



## Canada Revenue Agency: Did You Miss the June 1 Tax Deadline?

### Description

As you may already be aware, the COVID-19 pandemic led to a few significant changes for Canadian taxpayers in 2020. The Canadian government and the Canada Revenue Agency (CRA) [introduced several measures](#) to help those struggling with the challenges they are facing in these unprecedented times.

Earlier this year, the government and CRA announced that it was extending its tax filing deadline. Where you would typically be filing your taxes by April 30, the deadline was extended to June 1, 2020.

Did you miss the new extended deadline to file your taxes for the 2019 income year? If you still need time to file your taxes, here is what you need to know.

### There will be no late filing penalties for three months

According to the data released by the CRA, around 18 million tax returns have been received. This figure is substantially below the expected number of 30 million tax returns for the 2019 income year. Normally, if you have not filed your taxes before the deadline, you will incur penalties through late fees.

Though the official tax filing deadline was June 1, 2020, the CRA will not levy any late filing penalties on Canadian taxpayers until September 1, 2020. The CRA was already quite generous with the extension.

The agency provided additional relief when it announced that penalties, including the late filing penalty and arrears interest, will not be charged as long as you file your tax returns by September 1. In case you do not submit your tax returns by that time, you will be subject to penalties that the CRA usually levies.

It is always ideal to file your taxes before the deadline and avoid having to pay any fines or penalties to the CRA. Filing your taxes early can have several advantages for you. For instance, if you are eligible to receive certain benefits, filing early can see you receive them sooner. You can allocate the amount toward your Tax-Free Savings Account (TFSA).

Even if you have missed the official deadline, you have almost three months to file your taxes and pay them by September 1 before any penalties are charged.

## Using the TFSA's tax advantages

The Tax-Free Savings Account (TFSA) is a flexible investment vehicle you can benefit from without worrying about taxes. Any earnings of assets stored in your TFSA will grow your balance tax-free without affecting your overall contribution room. You can also withdraw any amount from your TFSA, without having to pay taxes on the money.

The 2020 update for TFSAs added \$6,000 of contribution room to your account, bringing the total contribution space up to \$69,500. Whether you receive any tax refunds from filing your taxes or have some funds set aside, you should use the \$6,000 additional contribution room to your benefit by investing in income-generating assets.

Allocating the \$6,000 contribution room in your TFSA to a dividend-paying stock like **Enbridge Inc.** ([TSX:ENB](#))([NYSE:ENB](#)) can help you make the most of your funds.

Enbridge is a significant energy transportation company based in Calgary, Alberta. The dividend stock has suffered substantially due to the one-two punch from an oil price decline and the COVID-19. The lower share price of the stock has also driven up its dividend yield to new heights, making it increasingly attractive for dividend seeking investors.

At writing, Enbridge is trading for \$44.14 per share with a juicy 7.34% dividend yield — an eye-popping dividend yield for many investors. However, there is a slight chance that Enbridge might not be able to sustain its dividend payouts with its cash flow moving forward.

[Enbridge has hired Stephen Poloz](#) to take a seat on the board for the stock to help it navigate regulatory issues and improve the situation for the pipeline company.

## Foolish takeaway

Take advantage of the unofficial deadline of September 1, 2020, to file your taxes without incurring late filing fees. And while you're at it, consider using the additional contribution room in your TFSA to income-generating assets like Enbridge for passive income during the global health crisis.

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