



5 Ways the CRA Is Doing a Fantastic COVID-19 Job for Canada

Description

Ever since the coronavirus became a pandemic, the Canada Revenue Agency (CRA) is the busiest government agency in Canada. The CRA is administering all of the country's COVID-19 Economic Response Plan. It has been doing a fantastic job so far. The tax agency attends to all sectors affected by the emergency health crisis in 2020.

There are five areas the CRA is providing [valuable services](#) to for Canadian individuals and businesses. The tasks will run for months or longer, depending on how the situation progresses.

Tax date changes

The CRA gave individual and corporate taxpayers sufficient time by moving the filing of tax returns and tax payments to June 1, 2020, and September 1, 2020, respectively. The said extensions are without interest or penalties.

Support for workers

The federal government is anticipating a wave of employee layoffs due to the pandemic. As such, the CRA is responsible for dispensing the Canada Emergency Response Benefit (CERB). CERB is the financial support (\$500 weekly) available to displaced full-time, part-time, contract, and seasonal workers.

Enhanced childcare benefit

The CRA is granting a one-time increase in the Canada Child Benefit (CCB) for the benefit year 2020-2021. Parents with children under their care will receive an additional \$300 in CCB beginning in the May installment.

Student benefit

Students and recent graduates who are unable to work or find work can avail of the Canada Emergency Student Benefit (CESB). The CESB from the CRA is \$1,250 per month over four weeks. Students with dependents will receive an extra \$750.

Subsidy for companies

Employers of all sizes, with gross revenue drops of 30% in April and May, can contact the CRA. Application to the Canada Emergency Wage Subsidy (CEWS) is open.

With the CEWS providing a 75% wage subsidy, companies can avoid layoffs or rehire laid-off employees. The program is available for 12 weeks and will run from March 15 to June 6, 2020.

Canadian plane and train maker **Bombardier** ([TSX:BBD.B](#)) is [a candidate for CEWS](#). Its recent mass layoff involves 12,400 employees. It was one of the largest furloughs early in the pandemic. This \$1 billion company is still biting the bullet, while aircraft and rail production are at a standstill.

In Q1 2020, Bombardier took a big hit. While revenue grew by 5%, losses reached \$200 million. Management hopes to mount a comeback beginning the third quarter, although it expects to incur substantial losses again in the second quarter.

The problem now is how to return to profitability with the business slowdown and \$9 billion in debt. Furthermore, the outlook is not encouraging, as jet deliveries could fall by up to 35% this year.

According to Eric Martel, Bombardier's CEO, the company expects to burn around \$1.6 billion in cash in Q2 2020. From an investment standpoint, scratch out this industrial stock from your list of options. The price could even drop to zero.

Hands full

The CRA has got its hands full in the COVID-19 pandemic. There will be changes in case the federal government needs to introduce new measures. The work of the tax agency is so extensive, but somebody has to do it. Kudos to the CRA!

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Date

2025/08/19

Date Created

2020/05/22

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