



Canada Revenue Agency 2020: 1 Big Reason to File Early

Description

The COVID-19 pandemic inspired some [big changes](#) for taxpayers in 2020. Some of these changes have been extremely helpful for Canadians who are struggling in these dire times. For example, as of late April, over seven million Canadians had taken advantage of the Canadian Emergency Response Benefit (CERB). Citizens have also been granted deferrals on filing with the Canada Revenue Agency.

Canada Revenue Agency: The deadline extension

Earlier this year, the federal government announced that the deadline for filing tax returns would be pushed back to June 1, 2020. This was extended beyond the usual April 30th deadline. Self-employed taxpayers and their spouse or partner will still have until June 15, 2020, to file.

Recent data has shown that many citizens are taking advantage of this Canada Revenue Agency deadline extension. A survey commissioned by H&R Block Canada revealed that 45% of Canadians have yet to file their tax returns. It also showed that 10% of Canadians were unaware that the deadline had been changed. This is a case where ignorance may be bliss. The gesture by the federal government is worth applauding, but for many Canadians, there are not many advantages to delaying their filing.

Why Canadians should not change their filing habits

This week, I'd discussed some of the ways Canadians can [save on their tax returns](#) in 2020. One of those ways was through tax credits. Some of these include the Canada workers benefit and the Canada Pension Plan (CPP) enhancement. There are also a multitude of specialized credits that filers can and often do take advantage of.

By delaying your tax filing, Canadians will also push back the date when they will receive tax credits and benefits. Moreover, those who are waiting for a tasty refund will also see this pushed back if they wait on the extended June 1, 2020, deadline. The Canada Revenue Agency has encouraged all citizens to file electronically. It recently acknowledged "significant delays in processing paper income

tax and benefit returns.” For those who are not filing electronically, there is an even bigger incentive to get your return done now.

Bonus: One dividend stock to stash after you file

There is another great reason to file earlier with the Canada Revenue Agency: to get it done! That way, you can focus on growing your portfolio for the rest of 2020. For the lucky ones out there, you can also look forward to collecting a tax refund. The TFSA is the perfect way to earn capital gains without having to worry about giving any back to the government.

TransAlta Renewables is a stock that is worth targeting in your TFSA. Shares have dropped 2.6% in 2020 as of close on May 7. The stock is up 13% over the past year, proving to be a nice defensive hold in the face of volatility. Moreover, the stock last paid out a monthly distribution of \$0.07833 per share. This represents a strong 6.3% yield.

CATEGORY

1. Dividend Stocks
2. Investing

PARTNER-FEEDS

1. Business Insider
2. Msn
3. Newscred
4. Sharewise
5. Yahoo CA

Category

1. Dividend Stocks
2. Investing

Date

2025/08/25

Date Created

2020/05/08

Author

aocallaghan

default watermark

default watermark