



Canada Revenue Agency: 1 Major CRA Change Will Lower Taxes in 2020

Description

Paying taxes is always a difficult proposition, regardless of the amount. Taxes are a burden to individuals, as they reduce disposable income by a significant margin. However, this Canada Revenue Agency (CRA) adjustment brings good news to taxpayers. It should lower taxes in 2020, which should bring relief to millions of Canadians.

The basic personal amount (BPA) is [a non-refundable tax credit](#) that can be claimed by all Canadians. The primary purpose of the BPA is to provide residents a reduction from federal income tax to individuals with taxable income below the BPA. This tax credit also provides a partial reduction to taxpayers with taxable income above the BPA.

According to the CRA, a non-refundable tax credit reduces what you may owe. However, you need to be aware that if your non-refundable tax credits are more than what you owe, there will be no refund for the difference.

According to the Canada Revenue Agency, the maximum BPA increased to \$13,229 in 2020, up from \$12,298 for individuals with a net income of below \$150,473. The increase is gradually reduced for Canadians with net income between \$150,473 and \$214,368. Further, if your next income exceeds \$214,368, this change does not apply, and your BPA will stay at \$12,298.

The maximum BPA will be increased to \$15,000 by 2023 from \$13,808 for 2021 and \$14,398 for 2022. It will then be indexed for inflation for subsequent years.

Invest in the TFSA and pay zero taxes to the CRA

According to the Canada Revenue Agency, about 20 million Canadians will benefit from lower taxes due to the BPA. Now, Canadians have extra cash to cover their basic needs and can reinvest savings to buy quality growth stocks such as **Docebo** ([TSX:DCBO](#)) in their TFSA.

The TFSA (Tax-Free Savings Account) is a registered account fast gaining popularity among Canadians. The contributions towards this account are not tax deductible. However, any withdrawals in

the form of dividends or capital gains are exempt from Canada Revenue Agency taxes.

For example, if you bought \$1,000 in **Shopify** stock during its IPO for your TFSA, the investment would be worth close to \$60,000 today. This amount can be withdrawn by paying any taxes, and we can see why the TFSA is an ideal vehicle for dividend and growth stocks.

Why do you need to invest in Docebo right now?

While Shopify has generated massive wealth, there are concerns about the stock's valuation. Another TSX company that should be on the radar is Docebo. This company aims to redefine the way enterprises learn by applying new technologies to the traditional corporate LMS (learning management system) market.

Docebo was founded in 2005 and provides a learning platform with end-to-end capabilities and functionalities. Its solutions allow customers to control training strategies and provide an efficient course delivery that includes tracking of learning progress as well as advanced reporting tool and analytics.

The company's recent press release stated, "Our robust platform helps our customers centralize a broad range of learning materials from peer enterprises and learners into one LMS to expedite and enrich the learning process, increase productivity and grow teams uniformly."

Docebo has close to 2,000 enterprises as customers and continues to expand the client base. The stock has [more than doubled in 2020](#) and is poised to crush broader markets over the long term given its expanding addressable market and rapidly increasing customer base.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. TSX:DCBO (Docebo Inc.)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
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4. Newscred
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