



# TaxNewsFlash

Canada

## Quebec — Statute-Barred Time Periods Resume September 1

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Taxpayers may be affected by upcoming Quebec changes to resume the clock on when tax returns become statute-barred, starting September 1, 2021. Previously, Quebec temporarily suspended certain time periods due to COVID-19 effective March 13, 2020, and essentially extended the deadlines for Revenu Quebec to raise tax assessments or to recover tax debts. As a result of this change, certain time periods that were effectively paused on March 13, 2020 are now officially set to resume as of September 1, 2021, including the time period to determine when returns are considered statute-barred.

### Background

Generally, a tax year is considered to be statute-barred three or four full years after the date on an original notice of assessment issued by Revenu Quebec (i.e., the normal reassessment period).

In 2020, Quebec announced it would temporarily suspend the time limit for Revenu Quebec to reassess reporting periods for QST and other provincial taxes, as well as to recover tax debts, including interest, as of March 13, 2020. This change was proposed in Bill 61, which was introduced on June 3, 2020. In these proposals, the time period limitations were to resume 90 days after the end of the public emergency. These proposals were not adopted before Quebec's National Assembly adjourned for the summer of 2020.

Quebec reintroduced these proposed suspensions in Bill 82, presented on December 11, 2020. Bill 82 was amended before it received assent and provides that these time

periods are now scheduled to resume on September 1, 2021 (i.e., 90 days after Bill 82 received assent on June 2, 2021).

Previously, the federal government extended the CRA's ability to make an assessment, reassessment or additional assessment for a taxpayer for a maximum of six months, until December 31, 2020 at the latest. This extension applied to periods which would otherwise have expired on or after May 20, 2020 and before December 31, 2020. In addition, this extension applied to an assessment, reassessment or additional assessment of a registrant's GST/HST returns, rebates, penalties or interest.

### Suspension set to end

As a result of this change, taxpayers that filed Quebec returns that were scheduled to become statute-barred after March 13, 2020 may see that date effectively extended by approximately 18 months as a result of this suspension.

### We can help

Your KPMG adviser can help you assess how this change may affect your tax obligations. 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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