



## CRA 2020: 3 Ways to Save Bundles on Your Tax Return

### Description

Canadians, tax season is nearly upon us! The deadline for filing your income tax return for most Canadians is April 30, 2020. For self-employed Canadians, that deadline sits at June 15. However, any unpaid taxes for the year up to that stretched deadline will accrue interest.

Today, I want to discuss several ways Canadians can save money on their next tax return. Household debt is dangerously high right now, and it is important to look for relief anywhere Canadians can get it. Let's jump in.

### Contribute to your RRSP!

The tax deadline is on April 30, but another important deadline is fast approaching. Last week, I'd reminded investors of the all-important [March 2nd deadline](#) for RRSP contributions that cover the 2019 tax year. An RRSP contribution gives you a deduction that saves you money on your income tax. It could even push you over the line for a tax refund.

As far as the market is concerned, now may be a great time to pour cash into an RRSP. Stocks are reeling due to global fears of the COVID-19 Coronavirus outbreak, and, as always, we recommend that Foolish investors be greedy when others are fearful.

There are many solid opportunities for RRSP investors in what has turned into a turbulent market. For example, look at a stock like **Dollarama**, which has fallen into technically oversold territory over the past week.

### Deduct employment expenses

This is something all working Canadians should keep an eye on. Canadian employees are permitted claim certain employment-related expenses as tax deductions on their personal tax return. That may include home office expenses, supplies, and vehicle expenses. The latter point could be extremely lucrative for employees or self-employed Canadians that frequently travel by vehicle.

In order to claim employment expenses, Canadians need to obtain a completed form T2200 from their employer. The form does not need to be submitted to the CRA but must be available in the event of a CRA audit. It is important to keep in mind that these expenses can only be claimed if you have not already been reimbursed by your employer. If you try to claim expenses twice, through your employer and your tax return, that CRA audit will bring on more than a headache.

## Take advantage of new federal programs

When this year began, I'd discussed one [big change](#) that the federal government had pursued to provide more relief for Canadians. The basic personal amount (BPA) allows for Canadians to pay no federal income tax up to a certain amount to start the year. As of today, an individual taxpayer can earn up to \$12,069 before paying any federal income tax. The Liberals plan to bring the BPA to \$15,000 by 2023, and in 2020 this amount will increase to \$13,229.

Prospective home buyers have also been provided with more ammunition. The Home Buyers Plan allows Canadians to use up to \$35,000 of their RRSP savings — up to \$70,000 for a couple — to help finance a down payment on a home. It is important to note that the amount withdrawn from the RRSP must be repaid.

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