Mar 19, 2020

Important Québec tax updates – Filings and disputes

Author(s): Mark Brender, Alain Fournier, Maude Lussier-Bourque, David Wilson

Updated March 31, 2020

In an effort to keep you informed of the impact of recent Canadian and Québec tax changes (particularly in response to the COVID-19 pandemic), the Osler Tax Group will provide periodic updates of measures announced by the federal and provincial governments with respect to tax reporting, payment deadlines and other compliance issues. In addition, we will provide updates on measures affecting delays, filing requirements and other procedural issues relevant to tax audits and disputes.

This Osler Update focuses on the measures announced by the Québec government on March 17, 2020, March 18, 2020 and March 27, 2020. The measures announced on March 18, 2020 by the Québec government harmonize the postponement of payment deadlines for Québec tax purposes with the changes to the payment deadlines announced by the federal government.

For a summary of the measures recently announced by the federal government, please see our federal Tax Update.

**TAX FILINGS AND PAYMENTS**

The following is a summary of the extensions and relief measures regarding income tax compliance recently announced by the Québec government. These measures are intended to relieve some of the financial distress and uncertainties experienced by businesses and individuals.

On March 27, 2020, Revenu Québec announced that the deadlines for administrative tax actions that would otherwise fall between March 17, 2020 and May 31, 2020 are deferred to June 1, 2020. As a result, Revenu Québec specified that the deadlines for the following actions (among others), which would otherwise fall between March 17, 2020 and May 31, 2020, are extended until June 1, 2020:

- filing of corporate tax returns,
- filing of elections under Québec tax legislation and regulations (except elections relating to QST, which are harmonized with rules regarding GST),
- tax credit requests,
- submitting answers to information requests made by Revenu Québec, and
- mandatory or preventive disclosure regarding aggressive tax planning.
On March 27, 2020, the Québec Government also announced that it will accelerate the processing of tax refunds and requests for tax credits intended for businesses.

While it is reasonable to expect that the government of Québec will ultimately introduce legislation formally extending other deadlines, the information in this Osler Update is based on information publicly available at this time.

INDIVIDUALS

For individuals, the filing due date for 2019 personal income tax returns is extended from April 30, 2020 to June 1, 2020.

The deadline to pay any tax balance for the 2019 taxation year is deferred to September 1, 2020.

The deadline to pay instalments for the 2020 taxation year that are usually required to be paid by individuals no later than June 15, 2020 is deferred to September 1, 2020.

The rules governing the calculations to determine the amount of the tax instalments normally due on June 15, 2020 and the amount of the tax instalments payable on September 15 and December 15, 2020 are not modified.

TRUSTS (OTHER THAN SIFTs – SPECIFIED INVESTMENT FLOW THROUGH TRUSTS)

For trusts (other than SIFTs) whose income tax return filing-due date for the 2019 taxation year is March 30, 2020, the filing-due date is extended to May 1, 2020.

The deadline to pay any tax balance for 2019 that would be due no later than March 30, 2020 is deferred to September 1, 2020.

The deadline to pay instalments for the 2020 taxation year that are usually required to be paid by trusts no later than June 15, 2020 is deferred to September 1, 2020.

CORPORATIONS

On March 27, 2020, Revenu Québec announced that the filing due date of corporate tax returns that would otherwise be due between March 17, 2020 and May 31, 2020 is deferred to June 1, 2020.

The deadline for payment of the balance of tax payable by corporations that would otherwise be due between March 17, 2020 and August 31, 2020 is deferred to September 1, 2020.

The deadline for tax instalments by corporations that would otherwise be required to be paid between March 17, 2020 and August 31, 2020 is deferred to September 1, 2020.

TRUSTS AND PARTNERSHIPS THAT ARE SIFTs

The rules applicable to tax return filings or the filing of the information returns for SIFT trusts or partnerships have not been modified.

The deadline for payment of the balance due by a SIFT trust or partnership that falls between March 17 and August 31, 2020 has been suspended and postponed to a date to be publicly announced by the Minister at a later time.
The deadline for payment of tax instalments by a SIFT trust or partnership that would otherwise be required to be made between March 17 and August 31, 2020 has been suspended and postponed to a date to be publicly announced by the Minister at a later time.

