



CRA Tax Relief: 3 Awesome Ways the CRA Is Helping You Out

Description

Canada is still in the process of flattening the coronavirus curve, although there are indications that the efforts are proving successful. Prime Minister Justin Trudeau said the country is not out of the woods yet.

While some provinces appear to have reached the peak, the federal government is hoping to develop a high level of immunity. The best-case scenario is to have a vaccine in place. Until then, however, people should expect some public health measures to remain.

Meanwhile, the Canada Revenue Agency (CRA) is providing tax reliefs that can help taxpayers during the pandemic.

Tax date extensions

The CRA's prompt response to the COVID-19 outbreak is the [tax date extension](#). Individual and corporate taxpayers have until June 1, 2020 to file 2019 tax returns. The deadline for the payment of taxes owed has also been moved to September 1, 2020. It will be a penalty-free extension for 2019 taxes or 2020 installments.

Income support

With employment reductions or layoffs along with social distancing and stay-at-home directives, economic relief is badly needed. Hence, the CRA is providing two forms of cash support — the first is the Canada Emergency Response Benefit (CERB).

Full-time, part-time, contract, and seasonal workers as well as self-employed individuals can receive \$500 per week for a maximum of 16 weeks. If you're eligible, the benefit is available from March 15, 2020, to October 3, 2020. The CRA will accept applications until December 2, 2020.

Additional income support

The second cash support is a twin-boost targeting parents and families with low and modest incomes. In the one-time enhancement of the Canada Child Benefit (CCB), there's an additional \$300 per child. The Good and Services Tax (GST) will double for singles (+\$400) and couples (+\$600). The CRA will administer all the payments.

Application for CEWS is open

Canadian employers are in a financial bind. As businesses slow down, many companies are implementing cost-saving measures. The first order of the day is to cut manpower complement. Trucking and logistics firm **Mullen Group** ([TSX:MTL](#)) has temporarily laid off 1,000 workers.

Mullen is a potential applicant for the Canada Emergency Wage Subsidy (CEWS). The window is now open and the company can rehire its laid-off workers by applying for the [75% wage subsidy](#).

According to Mullen Chairman and CEO Murray Mullen, the demand for discretionary consumer goods and its services in commodity-based industries has significantly weakened since mid-March.

This \$600 million company provides specialized transportation equipment and trained operating personnel to the oil and gas industry in Western Canada. When the company presented its Q1 2020 earnings report on April 23, 2020, the first message was that Mullen's 2020 business plan can't be achieved.

While the company has about \$85 million in cash and unused \$150 million credit line, the business will be extremely challenging in the next 90 days. With the suspension of dividends and the stock losing by 36.3% year to date, Mullen is not an attractive option if you want to invest in the market today.

Trust taxes

In light of an extended lockdown, Canadians should trust taxes in this crisis-era. The awesome tax reliefs by the CRA should lessen the economic pain. It will enable you to cover the present as well as the near-term financial needs.

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