



## Want to Pay Less Taxes in 2020? Listen to This CRA Tax Break

### Description

According to the Canada Revenue Agency (CRA), the basic personal amount (BPA) is rising by \$931 to \$13,229 for the tax year 2020. What's BPA? It is a [non-refundable tax credit](#) that can be claimed by all Canadians. It aims to provide a complete reduction from federal income tax to Canadians who have taxable income below the basic personal amount.

This CRA tax break might be viewed as subtle or insignificant. However, it actually benefits close to 20 million Canadians. As stated above, the BPA has risen from \$12,298 in 2019 for individuals with net income below \$150,473.

The increase in BPA will gradually reduce for Canadians with net income between \$150,473 and \$214,368. The change will not be applicable for individuals with a net income of over \$214,368.

### Where do you invest these savings?

The recent tax break by the CRA may not be a lot. However, it is really important to be prudent during these uncertain times and leverage the savings available and put them to good use. Investing in equities remains a good bet despite the current volatility as they create massive wealth in the long-term.

For people with an investment horizon of over a decade, [growth stocks like Descartes Systems Group \(TSX:DSG\)\(NASDAQ:DSGX\)](#) are really attractive. This enterprise-based technology company provides logistics and supply chain management software. It also provides cloud-based services for logistics businesses.

The company uses technology and networks to simplify business processes. It's primarily focused on improving the productivity of logistics-intensive businesses. Enterprises use Descartes' SaaS (software-as-a-service) platform to schedule, track, and route delivery resources.

They can also plan shipments, audit and pay transportation invoices, analyze global trade data, and perform trade tariff calculations.

Descartes has a pricing model that offers customers flexibility in purchasing solutions. They can either opt for a subscription, transactional or perpetual licenses. Descartes' portfolio of solutions helps reduce costs, improve service levels, and support growth by optimizing the use of assets and leveraging information.

The evolution of supply chain management and logistics over the last few years has helped drive top-line growth for Descartes. Enterprises want to automate processes and track real-time supply chain activities. There's an enterprise-wide demand for integrated solutions to optimize costs and better serve customers.

The company will also benefit from the growing number of business partners in a supply chain process as well as the lack of standardized business processes. Global sourcing requirements coupled with regulatory requirements have added an additional layer of complexity that Descartes wants to simplify.

## What next for investors?

Shares of Descartes Systems are trading at \$66.5 and have returned 232% in the last five years. It has been one of the top-performing stocks on the **TSX**. The stock has a market cap of \$5.6 billion and is trading at a forward price to sales multiple of 12.6. Its forward price to earnings ratio of 65 might seem expensive.

However, analysts expect Descartes to increase earnings by 22.2% in fiscal 2021 and 27.3% in fiscal 2022. Given the company's market opportunity and growth estimates, investors should buy the stock at every major dip.

### CATEGORY

1. Investing
2. Tech Stocks

### TICKERS GLOBAL

1. NASDAQ:DSGX (Descartes Systems Group)
2. TSX:DSG (The Descartes Systems Group Inc)

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