**PARTNERSHIP INFORMATION RETURN**

The measures announced on March 17 and 18, 2020 do not provide specific measures dealing with the filing of Partnership Information Returns. However, based on information available on Revenu Québec’s website, it seems that a Partnership Information Return that is required to be filed by March 31, 2020, could be filed by May 1, 2020.

**QUÉBEC SALES TAX (QST)**

On March 27, 2020, the Québec government announced that the deadline to make payments in respect of the March 31, April 30 and May 30 QST remittances is postponed until June 30, 2020. The payment deadlines stipulated in the tax legislation will apply for reporting periods whose deadlines fall after June 1, 2020.

Revenu Québec announced that the filing deadlines for QST returns are unchanged. These measures are therefore harmonized with the federal announcement on March 27, 2020 regarding GST/HST. Revenu Québec further announced that no late filing penalties will be imposed on a registrant who would file its QST returns no later than June 30, 2020.

**COLLECTIONS AND AUDITS**

Revenu Québec announced that it has suspended its audit activity, except for cases raising a risk of fraud. Revenu Québec has also suspended its collection activities. Furthermore, regarding collection measures, Revenu Québec announced that it will be open to extending payment agreements on a case-by-case basis.

**OBSERVATIONS**

On March 27, 2020, Revenu Québec announced that the 90-day deadline to file a notice of objection to a notice of assessment, which would otherwise fall between March 13, 2020 and June 29, 2020, is deferred to June 30, 2020.

With respect to the deadline to file an appeal to an assessment with the Court of Québec, pursuant to an order of the Court of Québec and the Minister of Justice, the deadline is suspended from March 15, 2020 until the expiry of the health emergency period.

The following outlines some suggestions for taxpayers intending to file notices of objection with Revenu Québec to notices of reassessment issued to such taxpayers.

For taxpayers having filed notices of objection that are currently being processed by Revenu Québec, we have been informed that the Objections Department will be closed on March 19, 2020 until April 21, 2020. Such taxpayers should therefore anticipate delays in the processing of notices of objection. Please note that we were advised that the situation is fluid and that the date of April 21, 2020 may change depending on how the current situation unfolds.

If you have already received a reassessment or notice of determination to which you intend to object,
consider filing your notice of objection well in advance of the due date in case there are disruptions to mail and courier services. Notices of objection must normally be filed no later than 90 days following the date of the notice of reassessment.

E-filing is not available for Québec objections but Revenu Québec administratively accepts faxed objections. On that basis, it is always preferable to file the notice of objection using two different methods (e.g., by fax and by registered mail). Should the current situation worsen, and in the event offices close, registered mail service may be restricted or unavailable and, in such case, we would recommend filing by courier.

If none of the suggested methods of filing (fax, registered mail or courier) are available, please contact us immediately so that we can assist you in finding an alternative filing method.

If you miss the 90-day filing deadline, please contact us immediately so that we can assist you in preparing a request to extend the filing deadline. We recommend keeping track of all efforts to file before the deadline, and the reasons you were unable to file in time (including, for example, disruptions to mail and courier services), as that will assist with the preparation of a request for extension. Please note that the extension request must be submitted within one year of the original deadline, and as soon as possible after the original deadline.

The information published by Revenu Québec regarding the impact of the COVID-19 pandemic can be found at the following links:

- Bulletin d’information 2020-5 [PDF]
- Nouvelles mesures pour faciliter la vie des citoyens et des entreprises
- Mesures d’assouplissement pour les citoyens et les entreprises
- Bulletin d’information 2020-4 [PDF]
- Bulletin d’information 2020-3 [PDF] (available in French only)
- Flexibility Measures for Individuals and Businesses

For further information on the above changes or other tax matters, please contact any member of our National Tax Group in the Montréal office.
CONTACT US

For more information, please visit osler.com or contact the following individual(s):

**MONTRÉAL**
Maude Lussier-Bourque, Associate, Tax
514.904.5644
MLussierBourque@osler.com

**MONTRÉAL**
Mark Brender, Partner, Taxation
514.904.5777
mbrender@osler.com

**MONTRÉAL**
Alain Fournier, Partner, Taxation
514.904.5390
afournier@osler.com

**MONTRÉAL**
David Wilson, Associate, Taxation
514.904.5418
dawilson@osler.com

© Osler, Hoskin & Harcourt LLP. This content is for general information purposes only and does not constitute legal or other professional advice or an opinion of any kind. You can subscribe to receive updates on a range of industry topics at osler.com/subscribe.