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# Tax Alert – Canada

## Federal and provincial tax payment deferral relief measures

EY Tax Alerts cover significant tax news, developments and changes in legislation that affect Canadian businesses. They act as technical summaries to keep you on top of the latest tax issues. For more information, please contact your EY advisor or EY Law advisor.

With the imposition of new tariffs and the economic uncertainty surrounding ongoing trade developments between the United States and Canada, the federal government and certain provinces have announced relief that will permit businesses to defer the payment of certain taxes. This relief will help businesses to manage cash flow obligations in the short term. To date, tax payment deferral relief has been announced by the federal government and by the provinces of Manitoba, Ontario and Quebec.

The following is a summary of the relief.

### Federal

On 28 March 2025, the Canada Revenue Agency (CRA) confirmed [on its website](#) that it will allow for the deferral of corporate income tax payments and GST/HST remittances from 2 April to 30 June 2025. This announcement follows the earlier [announcement](#) by Prime Minister Mark Carney on 21 March 2025 that such relief would be provided as a means to support businesses affected by tariffs.

Despite the reference to businesses affected by tariffs, the CRA has confirmed for us that this relief is available for all businesses. There is no requirement for a business to demonstrate that they have negatively been impacted by the tariffs.



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With respect to the relief, the CRA has stated that it will waive interest during the period of 2 April to 30 June 2025, inclusive, on the following:

- ▶ Corporate income tax instalments and arrears payments, as well as GST/HST remittances (including instalments) and arrears payments, that are required to be paid between 2 April and 30 June 2025; and
- ▶ Existing corporate income tax balances and GST/HST balances outstanding between 2 April and 30 June 2025.

Interest will resume on any outstanding payments, remittances, instalments and balances as of 1 July 2025.

The CRA also emphasized that all T2 corporate income tax returns and GST/HST returns must still be filed by their required filing due dates. Tax filing deadlines have not been extended.

## Manitoba

On 10 March 2025, Manitoba [announced](#) that all businesses will be eligible for an optional deferral of health and post-secondary education tax levy (payroll tax) remittances until 15 June 2025, without interest or penalties.

The deferral applies for February, March and April 2025 return periods and is for the payment of tax only; payroll tax returns for these periods must continue to be filed by the required due dates. The deferral also does not apply to any outstanding amounts of tax owing for prior periods.

A similar optional deferral was also [announced](#) for retail sales tax (RST) remittances until 20 June 2025. Manitoba RST registrants are still required to file RST returns on or before the required due dates.

## Ontario

On 7 April 2025, Ontario [announced](#) it will allow businesses to defer remittances for a number of provincially administered taxes for up to six months. Specifically, Ontario businesses may defer payments for the following provincial tax programs:

- ▶ Employer health tax;
- ▶ Insurance premium tax;
- ▶ Gasoline tax;
- ▶ Fuel tax;
- ▶ International fuel tax agreement;

- ▶ Mining tax;
- ▶ Tobacco tax;
- ▶ Beer, wine and spirits tax;
- ▶ Retail sales tax on insurance contracts and benefit plans; and
- ▶ Race tracks tax.

The six-month deferral period begins on 1 April 2025 and ends on 1 October 2025. All deferred taxes must be paid by 1 October 2025. The Ontario Ministry of Finance has confirmed that businesses must still file returns on time for the affected taxes during the deferral period.

## Quebec

On 28 March 2025, Quebec [announced](#) that it will harmonize with the federal government announcement mentioned above and will thus allow for the deferral of corporate income tax payments and Quebec sales tax (QST) remittances from 2 April to 30 June 2025. Interest will also resume as of 1 July 2025, and no extension is provided for tax filing deadlines.

## Summary table

The table below summarizes the above-mentioned relief.

Tax payment deferral summary table		
Jurisdictions	Taxes covered	Deferral periods
Federal	<ul style="list-style-type: none"> <li>▶ Corporate income tax</li> <li>▶ GST/HST</li> </ul>	<ul style="list-style-type: none"> <li>▶ 2 April to 30 June 2025</li> </ul>
Manitoba	<ul style="list-style-type: none"> <li>▶ Health and post-secondary education tax levy (payroll tax)</li> </ul>	<ul style="list-style-type: none"> <li>▶ Until 15 June 2025 (regarding February, March and April 2025 monthly return periods)</li> </ul>
	<ul style="list-style-type: none"> <li>▶ RST</li> </ul>	<ul style="list-style-type: none"> <li>▶ Until 20 June 2025 (regarding February, March and April 2025 monthly return periods and January-March 2025 quarterly return period)</li> </ul>

Tax payment deferral summary table		
Jurisdictions	Taxes covered	Deferral periods
Ontario	<ul style="list-style-type: none"> <li>▶ Beer, wine and spirits tax</li> <li>▶ Employer health tax</li> <li>▶ Fuel tax, gasoline tax, and international fuel tax agreement</li> <li>▶ Insurance premium tax</li> <li>▶ Mining tax</li> <li>▶ Race tracks tax</li> <li>▶ Retail sales tax on insurance contracts and benefit plans</li> </ul>	▶ 1 April to 1 October 2025
Quebec	<ul style="list-style-type: none"> <li>▶ Corporate income tax</li> <li>▶ QST</li> </ul>	▶ 2 April to 30 June 2025

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