



CRA Alert: Ignore the Deadline Change

Description

It seems as if there have been changes every single day due to the COVID-19 pandemic. When it comes to your finances, those changes have been even more severe. It seems the Canada Revenue Agency (CRA) is doing everything it can to help Canadians who will be financially strapped during tax time. The top change? An extended deadline.

Usually, Canadians have until around April 30 to file returns for the last year. Now, in order for Canadians to hopefully be able to pay taxes on time, the CRA has extended the usual deadline to June 1, 2020. For self-employed persons, or those who have a spouse or common-law partner who is self-employed, that date is extended further to June 15, 2020. This should help the millions of Canadians seeking financial aid during the COVID-19 pandemic.

While this should definitely help many Canadians, not all Canadians will need this extension. In fact, there are many out there who should be filing right away.

CRA also has to pay

For many, it's likely that you will end up having to pay taxes to the CRA after [filing your return](#). So fair enough, it might be better to wait to file your returns if it means you'll have more cash on hand during this crisis. However, there are many more Canadians who may actually receive a refund this year.

So if you're thinking it's just a hassle to file now, it's best to start your return as see if you'll be getting a refund. I'm sure that cash could certainly be used right now.

Furthermore, there are other Canadians who would love the chance for the CRA to take a look at their tax return, as this is the time when the government can look at the many benefits Canadians are eligible for.

If you're a parent, you may be able to receive more cash from the government for Canadian Child Benefits. If you're looking after an elderly parent and weren't last year, then again you could receive the Family Caregiver Benefit. Check and see if you would be applying for any of these benefits, and

you could be receiving those funds sooner as opposed to later.

Filing then and now

It's not only your 2019 tax return you should consider, but also your 2018 return. Due to the extension, the Canadian government is looking at the 2018 tax year when considering the payment of the [Canadian Emergency Response Benefit](#).

This also includes the increased Canada Child Benefit due to the pandemic. So if you were one of the Canadians who didn't file to the CRA in 2018, you should be getting on this straight away.

As for this year, once you have filed your 2019 return, remember one thing: just because you filed, doesn't mean you have to pay. It wasn't only the filing date that was extended, but the payment date.

This year, Canadians have until August 31, 2020 to pay the CRA anything owed. It doesn't matter if you filed today or June 1 at 11:59 p.m. Either way, you have until August to pay off this amount owing.

Cash to blow?

Another bonus to filing early is that you'll be able to better evaluate what cash you have to work with. You may even find that you have some set aside that can be invested. If that's the case, look at blue-chip companies like **Royal Bank of Canada** ([TSX:RY](#))([NYSE:RY](#)).

As the market continues to rebound, Royal Bank and its peers should soar back to pre-crash prices quickly. During the last economic downturn, Canadian banks fared as some of the best in the world. Today, Royal Bank is the largest bank by market capitalization, with growth and expansion already behind it.

The bank expanded into the United States and the wealth and commercial management sectors. These sectors will leave plenty of cash to fall back on to ride out the current economic climate, and for years to come.

On top of this, the bank offers a 4.41% dividend yield as of writing. This makes for the perfect pairing for investors looking to buy low, bring in cash, and hold on with any money coming back from the CRA.

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