



Canada Revenue Agency: 2 Tax Deductions You Don't Want to Miss

Description

The COVID-19 pandemic has disrupted the lives of people around the world. Canadians are suffering through the most challenging times as millions have been laid off, and the economy is in tatters due to the economic shutdown.

Canadians are typically busy preparing their tax returns for the last income tax year during the first few months of the year. The traditional tax filing deadline is April 30 each year. The Canada Revenue Agency (CRA), moved the [tax filing and payment deadlines](#) to a later date in response to the pandemic in a bid to help Canadians get the proper time to prepare their returns.

With the delayed deadline to file your taxes closing in, it is time you kick tax preparations into high gear. Here are a couple of lesser-known ways you can save on taxes.

Childcare expenses

Parents who need to pay for childcare while they go to work should know they can file for tax deductions on these expenses. If you spend any money on any daycares, in-home care providers, overnight camps, and summer camps, you can have the expenses cut from your taxable income.

During the pandemic, parents cannot use these services. Some people have to stay home instead of going to work due to the unavailability of childcare professionals and schools. You should know that any expenses you incur for taking care of your children are eligible for tax deductions as well.

Using the tax deductions

You can save a [significant amount of money](#) by utilizing these tax deductions for the 2019 income tax year. I think you should make your tax deductions count for more than simply additional spending cash. I would strongly suggest using your tax savings to invest in income-generating assets to grow that money in the long run.

The stock market is uncertain right now, and it presents an opportunity for investors to take advantage of high-quality stocks trading for a discount. Among the assets that you can consider is **Telus Corp.** ([TSX:T](#))([NYSE:TU](#)). Telus can be an ideal stock to consider for several reasons.

Telus already has a reputation for being a reliable dividend-paying stock. The telecom sector enjoys a certain defensive stance in a volatile market due to the essential nature of the service it provides. Where most companies are suffering tremendous losses across the economy, telecom companies like Telus have little to fear.

Telus is a superstar telecom operator with solid free cash flow and dividend growth. Despite a growing number of people being laid off, Telus continues to perform well since people need internet and cellphone services. Wireline and wireless internet services are crucial for people at this time, and Telus excels in both areas. Telus has a robust infrastructure, and it continues to expand.

Telus is one of the “Big Three” providers in Canada that serve 90% of the market. It is known as the fastest mobile network in Canada. With the rollout of 5G coming along very soon, Telus will become even faster. Telus may have an easier time setting up its 5G infrastructure thanks to its wireline internet.

Ever since it set up the fibre-to-the-home network for its customers, Telus has seen substantial profits. It continues to expand its wireline network as it plans to reach 80% of its customers by the end of 2020. Once it has the entire network in place, the cost for the telecom giant will decrease and profits will soar.

Foolish takeaway

Telus took a beating along with the rest of the stock market. The stock declined by 28% from its February 2020 peak to March 23, 2020. Since then, the stock has rallied. At writing, Telus is trading for \$22.75 per share. It is up 14.5% from its March low and likely on the way to see more improvement moving forward. Additionally, Telus pays its shareholders at a juicy 5.12% dividend yield.

Using your tax savings to invest in a dividend-paying stock can help you grow your capital substantially. To this end, Telus can be the ideal stock to consider.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:TU (TELUS)
2. TSX:T (TELUS)

PARTNER-FEEDS

1. Business Insider
2. Msn
3. Newscred

4. Sharewise
5. Yahoo CA

Category

1. Dividend Stocks
2. Investing

Date

2025/08/28

Date Created

2020/05/11

Author

adamothman

default watermark

default watermark