



# TaxNewsFlash Canada

## B.C. Offers Tax Deferrals and Extensions for COVID-19

March 24, 2020  
No. 2020-28

British Columbia announced that individuals and businesses will have more time to meet filing and payment deadlines for certain provincial taxes. The province recently announced its COVID-19 response plan that includes, among other changes, measures to extend deadlines for some taxes until September 30, 2020, and delay some tax proposals announced in its 2020 provincial budget, as well as its scheduled carbon tax increase. In addition, the response plan includes financial support measures. British Columbia said that it would provide additional details on these changes soon.

### Background

British Columbia announced several new tax measures in its 2020 provincial budget including eliminating the provincial sales tax (PST) exemption for carbonated beverages that contain sugar, natural sweeteners or artificial sweeteners. British Columbia also proposed to expand registration requirements for Canadian sellers of goods, along with Canadian and foreign sellers of software and telecommunication services. For details see *TaxNewsFlash-Canada* 2020-04, "[Highlights of the 2020 British Columbia Budget](#)".

### Provincial tax deadlines extended

British Columbia will extend filing and payment deadlines for the following taxes until September 30, 2020:

- Employer health tax
- Provincial sales tax (including municipal and regional district tax)

- Carbon tax
- Motor fuel tax
- Tobacco tax.

### Delayed budget changes

British Columbia will postpone the following tax changes announced in its 2020 provincial budget until further notice:

- Eliminating the PST exemption for certain carbonated beverages
- Expanded registration requirements for Canadian sellers of goods, and Canadian and foreign sellers of software and telecommunication services
- Aligning the carbon tax rates with the federal carbon pricing backstop.

### Delayed carbon tax increase

British Columbia also announced plans to freeze its carbon tax rates so that they remain at their current levels until further notice. Previously, the province planned to adjust its tax rates on April 1, 2020.

### Reduced School Tax Rates for Businesses

The province said it will reduce school tax rates for commercial properties (Classes 4, 5 and 6) by 50% for the 2020 tax year.

### Enhanced B.C. Climate Action Tax Credit

British Columbia will make an additional one-time payment on top of the regular climate action tax credit amount for qualifying individuals and families. The province will make this payment in July 2020.

British Columbia also indicated that it will proceed with its previously scheduled credit increase effective July 2020.

### Other financial measures

In addition, British Columbia also announced other economic measures, including a new B.C. Emergency Benefit for Workers. This benefit provides a one-time \$1,000 payment in May 2020 to people who lost income because of COVID-19. B.C. residents are eligible for the benefit where they receive federal Employment Insurance, or the new federal Emergency Care Benefit, or the new federal Emergency Support Benefit.

British Columbia also announced financial measures to:

- Freeze B.C. student loan payments for six months
- Temporarily suspended evictions of tenants in subsidized and affordable housing due to non-payment of rent
- Defer certain monthly hydro and insurance bills.

**Stay connected on the latest COVID-19 developments**

We continue to watch tax and legal issues related to the evolving COVID-19 situation and will provide further information as it becomes available. For the latest developments, see our dedicated COVID-19 site, [The Business Implications of Coronavirus](#).

**We can help**

Your KPMG advisor can help you assess how COVID-19 may affect your tax obligations in light of these new announcements. We can also keep you abreast of any tax-related changes related to COVID-19 that you'll need to consider in the days and weeks ahead.

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