



## Canada Revenue Agency: 1 Hidden Trick to Pay Less CRA Taxes in 2020

### Description

Taxes are the stumbling blocks to building wealth. In some cases, taxes can ruin one's retirement. You can't avoid paying taxes to the Canada Revenue Agency (CRA), but you can [pay less tax](#) if you're tax-smart. The hidden trick to reduce taxes is to open a Tax-Free Savings Account (TFSA).

### Tax-policy gem

The TFSA is unique because you can offset the taxes you pay to the CRA. Remember that the money you put into your TFSA has already been taxed. Therefore, the more you optimize your contribution room, the more taxes you can recoup from the taxman.

Many Canadians are already using the TFSA as part of [tax planning](#). You can shelter your investments that would otherwise be taxed by the CRA at the highest rate. Apart from building wealth faster, all TFSA withdrawals are tax-free. Thus, save as much as you can every year so you can invest in income-producing assets.

### Dividend gems

Consider investing in dividend gems like **Alaris Royalty** (TSX:AD) and **BTB** ([TSX:BTB.UN](#)) to offset the taxes you pay to the CRA. If you need to recover \$2,200 tax yearly, invest \$15,000 in each stock. This combination averages 7.4% dividend.

Alaris Royalty is a private equity firm that turns silver into gold, figuratively speaking. The thrust of this \$852.81 million company is unconventional. It helps profitable private companies around the world make the big push to achieve maximum potential.

This royalty firm can be a permanent equity partner or a provider of long-term capital. It only caters to the best companies that are not for sale but needs the services described above.

The assistance of \$10 million to \$100 million is available to companies that have been producing free

cash flow of over \$3 million.

To date, about \$1.3 billion have been invested in companies meeting the criteria. None of the owners yields management and operational control to Alaris.

In exchange, Alaris receives royalties or monthly cash distribution from these private companies. As there are hardly overhead expenses to incur, the company enjoys up to 80% EBITDA margins.

No dividend investor can ignore BTB. This \$338.1 million real estate investment trust (REIT) is showing dynamic growth, trading for only \$5.44 per share at writing and paying a 7.76% dividend. Imagine the taxes you can recuperate with the stock's monster yield.

BTB owns 66 rental properties for retail, office, and industrial use. The estimated total asset value of the 5.7 million square feet leasable area is over \$900 million. One of BTB's good traits is its strategy to reduce buyer competition.

BTB buy assets in the range of \$3 million to \$30 million. Large REITs and institutional buyers do not typically purchase assets this size. Likewise, the price is prohibitive for local investors. Thus, BTB realizes superior returns from the mid-market niche.

The tenant base is composed of government, national, and multinational businesses that have signed long-term leases. Value for money, BTB is the top choice in the real estate sector.

## Hidden gem

The TFSA is the hidden gem for taxpayers to utilize. The taxes you pay to the CRA are recoverable or replaceable if you own dividend gems like Alaris and BTB.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. TSX:AD.UN (Alaris Equity Partners Income Trust)
2. TSX:BTB.UN (BTB Real Estate Investment Trust)

### PARTNER-FEEDS

1. Business Insider
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