



## April 2021

### Repayment of Covid Relief Benefits/Interest

In the third quarter of 2020, thousands of Self-Employed Canadians received a letter from CRA, telling them that they did not qualify for the benefits they had received since March 2020, as they did not earn the “required” \$5,000 in 2019/2020 “after” taxes. This was confusing.

#### What does Gross versus Net mean?

The CRA considers Self Employed(SE) income to be “Net” income; this means, what the SE has earned after deducting all expenses. This was not made clear when it was launched in March of 2020, people assumed it was \$5,000 “Gross”; this means income before expenses are deducted. It is good for all SE to remember that when dealing with CRA regarding income claimed that it is always after the allowable business deductions”. So it’s the Net income. For most Canadians, the past year has been difficult enough without having to worry about repaying all that money the government gave to help you get through these unprecedented times.

#### Interest repayment deadline

As a result of the growing concern for many Canadians, the government has decided to repeal their decision and push the interest owing to April 2022 instead. They also noted that this is for those that made their payment to CRA will receive a refund.

As of early February 2021, the government announced those that received CERB payments as a Self-Employed Canadian will not have to worry about repayment, as long as you are confirmed as eligible.



### Mark the following dates for your returns for 2020.

- **Deadline for filing for individual taxpayers:** April 30, 2021.
- **Deadline for payment for individual taxpayers:** your tax balance is due April 30, 2021. Unless you have specific circumstances that require you to pay taxes by instalment (such as a second job or revenue from an income property),
- **Deadline for filing for self-employed taxpayers (and their spouse or**

**common-law partner):** June 15, 2021.

• **Deadline for payment for self-employed taxpayers (and their spouse):**

Despite not being required to file their return until June 15, self-employed taxpayers (and their spouse) are required to pay their taxes by April 30, 2021.

• **Deadline for filing and payment by deceased taxpayers:** If the death occurred between Jan. 1 and Oct. 31, 2020, that person's tax return must be filed by April 30, 2021. If it occurred between Nov. 1 and Dec. 31, 2020, it must be filed within six months of the date of death.

• **Deadline for filing and payment by deceased taxpayers who were carrying on a business at the time of death:** If the death occurred between Jan. 1 and Dec. 15, 2020, while the business was active, that person's tax filing is due on June 15, 2021. If it occurred between Dec. 16 and Dec. 31, 2020, the tax filing is due within six months of the date of death.



**CEBA Loan payback**

1. If you received a loan of \$60,000 (it can be \$40,000 plus \$20,000) and you pay \$40,000 by December 31, 2022, The balance is forgivable
2. If you received a loan of \$40,000 and you pay \$30,000 by December 31, 2021, The balance is

forgivable

3. If you received an expansion loan of \$20,000 and you pay \$10,000 by December 31, 2020, The balance is forgivable



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