



Canadians: How to Make Over \$50 a Week in Tax-Free Income

Description

There are [many ways to utilize a Tax-Free Savings Account](#) (TFSA), which has emerged as a popular registered account since its inception in 2009. In late November, I'd discussed how \$20,000 could net an investor [over \\$115 a month in tax-free income](#) by targeting specific stocks. Today, I want to look at how \$40,000 that makes up nearly two-thirds of the maximum base contribution in a TFSA can net you what works out to \$50 a week in tax-free income.

Bird Construction

Bird Construction is an Ontario-based company that operates as a contractor in the broader construction market. Shares have climbed 12.5% in 2019 as of close on December 5. The company released its third-quarter 2019 results on November 5.

Net income jumped to \$6.8 million on construction revenue of \$378.6 million compared to \$4.4 million in the prior year on marginally higher revenues. Adjusted EBITDA increased to \$14 million over \$9 million in Q3 2018. Profit improved across all sectors in the quarter.

In our hypothetical, we would purchase 2,000 shares of Bird at its last closing price of \$6.52 per share. With its current monthly dividend of \$0.0325 per month, which represents a 5.9% yield, that would work out to \$65 a month in tax-free income.

Keyera

Keyera ([TSX:KEY](#)) is a Calgary-based oil and gas producer. Its stock has climbed 29% in 2019 at the time of this writing. When we consider its strong dividend, Keyera has been a terrific hold so far this year.

In the third quarter, Keyera rose above expectations in nearly every financial metric. Adjusted earnings reached a record \$269 million compared to \$160 million in Q3 2018. Distributable cash flow rose to \$184 million, or \$0.85 per share, over \$127 million, or \$0.61 per share, in the prior year. Keyera is

moving into 2020 with a strong balance sheet and a payout ratio of 67% year to date.

Shares closed at \$31.81 on December 5. Keyera currently boasts a monthly dividend of \$0.16, representing a 6% yield. A purchase of 450 shares would net investors \$72 a month in tax-free income in their TFSA.

Inter Pipeline

Inter Pipeline (TSX:IPL) is another Calgary-based company. It ranks as one of North America's leading natural gas and NGL extraction businesses. Inter Pipeline stock has climbed 20.6% in 2019 as of close on December 5.

The company reported that total storage utilization rates rose to 92% in the third quarter of 2019 compared to 74% in Q3 2018. Net income hit \$80 million in the quarter, and funds from operations totaled \$204 million. It achieved a quarterly payout ratio of 87%.

Back to our hypothetical, we see that Inter Pipeline closed at \$21.76 per share on December 5. On November 7, it announced a monthly cash dividend of \$0.1425 per share. In this case, we can load up on 560 shares of Inter Pipeline stock in order to avoid going above the \$40,000 threshold set at the beginning of this article. Investors would be able to snatch up \$79.80 a month in tax-free income.

Working out the total we have purchased, our TFSA would generate \$216.80 a month in dividend payments. That works out to \$54 a week in tax-free income.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:KEY (Keyera Corp.)

PARTNER-FEEDS

1. Business Insider
2. Msn
3. Newscred
4. Sharewise
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