



## Canada Revenue Agency: 2 Ways to Save Big on Your Tax Return This Year

### Description

Tax season is nearly upon us. Working Canadians will be preparing their tax returns in the weeks and months ahead. Last week, I discussed one of the [big changes](#) that could impact tax returns in 2020. Today, I want to discuss how Canadians can pocket some extra cash. Let's dive in.

### Contribute to your RRSP

This one may be a no-brainer, but sometimes we all need a reminder. Contributing to a Registered Retirement Savings Plan (RRSP) allows investors to save for their retirement and save on their taxes at the same time. The contributions to an RRSP are tax-deductible, and any income that is earned in an RRSP accumulates tax-free. Of course, that is assuming that the funds stay in the account.

What kind of stocks should investors keep in their RRSP? Well, if you are looking to be on the safe side you can target income-yielding equities like utilities. This past week I discussed how [holding foreign dividend stocks](#) in a TFSA would subject Canadian investors to a withholding tax. Fortunately, this is not the case with an RRSP.

**Hydro One** has been one of the most consistent stocks in this sector over the past year. Shares have climbed nearly 30% year over year. The stock last paid out a quarterly dividend of \$0.2415 per share, which represents a 3.8% yield.

RRSP investors who want a little more dividend punching power and a chance at greater capital growth may want to consider **Canadian Imperial Bank of Commerce**. CIBC stock has been stagnant over the past three months, but the rebound in the housing sector is good news for its core business. Investors will hope to see a bump in its earnings in 2020. CIBC last announced a quarterly dividend of \$1.44 per share, representing a strong 5.3% yield.

Do not forget the energy sector, which also boasts its share of solid dividend stocks. **Enbridge** is one of the obvious candidates. The energy infrastructure giant posted impressive earnings growth in the first three quarters of 2019. Enbridge last hiked its quarterly dividend to \$0.738 per share. This represents an attractive 6.1% yield.

## Charitable donations

Yes, cash, land, or listed securities donations made to a registered charity or other qualified donees can be eligible for a tax credit. Canadians just passed through a contentious federal election campaign in the fall of 2019. Those of who you contributed to a political party can claim it as a tax credit on your upcoming return.

Starting this year, the federal government has also introduced a tax credit for those who consume print and online media. Fool readers tend to be voracious consumers of online media, so many of you reading this could be eligible for this credit. A 15% non-refundable personal income tax credit allows individuals to claim digital news subscription costs paid to a qualifying organization after 2019 and before 2025.

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