



## CRA 2020: 3 COVID-19 Changes That Could Last Forever

### Description

The COVID-19 pandemic has shaken Canadian society, ushering in radical changes in public and private life. Some of the biggest changes have occurred at the Canada Revenue Agency (CRA). In response to the pressures of the pandemic, the federal government pushed forward radical new programs to provide financial relief to individuals and businesses.

Today I want to discuss how some of [these changes](#) could last forever.

### CRA 2020: How CERB could become permanent

In March, the federal government introduced the Canada Emergency Response Benefit (CERB). This radical program allowed Canadians whose job prospects were negatively impacted by the pandemic to immediately apply for financial relief. This financial relief came in the form of a taxable \$2,000/month payment that would stretch for four months. As of early June, the CRA has processed more than 15 million applications.

Back in 2015, the Trudeau-led Liberals ran on a progressive campaign that pushed them to a majority government. One of the programs they had suggested was a basic income pilot, which would allow for a guaranteed monthly payment to Canadians.

In many ways, the CERB is in line with the original concept. Canadian unemployment has soared to the mid-teens, and many job losses may be permanent. This could spark an extension of the CERB program or a reinvention of the basic income idea.

Canadians should also explore building their own [passive income streams](#). **Canadian Western Bank** is a great dividend stock to target for those seeking steady income. The stock last possessed a very favourable price-to-earnings ratio of 8.5 and a price-to-book value of 0.8.

Moreover, Canadian Western offers a quarterly dividend of \$0.29 per share, which represents a 4.6% yield. The bank has delivered dividend-growth for 28 consecutive years.

## Subsidies for businesses

Businesses have been hit hard by the COVID-19 pandemic and subsequent lockdowns. In response, the federal government allowed businesses to apply for a subsidy through the CRA. The Canada Emergency Wage Subsidy (CEWS) provides a subsidy of 75% of employee wages for 24 weeks. This is retroactive from March 15, 2020 to August 29, 2020.

The CRA wage subsidy will also help businesses re-hire previously laid off workers. As I'd mentioned previously, it may take more time than anticipated for jobs to return. Because of this, the federal government may explore more strategies that will help support businesses that are emerging from this historical crisis.

## Income tax deadlines

Another measure the federal government took to support Canadians was to extend the filing deadline for income tax. The extension of these deadlines is a measure that could bleed into the next tax year. Canadians should expect a chaotic filing year in 2021 as taxpayers sift through the chaos of 2020.

The CRA will also begin sifting through CERB applications, which is expected to be a long and painstaking process. Officials may therefore look to offer further extensions that could provide relief both to taxpayers and CRA employees.

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### Date

2025/09/10

### Date Created

2020/06/05

### Author

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