



Earn \$5,880/Year TFSA Income That the Canada Revenue Agency Can't Touch

Description

Recently, some national news outlets were stating that the Canada Revenue Agency (CRA) was going after investors that had seen some significant gains through trading with their Tax-Free Savings Accounts (TFSAs).

Created in 2009, the TFSA provides Canadians with an opportunity to contribute upwards of \$6,000 a year annually for a maximum of \$69,500 starting in 2020. The gains that you make in your TFSA on investments are 100% tax-free.

[The TFSA has been a huge hit](#) over the last decade, helping people build a nest egg towards retirement that they might not have been able to before. It has also helped capitalize on the historical stock market and economic activity that continues to improve on a day-to-day basis.

At the same time, a couple of things can get you in trouble with the CRA when it comes to TFSA activity, such as overcontributing to your account or using it as a platform for more active trading than it was intended for.

Thankfully, with some strategic investments in stocks and securities poised to improve in value, your TFSA account can see significant value grow inside of it.

An industry-leading pipeline stock

Enbridge ([TSX:ENB](#))([NYSE:ENB](#)) is one of Canada's leading energy infrastructure companies and has been for several years. The stock is performing extremely well in 2019, and investors are very bullish about how it's going to perform in 2020. Over the last year, shares of ENB have provided returns of 21.97%.

[Investors are excited about ENB](#) and its prospects because of its plans to bring several major projects online between 2020 and 2022. Already responsible for transporting 25% of all the crude oil produced throughout North America, ENB is the largest Canadian natural gas distributor in the nation and only continues to get bigger and bigger as time goes on.

Combine that with dividends that are expected to grow 10% annually, and it's easy to see why investors are so eager to add Enbridge to their portfolio. Snapping up shares of ENB now and adding them to your TFSA should provide significant returns for years to come.

Earn \$5,880/year tax-free

The whole idea of using your TFSA is to grow your wealth, shield your gains from the CRA, and protect as much of your money as possible while securing your financial future.

A TFSA investor that's able to grow their account to \$100,000 with savvy and strategic moves and invest that amount in Enbridge will be able to enjoy a dividend yield of around 5.88% per year. This would mean you would get \$5,880 per year in dividend income alone that the CRA can't touch.

Summary

Your TFSA is one of the best ways for you to grow your money. But if you run amiss of the CRA by overcontributing or trading too much, the CRA can make you pay taxes on your TFSA. It's best to avoid the taxman and invest in stocks like Enbridge to get the growth you are looking for.

CATEGORY

1. Energy Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:ENB (Enbridge Inc.)
2. TSX:ENB (Enbridge Inc.)

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