



Hate Taxes? Earn \$9,000 a Year in Passive Income Tax-Free!

Description

There are two things that I hate when it comes to the stock market: taxes and capital losses. Unfortunately, investors have little control over the latter, but through prudent investing, taxes can be avoided.

With a \$100,000 investment in **SIR Royalty** ([TSX:SRV.UN](https://www.sirroyalty.com)) using a TFSA, investors can make \$9,000 in tax-free passive income guaranteed!

To put this into perspective, the average Canadian making \$962 a week will have to work 10 weeks (or 400 hours) to get \$9,000 in after-tax income. With an investment in SIR Royalty, you literally make money while you sleep!

I [recently wrote an article](#) on SIR Royalty, but since then its dividend yield has increased, which justifies another article. Investors should put money into SIR Royalty due to its portfolio of companies and its high dividend yield.

Portfolio of companies

When I first heard of SIR Royalty, my first thought was, "What the heck is SIR Royalty?!"

After conducting thorough research, my shock turned into a pleasant surprise as I found out the company is behind Jack Astor's, Scaddabush, and Canyon Creek, just to name a few.

The nice thing about SIR Royalty's portfolio of companies is its diversity. Jack Astor's cater to families that are looking for decent food at an affordable price. Scaddabush appeals to the more discerning customers who are willing to pay more for higher-quality food. Canyon Creek appeals to the carnivores who are looking to eat a nice steak.

This variety is very beneficial for investors as it allows the income fund to benefit from people eating out regardless of what they are in the mood for. Compared to other income funds, like **The Keg** and **Pizza Pizza**, SIR Royalty investors are not confined to a specific type of food, which makes it less

sensitive to changing consumer tastes.

High dividend yield

A couple of weeks ago, I wrote an article on SIR Royalty bragging about its 9% dividend yield. Upon revisiting the stock, its dividend yield has increased to 9.20%!

This is great news for investors, as it means a greater return on investment. To take full advantage of the dividend yield, I recommend investing in SIR Royalty through a TFSA.

By investing through a TFSA, investors can expect to save anywhere from \$2,000 to \$3,000 in taxes on this investment alone! Another benefit of the TFSA is the ability to reinvest dividends.

Given a \$100,000 investment in SIR Royalty, the \$9,000 in passive income can be reinvested to yield payments of \$9,810 the following year! Imagine if you reinvested into SIR Royalty for a period of five years! You would practically be swimming in money.

Summary

For those of you who hate taxes and want passive income, there is no better combination on the stock market than investing in SIR Royalty through a TFSA.

Its portfolio of companies provides something for everyone, which ensures investors that SIR Royalty is not losing out to other casual dining chains like The Keg.

Its high-dividend yield and opportunity to reinvest also present significant future passive-income potential.

Investors who are more passive-income oriented need to invest in SIR Royalty. The company's dividend yield is so generous that I have not seen a stock on the TSX that [has a higher yield](#).

CATEGORY

1. Investing

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1. Editor's Choice

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