• **Mortgage support:** All customers who are currently in good standing and have been affected by COVID-19 can apply for mortgage relief from their bank. Mortgage payments are skipped for a defined period of time, during which interest would be added to the outstanding balance of the mortgage.

**Direct funding targeted to support Canadian businesses is as follows:**

• **Canada Emergency Wage Subsidy (CEWS):** The Canada Emergency Wage Subsidy provides a temporary 75% wage subsidy of eligible remuneration paid between March 15, and June 6, 2020, for eligible employers (Taxable corporations, partnerships, nonprofit organizations and charities).
  - Organizations must show a drop in revenues of at least 30% due to COVID-19 compared to the same month the prior year for the months of March, April and May.
  - This benefit will apply on the first $58,700 earned or up to $847 a week. There is no ceiling to the amount that an eligible employer can claim.
  - Employers must also do their best to top-up their employees’ compensation to pre-crisis levels. This benefit will be retroactively applied to March 15, 2020.

• **Temporary wage subsidy:** Organizations that do not qualify for the Canada emergency wage subsidy may qualify for the wage subsidy of 10% of remuneration paid from March 18, 2020, to before June 20, 2020, up to a maximum subsidy of $1,375 per employee and $25,000 per employer.
Canada (continued)

- **Employment Insurance Work-Sharing Program**: Provides employment insurance benefits to eligible employees who agree to reduce their normal working hours and share the available work while their employer recovers. Workers can receive benefits for an extended period of up to 76 weeks.
  - To receive the benefit a reduction of work by at least 10% to 60% is required.
  - Eligibility criteria must be met by both employees and employers.
- **Canada Emergency Business Account**: One-year interest-free loans of up to $40,000 to small businesses and nonprofits. Repaying the balance of the loan on or before Dec. 21, 2022, will result in loan forgiveness of 25%.
  - To qualify these organizations will need to demonstrate they paid between $50,000 to $1 million in total payroll in 2019.
- **Loan guarantee for small and medium-size enterprises**: New operating credit and cash-flow term loans of up to $6.25 million to small and medium-size businesses.
  - This program is administered through Export Development Canada and participating financial institutions.
- **Co-lending program for small and medium-sized enterprises**: Co-lending term loans to small and medium-size businesses of up to $6.5 million.
  - This program is administered through the Business Development Bank of Canada and participating financial institutions. This program will roll out in three weeks after March 27, 2020.
Canada (continued)

Tax deferral – CAD 54 Billion

- On March 18, Prime Minister Justin Trudeau announced additional measures in the amount of CAD 54 billion to allow for tax payment deferral for both individual taxpayers and small businesses.

- **Flexibility for individual taxpayers:** Individual tax return filing date will be deferred until June 1, 2020. Individuals who expect to receive benefits under the GSTC enhancement or the CCB are encouraged to not delay the filing of their return to ensure their entitlements for the 2020 – 2021 benefit year are properly determined. For trusts having a taxation year ending on Dec. 31, 2019, the return filing due date will be deferred until May 1, 2020.

- **Flexibility for businesses filing taxes:** Business tax return filing date deferred until after Aug. 31, 2020, the payment of any income tax amounts that become owing on or after March 18, 2020, and before September 2020. This relief would apply to tax balances due, as well as installments, under Part I of the Income Tax Act. No interest or penalties will accumulate on these amounts during this period.

Provincial incentives for business

- Alberta Orphan Well Association Loan
- Granting extensions for oil and gas tenures (Alberta)
- Funding the Alberta Energy Regulator levy
- Utility Payment Deferral (Alberta)
- Tourism levy deferral (Alberta)
- Workers Compensation Board premium payment deferral (Alberta)
Canada (continued)

**Provincial incentives for business (continued)**

- Farmers’ Markets Online (British Columbia)
- Carbon Tax Relief Grant (British Columbia)
- Small Business Impact Grant (Nova Scotia)

For more information about provincial incentives for business, please visit [RSM Canada’s Coronavirus Resource Centre Funding Guide](#).

