



## CRA Taxes: Did You Get These 3 Deductions In?

### Description

I'm sure you're already aware that the Canada Revenue Agency (CRA) announced a delay in the tax filing deadline for Canadian taxpayers. This will help taxpayers during these unprecedented times. The one-time update to delay the 2020 tax deadline until June 1 instead of April 30 was a way to help Canadians sort out their finances with substantial time.

If you missed out on the extended deadline to file your taxes for your 2019 income, you could take advantage of another one-time relaxation. Usually, the CRA charges a substantial percentage in [penalties](#) for the late filing of taxes.

While the official tax filing deadline was June 1, 2020, the CRA will not apply late filing penalties to taxpayers until September 1, 2020. The CRA has already been generous with the deadline extension, and the no late filing penalty policy should give you more than enough time.

Use the additional time on your hands to work on your tax filing. It would be best if you also leveraged the following tax deductions to reduce taxes you have to pay when the deadline comes.

### Business investment loss

Due to the pandemic, three out of five Canadians are saying that they have experienced losses. If you have lost capital by selling shares of a small business because it was failing or a debt that a small business owed you, the loss can qualify as a business investment loss. You can file the amount for the tax deduction with the CRA.

### Digital news subscription tax credit

Not many people know this, but there is a tax deduction you can apply for if you have a digital news subscription. This is a federal tax credit that you become eligible for if you subscribe to a digital news service.

While this tax credit is not old, it can be useful to reduce your taxable income. The tax credit saves you 15% of up to \$500 per year for digital news subscriptions. You should know that not all digital news

providers qualify. They have to be Canadian publications reporting on issues of public interest to be considered eligible for the tax deduction.

While this credit can save you a maximum of \$75 each year, every penny counts during this time.

## RRSP contributions

Are you a regular contributor to a Registered Retirement Savings Plan (RRSP)? This is perhaps one of the most significant tax deductions that can increase your tax refund value.

Each dollar you contribute to your RRSP can reduce your income by that amount, up to a specific limit. If you contributed \$10,000 to your RRSP for the 2019 income year, it would reduce \$10,000 from your total 2019 taxable income.

The RRSP's tax benefits extend from merely reducing your taxable income. If you own shares of a dividend-paying stock like **Enbridge Inc.** (TSC:ENB)([NYSE:ENB](#)), you can benefit from your RRSP's tax-deferred status. It can grow your account balance without affecting your contribution room. The growth of your assets within the account is also tax-free for the duration of the investment.

Enbridge is the largest energy infrastructure company in North America. At writing, the stock is trading for \$41.99 per share and pays its shareholders at a juicy 7.72% dividend yield.

Enbridge generates over 90% of EBITDA from fee-based contracts, making it a safe dividend-paying company. The energy giant is a Canadian Dividend Aristocrat with a 25-year dividend growth streak.

The energy company has sold several non-core assets to increase its liquidity and protect its high dividend-yield by bringing down the payout ratio.

## Foolish takeaway

I think it's high time you take advantage of the CRA's relaxed measures for your 2019 income. Prepare your tax filing and incorporate these tax deductions to reduce the amount you have to pay to the CRA.

While you are doing this, you should also consider making regular contributions to your RRSP to bolster your long-term capital growth.

To this end, Enbridge can be the perfect stock to add to your portfolio for its reliable income and [long-term growth potential](#).

### CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

### TICKERS GLOBAL

1. NYSE:ENB (Enbridge Inc.)

2. TSX:ENB (Enbridge Inc.)

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