



## CRA Changes in 2020: What You Need to Know Now

### Description

[This year has seen significant changes.](#) With the COVID-19 pandemic still affecting all Canadians, the CRA has announced a slew of updates. But every weekday, Prime Minister Justin Trudeau has faced the nation and announced even more changes, expectations, and updates about the virus. With all this information coming at you, let's look at what Canadians really need to know right now.

### CRA deadline

Usually, Canadian individuals have until April 30 to file for the last tax year. Canadian businesses (including self-employed individuals) have until June 15 to file for the last tax year. However, the 2019 tax year has an extension.

Instead of the previous dates, individuals have until June 1, 2020 to file with the CRA, while businesses until the same date of June 15, 2020. So right now, don't worry if you thought you were late on filing.

But one thing to remember, just because you file doesn't mean you have to pay right away. That's one mistake many Canadians make. In fact, you could get a refund from the CRA, so you'll really want to file as soon as possible. Then, this deadline extension also means Canadians have an extension when it comes to payments.

Individuals have until August 31, 2020 to pay their tax balance. Meanwhile, businesses have an extended date and can pay any time before September 1, 2020.

### CRA's CERB

If you're one of many Canadians applying for the CRA Canadian Emergency Response Benefit (CERB), there are a few things to consider. First of all, be warned: this is a taxable amount.

You will have to declare this on your tax return, so this isn't just free money. As well, if you continue to work while using the CERB, you will have to pay *back* the benefit in full.

But if you pass eligibility, the CERB can be a lifesaver. For 16 weeks Canadians can receive up to \$500 per week. That's \$2,000 that can be used while you wait for employment insurance, after losing your job, or if you simply can't work because you now have to watch the kids all day long. This is something you can apply for right now through the CRA, so if you need the money, get right on it!

## Wage subsidy

Meanwhile, if you're an employer seeking to keep employees but are quickly running out of cash, there's a benefit for you. The CRA's Canada Emergency Wage Subsidy (CEWS) is around for employers who want to keep the business as normal as possible. The subsidy allows for fewer layoffs, cut salaries, and joblessness as a whole.

If eligible, the CEWS offers employers up to 75% of employee wages for 12 weeks. This can be retroactive back to Mar. 15, 2020 and applicable to June 6, 2020. That subsidy is up to a max of \$847 per employee per week and only applies to employees who make \$47,432 or less per year.

As an employer, you'll just have to show that you lost 15% of revenue for March 15 to April 11, 30% between April 12 and May 9, or 30% between May 10 and June 6. Again, just apply through the CRA.

## Bottom line

So now, you've looked over your tax returns and decided to file to the CRA early. Then, perhaps you get a refund, or decide not to pay immediately until you have lots of cash available. One option you could take in the meantime is to invest some funds to help pay off your debts. The perfect option is a dividend all-star like **Canadian Pacific Railway Ltd.** ([TSX:CP](#))([NYSE:CP](#)).

This is the perfect stock because it [pays up dividends](#) and is undervalued at the moment. CP is a far less riskier choice than other railways because it has already done the investment into its infrastructure.

It has also cut costs, so the most amount of cash possible is coming into management pockets. This is then dished out in dividends to shareholders.

The company has increased the dividend steadily for years, and now offers a yield of 1.06% as of writing. That comes out to \$3.32 per share per year. So if you were to buy up a few shares, you could bring in some cash while you watch the stock rebound during the market rally.

Then, after your return is paid to the CRA, you can watch CP rise for decades as a steady and stable long-term hold.

## CATEGORY

1. Coronavirus
2. Investing

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