**Provincial incentives for individuals**

- Utility payment deferral (Alberta)
- Financial support for families (Ontario)
- Temporary Aid for Workers Program (Quebec)
- B.C. Emergency Benefit for workers (British Columbia)
- Self-Isolation Support Program (Saskatchewan)
- Worker Emergency Bridge Fund (Nova Scotia)

For more information about provincial incentives for individuals, please visit [RSM Canada’s Coronavirus Resource Centre Funding Guide](#).

**Provincial funding and loans for business**

- Emergency aid for small and medium enterprises (Quebec)
- Small Business Emergency Working Capital Program (New Brunswick)
Canada (continued)

Provincial funding and loans for business (continued)


Government link(s) and resources
- Canada’s COVID-19 Economic Response Plan
- Canada Emergency Wage Subsidy
- Temporary Wage Subsidy FAQs
- Canada Emergency Response Benefit

RSM link(s) and resources
- RSM Canada Coronavirus Resource Centre
- RSM Canada Tax Alerts
- RSM Canada Funding Guide
On March 23, 2020, the Mexican government announced the following tax measures to provide an update on the COVID-19 effects for companies:

**Business tax measures**
- The filing of corporate and partnership income tax returns remained due on March 31, 2020. There were no extensions.
- Possibility to defer social security payments for up to 48 months with prior agreement with the Mexican Institute for Social Security (IMSS), and upon a 20% upfront payment for the employer quota and 100% of the worker quota. No posting of a bond or other kind of guarantee is needed. The monthly interest rate ranges between 1.26% and 1.82%.
- The National Workers Housing Fund Institute (INFONAVIT) will give SME (up to 250 employees) an extension for the housing contributions corresponding to the second and third bimesters (i.e., period of two months) until September 2020.

**Personal tax measures**
- The Federal government announced on April 22, 2020, that it will be extending the deadline to file individual tax returns for fiscal year 2019 until June 30, 2020.
- The taxpayers that submit the annual return for the year 2019 by June 30, 2020 (extended deadline for COVID-19) may opt to pay the tax due in installments. Six monthly installments will be allowed, with the first installment due by June 30, 2020.

**Other tax measures**
- With respect to any foreseeable tax breaks, the Mexican government has been silent thus far.
- Any individual required to file an individual income tax return in Mexico based upon tax residency is advised to be aware of the deadline. Unlike the U.S., Mexico does not allow for extensions to the filing date of individual tax returns.
Other general measures

In response to the COVID-19 pandemic, the Mexican government, through the Secretary of Health (SH), issued in late March 2020, guidance regarding Extraordinary Measures that the entire country must adopt, applicable from March 30, 2020 through April 30, 2020.

Essential and non-essential activities

The extraordinary measures include, among other, the mandatory cessation of all non-essential activities. The SH guidance includes a list of activities considered essential, and that, therefore, are to continue.

In addition to the above, in guidance published on April 6, 2020, the manufacture and distribution of the following items are to be considered an essential activity:

- Steel
- Carbon extraction
- Concrete and cement
- Glass
- Electronic commerce and related digital services

Social security taxes

Possibility of deferring up to 80% of employer’s share of social security tax for up to a period of 48 months with a reduced interest rate of 1.6%
State taxes

• Local incentives for state taxes such as relief or deadline extensions may be available in some States (18 out of 31). The range of measures has been diverse, from extensions to file and pay taxes, to waivers on certain state taxes such as wage tax, property tax, vehicle registration, hotel tax, among others.

• Some states are offering a reduction of up to 50% of the tax paid to fund the state public school system. Reduction and terms vary from state to state.

