



## Canada Revenue Agency: 2 Super Stocks to Grow Your Tax-Free Income

### Description

If I ask you how you feel about having to pay income taxes, you would probably tell me that you do not mind paying your fair share. If I ask you if there is a way to minimize the taxes you have to pay on increasing income, you might not mind being able to do that either.

These are significant assumptions. Still, I know I would like to increase my income without paying increasing taxes on it. I'm not talking about tax evasion. I'm talking about being able to minimize taxes you're liable to pay in a manner approved by the Canada Revenue Agency (CRA).

### Growing your income tax-free

A Tax-Free Savings Account (TFSA) is the way to go. Any income in your TFSA, provided your contributions are within the maximum contribution limit, will not be taxed by the CRA. Using dividend-growth stocks for the contribution room in your TFSA can gradually allow you to [increase your overall income](#) without paying taxes.

I am going to discuss **Canadian Natural Resources** ([TSX:CNQ](#))([NYSE:CNQ](#)) and **Finning International** ([TSX:FTT](#)). The stock from both companies presents you the opportunity to grow your income without incurring increasing income tax through your TFSA.

### Canada Natural Resources

An operator in Canada's energy sector, Canadian Natural Resources accounts for [the largest energy stock](#) and the overall second-largest stock held by the Canada Pension Plan Investment Board. Its inclusion in the holdings of the managing body for the funds of the Canada Pension Plan speak volumes about the trustworthiness of CNQ.

Canadian Natural has grown its dividend by more than 60% in the past five years. It is a stable company that is capable of supporting its increasing dividends through predictable cash flows. The business is scaling adequately as the largest oil producer in Canada, bringing in a remarkable \$1.9

billion free cash flow in its latest quarter, spelling good news for shareholders.

It boasts a juicy dividend yield of 3.87% at writing.

## Finning International

Finning is the largest **Caterpillar** dealer for equipment and other products for industrial companies around the world. The heavy equipment specialist has a broad product support infrastructure that it can capitalize on to earn a stable income. Predictable cash flows for the company mean steady payment growth for its shareholders.

Finning stock's dividend growth of 14% over the past five years could be a promising prospect for increasing growth moving forward. The stock's performance in its most recent quarter saw Finning's EBITDA rise by 40%, and its revenue increased by more than 10% to reach \$1.96 billion. The company is focusing on improving efficiency and lowering operating costs to generate a further increase in income.

At writing, the stock offers investors a respectable dividend yield of 3.43%.

## Foolish takeaway

While they are not formal recommendations, I think both the Canada Natural stock and Finning International stock could enable you to earn an increasing income. Buying and holding dividend-growth shares in your TFSA could help you potentially earn consistently growing income through dividends without paying income taxes on them.

### CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

### POST TAG

1. Editor's Choice

### TICKERS GLOBAL

1. NYSE:CNQ (Canadian Natural Resources)
2. TSX:CNQ (Canadian Natural Resources Limited)
3. TSX:FTT (Finning International Inc.)

### PARTNER-FEEDS

1. Business Insider
2. Msn
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