



## Do Your Taxes Free: CRA Virtual Free Tax Clinics in 2020

### Description

Community organizations throughout Canada (and Quebec) organize free tax clinics every year. They are hosted for people with incomes below a certain level, and a straightforward tax obligation (no self-employment or tax filing after bankruptcy). In these clinics, filers present the necessary documents, and a volunteer will file their taxes free of charge.

Even individuals with no income need to file their taxes. Doing so allows them to claim tax credits like GST/HST, Canada child benefits, OAS pension, and GIS. To help such individuals, and to make sure they can claim whatever they are entitled to, these clinics are organized through a Community Volunteer Income Tax Program.

### Virtual tax clinics

The tax season has already been delayed due to the disruptions caused by the pandemic. And given the ongoing health concerns, hosting physical clinics seems unfeasible. So for 2019 taxes, the clinics have gone virtual. To find a free online clinic, eligible taxpayers can look into the directory provided on the federal government website ([revenuquebec.ca](https://revenuquebec.ca) for residents of Quebec).

In these virtual clinics, volunteers will be able to help taxpayers through video conferencing or a voice call. CRA is working with its partner organizations to ensure the process is as secure and safe as needed and that private information is protected. The exact terms of the exchange and communication can be worked out between the volunteer and the taxpayer.

The taxpayers are required to keep all the important documents handy, while virtually attending the free tax clinic. They may need to send some of the documents to the volunteer via email, or show them the documents while video conferencing. Taxpayers should check whether they are eligible for making use of free tax clinics before booking an appointment.

### Small investments

A modest income level doesn't mean that investment is not for you. With time (and compounding) by your side, even investing sums as small as \$100 a month can help you create a small nest egg for the future. One safe [stock to consider](#) in this regard is **Canadian Utilities** ([TSX:CU](#)), the oldest dividend aristocrat in Canada. The company has been increasing its dividends for 48 years.

As a utility stock, it's considered a safe investment even [during market crashes](#). This doesn't mean that it's immune to downfalls in recessions and corrections. It does mean that its chances of recovery and re-growth are higher than those of many other companies. It has over \$20 billion in assets and serves over 2 million consumers globally. Its dividends seem safe enough as about 95% of the company's adjusted earnings come from regulated utilities.

The company's first-quarter results aren't on par with the first quarter of 2019, but the lacklustre performance seems justified considering the current situation. Currently, the stock is trading at a steep discount at a price of \$30.82 per share. If the company grows its share price about 7% every year (based on its 10-year compound annual growth rate), a \$1,200 investment per year in CU might earn you over \$170,000 in 35 years.

Only one-fourth of it would be your investment contribution. And that's when you don't consider the dividends. In the past five years, the company has grown its dividends by over 33%. If you use the company's dividend reinvestment plan, your nest egg might grow to even more substantial proportions. If you use your RRSP to grow this nest egg, you will also save some money in tax deductions.

## Foolish takeaway

The virtual free tax clinics are an amazing way for Canadians to get help with their taxes. But not everyone is eligible for them. Even if you can use them right now, it's a smart idea to try and learn how to do your taxes yourself. So in the future, if you are above the income threshold for free tax clinics or have a complicated tax situation (such as self-employment income), you can take care of this important obligation on your own.

### CATEGORY

1. Coronavirus
2. Dividend Stocks
3. Investing

### TICKERS GLOBAL

1. TSX:CU (Canadian Utilities Limited)

### PARTNER-FEEDS

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

**Category**

1. Coronavirus
2. Dividend Stocks
3. Investing

**Date**

2025/08/25

**Date Created**

2020/05/19

**Author**

adamothonman

default watermark

default watermark