Government link(s) and resources

• Secretary of Health Agreement issued March 31, 2020

RSM link(s) and resources

• Mexico response to COVID-19 (authored by RSM US)
On March 12, 2020, the Governor of Puerto Rico declared a state of emergency in response to the impact of COVID-19. On March 15, 2020, the Governor of Puerto Rico issued an executive order establishing additional measures to prevent the spread of COVID-19. Additionally, the Puerto Rico Treasury Department (PRTD) announced in AD 20-05 the following tax related measures to provide relief to Puerto Rican taxpayers:

**Business tax measures**

- Extensions of time to file returns that are due between March 15, 2020 and April 15, 2020 by one month.
  - Income tax returns and payments may be further postponed until July 15, 2020 (pending official guidance from the PRTD)
- Puerto Rico Income Tax Return for pass-through entities that is due on March 15, 2020 is extended through April 15, 2020.
- All other taxpayers with a fiscal year-end, tax return, or extension due on March 15, 2020 is extended through April 15, 2020.
- Estimated tax payments due in March are extended to April 15, 2020.
- Information returns (originally due Feb. 28, 2020 and previously extended through March 31, 2020) are further extended until April 15, 2020.

**Personal tax measures**

- Additional extension was announced on March 23, 2020 through July 15, 2020 (pending official guidance from the PRTD).
Puerto Rico (continued)

VAT / other indirect tax measures

- Extension of monthly sales and use (SUT) returns that are due between March 15, 2020 and March 31, 2020 for one month.
- February monthly state and municipal SUT returns that would be due on March 20, 2020, are extended through April 20, 2020.
- Tax in imports monthly return that is due on April 10, 2020, is extended for one month.
- SUT bi-monthly payment due on March 16, 2020 and March 31, 2020, are not extended. However, no penalty will be assessed if balance is paid with monthly SUT return on or before April 20, 2020.
- Additional extension for the bi-monthly payment was announced on March 23, 2020, by the Puerto Rico Governor (pending official guidance from the PRTD).

Other measures

- Internal revenue licenses: notice of alert about risk of suspension of license and imposition of penalties in cases wherein businesses do not comply with the lockdown rules instituted by the Puerto Rico Governor.

Link(s) and resources:

- [http://www.hacienda.gobierno.pr/sobre-hacienda/publicaciones/area-de-rentas-internas-y-area-de-politica-contributiva/publicaciones-oficiales](http://www.hacienda.gobierno.pr/sobre-hacienda/publicaciones/area-de-rentas-internas-y-area-de-politica-contributiva/publicaciones-oficiales)
Federal taxes
On Friday, March 20, 2020, Treasury Secretary Steven Mnuchin said that the deadline for April 15, 2020 filings will be deferred to July 15, 2020, and the IRS has released a variety of important guidance describing the relief available. Please refer to the tax alert issued by RSM US on April 10, 2020 for further information.

Congress has passed several key pieces of legislation including the Families First Coronavirus Response Act (FFCRA) and the Coronavirus Aid, Relief and Economic Security Act (CARES). Please refer to the articles issued by RSM US on these topics: FFCRA and CARES.

State taxes
State deadlines are not necessarily affected by federal rules, although many states have also followed federal guidance.

- Please refer to this state tax alert released by RSM US.
- The AICPA is also tracking state updates, which are available via this link.

Small Business Administration (SBA) Programs
The SBA has made Economic Injury Disaster Loans of up to USD 2 million available to qualifying businesses suffering substantial economic harm as a result of COVID-19. The funds are designed to be used for operating costs including payroll, accounts payable, and fixed debts. SBA Loans are repaid over up to 30 years and have interest rates of 3.75%. They also offer a one-year deferment on payments and under certain conditions the loans may be forgiven. The size of qualifying businesses varies by industry. Applications may be submitted online and typically take two to three weeks for approval.

In addition, there are a variety of other programs that may be available. Please refer to the information on the following topics:

- Paycheck Protection Program
- A business guide to the Main Street Lending Program
RSM link(s) and resources

- Subscribe to RSM Tax Alerts. Stay current on future U.S. Treasury and legislative developments and industry insights with RSM tax alerts.
- RSM’s Coronavirus Tax Issues. Visit this tax-focused resource center for timely and relevant COVID-19 information focused on tax impact.
- RSM Coronavirus Resource Center. Visit the RSM Coronavirus Resource Center so you can stay current on all relevant COVID-19 developments.
- Webcast series. This weekly webcast addresses multiple issues related to COVID-19, including economic, business continuity, and tax updates.

Government link(s) and resources

- IRS’ Coronavirus Tax Relief and Economic Impact Payments
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