



Read This Today! 2 Year-End Tax Tips for Every Investor

Description

As we approach the end of the trading year, there are a number of things Canadian investors can do to help out on the tax side of the earnings equation when it comes to dealing with investments.

Here are two simple tax tips for every investor:

1. Tax-loss selling

You still have time to dump your losers this year to offset gains you have booked in other areas of the portfolio.

The trading deadline for 2014 is today, December 24. This would ensure the trade settles before December 31, and makes the loss applicable for the current tax year.

It is important to remember that you can't repurchase the same stock for at least 30 days. One way to avoid missing a possible rally in the stock during the one-month waiting period is to purchase a similar company or an exchange-traded fund (ETF) that holds the stock.

For example, you could sell your shares of **Barrick Gold Corp.** ([TSX: ABX](#))(NYSE: ABX) and then use the proceeds to purchase a gold-miner ETF such as the **iShares S&P TSX Global Gold Index Fund** ([TSX: XGD](#)).

Another option is to gift the shares to your kids. This would trigger the loss on the stock and still keep the shares in the family. If the stock manages to rebound, your kids will benefit from the gains.

2. Donating investments to charity

You have until December 31 to donate investments to charity and get a tax receipt for 2014. The nice thing about this option is that many charities can receive donations online, so you would get the receipt immediately.

Both provincial and federal governments give tax credits for donations, and the combined tax savings

could be as high as 50% of the value of the donation.

Investors can gift publicly traded securities and mutual funds. If you have investments with accrued capital gains, you can eliminate the tax you have to pay on the capital gains *and* get the tax receipt for the fair market value of the investment.

This is an attractive strategy if you are in a high tax bracket and own a stock that has rallied significantly.

Year-end tax planning is just part of the entire investment strategy. Another core component involves analyzing the portfolio and deciding which stocks should be added or removed as you move into the new year.

If you are looking for a few reliable stocks to put on the 2015 watch list, the following free report is worth reading.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:B (Barrick Mining)
2. TSX:ABX (Barrick Mining)

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