



CRA Tax Relief: You Could Get an Extra \$400 GST Refund

Description

Many of the emergency measures embedded in Canada's COVID-19 pandemic relief plan are [tax-related](#). One measure that has gone unnoticed is the one-time boost in the Goods and Services Tax (GST) credit. The GST is a value-added tax levied by the federal government on goods and services purchased in Canada.

If you're regularly receiving the GST credit and have filed your 2018 tax return, you will automatically receive [a one-time boost](#) from the Canada Revenue Agency (CRA). The CRA will base the amount on the information in your 2018 income tax and benefit return. The money should have been in your account since April 9, 2020.

Tax-free payment

The GST, with the Harmonized Sales Tax (TSX) to others, is tax-free money, which the CRA pays quarterly to eligible individuals and couples. On average, individuals will get an extra \$400, while couples will receive an additional \$600. This one-time supplementary payment is for the 2020-2021 benefit year.

About 12 million or more low- and modest-income families in Canada will benefit from this federal aid. Let's assume you are single with an annual base credit amount of \$290 (\$72.50 quarterly), the one-time special payment in April 2020 is \$290. If you think you should have received it but didn't, try contacting the CRA.

Seed money

While the GST credit might be small, it can be your mustard seed to grow a money tree for the future. If you don't have urgent financial needs, save your GST quarterly until you have enough cash to invest.

To give an example, you can invest in the second-largest publicly-listed company in Canada. **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)) ranks next to the **Royal Bank of Canada**. As of May 29, 2020, the market

cap of this tech stock stands at \$124.76 billion. The e-commerce platform provider surpassed the \$120 billion mark in early May.

During the market selloff, the stock sunk to a low of \$482.10 on March 19, 2020. Many investors took advantage of the price drop and bought Shopify shares. This tech stock is currently trading at \$1,044.97 or an appreciation of 116.75%. Had you invested \$400 then, your capital would be \$867 today.

You shouldn't be discouraged if you have only a small amount to invest. Investment opportunities abound regardless of the market environment. Shopify is outperforming the general market with its 102.4% year-to-date gain.

Shopify is a good choice amid the pandemic. Businesses are moving into a more digital experience, so tech companies are well positioned for the impending shift. The company, along with its registered merchants, will surge and capture more business as customers will do most transactions online.

Recently, the market cap for Shopify even exceeded RBC to become the most valuable company in Canada, but has since fallen a bit.

Welcome relief

The one-time, tax-free GST boost is a welcome relief. You can use the payment for emergency spending or stash it away for investment purposes. In times of an emergency, every little bit counts. Save what you can and invest the rest!

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. NYSE:SHOP (Shopify Inc.)
2. TSX:SHOP (Shopify Inc.)

PARTNER-FEEDS

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

Category

1. Investing
2. Tech Stocks

Date

2025/08/25

Date Created

2020/06/02

Author

cliew

default watermark

default watermark