

Letter sent by e-mail.

January 26, 2021

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

Subject: Request to implement tax deadline deferrals due to pandemic

Dear Minister Lebouthillier,

As you know, the [Canadian Federation of Independent Business](#) (CFIB) is a non-partisan, not-for-profit organization representing the interests of 110,000 small and medium-sized enterprises (SMEs) across Canada. Small businesses continue to struggle through the pandemic. [CFIB's latest dashboard](#) shows that only 47% of small businesses are currently fully open (down from 62% in November), 36% are fully staffed (down from 41%) and only 22% are making normal levels of sales (down from 29%). New CFIB data released January 21st found that one in six Canadian small businesses (181,000) are seriously contemplating permanently closing their business, putting more than 2.4 million jobs at risk. The need to assist small businesses through these challenging times remains critical.

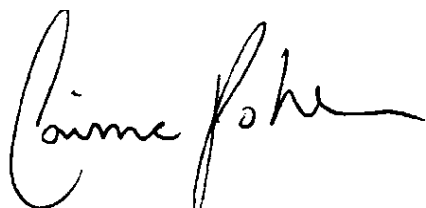
With lockdowns in place in many parts of Canada, small businesses are once again facing an uncertain future. Even though more than 70% of small business stated in a recent CFIB survey that COVID-19 Emergency Relief Programs are crucial to their survival in 2021, more help is needed. With ongoing expenses and far fewer customers, cash flow remains a big issue for many SMEs. In addition, we believe it is in the Government of Canada's interest to allow small business owners to continue to focus their attention on business survival, rather than requiring them to shift attention to government paperwork requirements and deadlines. To provide some relief in the short-term, we are asking that **government extend the deadlines for tax filing and payments**. This would also provide them with more time to address the complexities associated with filing taxes in a pandemic year.

We ask that **tax filing and payment deadlines be extended for T1 and T2 tax returns until September, as well as allow leniency for businesses struggling to get their T4 information returns filed by end of February and their PD27 forms by end of January**. We would also ask that government allow **GST/HST filings and payments to be deferred until at least the end of June** to allow businesses currently shut down or operating at reduced capacity some flexibility with their cash flow where needed.

In addition, it is our understanding that government subsidies, such as the forgivable portion of Canada Emergency Business Account loans, are to be included in 2020 business income. We believe this requirement will be missed by many entrepreneurs, particularly as this portion of the loan will not be officially forgiven by the financial institution until the balance is repaid later this year or in future years. We ask you to give business owners the flexibility to report the income associated with any forgivable loan in any tax year during the loan period and to ensure no business is penalized if it fails to report such income in its 2020 return.

Thank you for considering our members' concerns. If you have any questions or would like to meet to discuss this issue further, please feel free to contact us at our Ottawa office at 613-235-2373 ext. 1201 or by e-mail to Ms. Corinne Pohlmann at Corinne.Pohlmann@cfib.ca. We look forward to hearing from you.

Sincerely,

A handwritten signature in black ink, appearing to read "Corinne Pohlmann". The signature is fluid and cursive, with the first name "Corinne" written in a larger, more prominent script than the last name "Pohlmann".

Corinne Pohlmann
Senior Vice-President
National Affairs & Partnerships

c.c. The Honourable Chrystia Freeland, Deputy Prime Minister and Minister of Finance
Mr. Bob Hamilton, CRA Commissioner