



## Canada Revenue Agency: Pay Less Taxes in 2020 Because of This CRA Update

### Description

It is no secret that the average Canadian is drowning in debt. As we move into the new decade, the Canada Revenue Agency (CRA) is taking an increasing number of measures to help Canadian citizens climb out of the pit of personal debt.

Perhaps one of the most significant changes made by the CRA is the Basic Personal Amount (BPA). I am going to discuss the amendment made by the Canadian government and how it can help you pay fewer taxes from 2020.

Additionally, I will discuss a Canadian stock, **goeasy Ltd.** ([TSX:GSY](#)), that might be a suitable asset to consider in light of the changes the CRA is introducing this year.

### Basic personal amount from 2020

Around the world, Canada is seen as one of the most attractive places to live. An increasing number of people from around the world are trying to immigrate to Canada due to the promise of the Canadian dream.

Despite being an attractive place to live in, Canada is also struggling with a [debt crisis](#). It has one of the highest debt-to-income ratios from countries in the developed world. The government has recognized the issue and is continually taking steps to resolve the debt crisis.

The country is decreasing interest rates to help people pay off debts quickly and introducing ways to help Canadians save more money. While Canada is making progress, the debt levels are at a critical level. There are growing concerns that the debt crisis can catch up to the economy and serve as a catalyst for a major recession.

The federal government has stepped in to provide a little more relief to Canadians in the form of tax relaxation. The most prominent change it has made is to the BPA. The BPA is there to assist Canadians covers their most basic needs.

The CRA does not impose federal income tax on a certain amount of income an individual earns.

The goal is to allow Canadians to save on paying income tax on a certain amount when they start the year. For instance, an average Canadian will need to earn more than \$12,069 in 2019 to pay federal income tax this year.

With the election victory by the liberal party last year, the government intends to increase the BPA further. The BPA will be \$13,229 for 2020 and \$15,000 by 2023.

Wealthier Canadians will see their BPA gradually reduced until it is cancelled out by taxpayers' income. Taxpayers with a net income above \$150,473 will be considered the wealthy Canadians who will have their BPA phased out.

## A stock that might benefit from this change

With the introduction of this change to the BPA, buying shares of goeasy has a chance to help Canadians [save more money](#) on income taxes. It is an alternative financial services company catering to the needs of subprime borrowers, and the company is already helping newer Canadian consumers through its business model.

The company makes small- and medium-sized loans to consumers that are easy for them to pay off. More than nine out of ten Canadian loaners using Goeasy's services are happy with their experience.

## Foolish takeaway

Shareholders of the Goeasy stock will appreciate the impressive five-year compounded annual growth rate of the stock at 32.44%. The stock has a healthy price-to-earnings ratio of 2.69.

Its dividend payout of \$0.31 per share every quarter with a share price of \$71.00 gives it a decent 1.75% dividend yield.

In light of the changes introduced by the CRA, shareholders of the Goeasy stock might stand to gain a great deal as the stock appreciates.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. TSX:GSY (goeasy Ltd.)

### PARTNER-FEEDS

1. Business Insider
2. Msn
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