

Letter by email

Ottawa, June 24, 2020

The Honourable Diane Lebouthillier
Minister of National Revenue
House of Commons
Ottawa, Ontario,
Canada K1A 0A6

Subject: Deferral of penalties and interest on GST/HST Tax Remittances

Dear Minister Lebouthillier,

We are writing on behalf of the 110,000 small- and medium-sized enterprises (SMEs) who are members of the Canadian Federation of Independent Business (CFIB) in regard to the GST/HST deferral set to expire on June 30th. One of the first measures put in place by the government at the beginning of the COVID-19 outbreak was to allow businesses to defer GST/HST payments or remittances until June 30th, 2020. CFIB supported this decision as it helped small businesses deal with their cash flow, which continues to be among their top concerns.

As June 30th approaches, we are getting more and more inquiries about the deadline to pay GST/HST. Many small businesses are unsure whether they will be able to pay what they owe by then. Many are very worried about missing this deadline and being subjected to costly penalties and interest.

CFIB's weekly survey of its members shows that just over 50 per cent of our members are now fully open. The data also show that the majority of business owners are not only deeply worried about paying rent, mortgage and suppliers, but also getting paid by their clients. **In our latest survey, 76% of business owners agreed that "Deferred GST/HST payments (currently due June 30) should be repayable without penalty between now and the end of the year."**

Therefore, we are asking the government for leniency and flexibility for small firms who continue to struggle to pay their bills. Specifically, CFIB is proposing that government allow businesses to pay their outstanding GST/HST balances over the final six months of 2020 without penalties and interest. Government should encourage businesses to pay what they can but inform them that no interest or penalties on any outstanding amounts will apply until the end of the year. In addition, we request additional leniency on businesses who were not able to collect GST/HST from clients invoiced prior to, or during, the emergency period. Many firms have clients that have not survive or are struggling with their own cash flow issues. Showing flexibility and leniency will give businesses much needed financial breathing room.

Thank you for your attention to this matter. Should you have any questions or would like to discuss this further you can call our Ottawa office at **613-235-2373**, or email Corinne Pohlmann at corinne.pohlmann@cfib.ca or Jasmin Guénette at jasmin.guenette@cfib.ca.

Sincerely,

A handwritten signature in black ink, appearing to read 'Corinne Pohlmann' in a cursive style.

Corinne Pohlmann
Senior Vice-President
National Affairs and Partnerships

A handwritten signature in black ink, appearing to read 'Jasmin Guenette' in a cursive style.

Jasmin Guenette
Vice-President
National Affairs