



## CRA: Many Canadians Are Making This Huge Tax Mistake

### Description

Taxes are a compulsory financial obligation for every Canadian citizen. Many Canadians, especially from low-income households with kids, don't effectively *pay* any taxes; they receive more benefits than they pay in taxes. But even they have to file their taxes to qualify for all the benefits and tax breaks.

Not filing your taxes is a crime, and late filing results in penalties. If you are in the habit of putting off filing your taxes until you are right at the deadline, you may get in trouble or pick up a heftier tax bill. The ideal situation is that you file and pay well before time. If you have all your financial information in order, filing your taxes won't become a headache.

### Benefits of filing your taxes

The government urges students and individuals who don't make any money or only earn a minimal amount to file taxes as well. This lets the government know its people's financial situation, and they benefit from refunds, benefits, and credits. Individuals like these don't even have to spend money on filing their taxes (by paying a CPA). They can book an appointment at the free tax clinics that the government sets up every year.

If you have a child, filing your taxes can help you get CCB. You may also qualify for GST/HST credit or CWB benefits. You may claim a lot of benefits by filing your taxes and letting the government know of your current financial situation.

### A major tax deduction

If you are earning a decent income, one of the best deductions you may want to go for is RRSP contributions. They can save you a decent chunk of the money. If you are earning \$100,000 in Ontario and contribute the full allowed amount to your RRSP (\$18,000), you will save about \$6,285. That's more than one-third of the actual contribution.

One good stock where your \$18,000 can thrive is **goeasy** ([TSX:GSY](#)). The recently instated Dividend

Aristocrat is also a very powerful [growth stock](#), or at least, it was until the market crash. The company grew its market value by over 300% in the past five years before the crash. Even at its current low valuation, the five-year CAGR is 25.7%, enough to turn your \$18,000 into half a million in 15 years.

The yield right now is 3.21%, but it comes with goeasy's rapid [dividend growth](#). The company increased its payouts by 260% in the past five years. It offers a solid return on equity (20.9%) and a stable balance sheet. This alternative financial company has over 400 physical branches in the country, but most of its business is driven online.

## Foolish takeaway

There is no logical reason not to file your taxes. Even if you are having trouble *paying* your taxes, that's no reason for you to delay the filing. By being on time (or ideally, filing well before time), you can save yourself a lot of hassle by scrambling for lost documents and records when the deadline comes.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. TSX:GSY (goeasy Ltd.)

### PARTNER-FEEDS

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

### Category

1. Dividend Stocks
2. Investing

### Date

2025/08/16

### Date Created

2020/07/04

### Author

adamothman

default watermark

default watermark