



Pay Your Taxes! This Man Got Fined \$500,000 by the CRA for Tax Evasion

Description

The most recent example of tax evasion and its punishment is the individual from Laval, Quebec, who pleaded guilty to tax evasion and has been fined almost half a million dollars. This penalty is in addition to the tax obligation he still bears, as well as interest and other relevant penalties. This is likely to push the total amount payable well beyond one million dollars.

This person concocted an elaborate scheme to hide a luxurious property, which is quite a sizeable asset, from the CRA. The scheme involved international fund transfers, fake loans, a nominee, and even a corporation established in Belize. When the CRA dug deeper, they found more tax discrepancies and hidden assets. The tax fraud dates back to 2009.

Investment-related tax confusion

I wanted to share this story to highlight that if you don't pay your taxes and are hit by huge CRA fines, you won't be able to make any money investing since you'll have to pay it all back. This is the polar opposite of smart investing behaviour, and goes to show how important paying your taxes is for any investor.

A better alternative regarding your investment-related tax obligation is to contribute to your registered tax accounts first fully with reputable stocks that should have long-lasting businesses.

One such stock would be **Metro** ([TSX:MRU](#)). Metro is a [decent growth stock](#) and an aristocrat with an amazing 25-year streak of dividend growth. While its dividend payout ratio is very stable, the yield is a bit low at 1.5%.

Its 10-year compound annual growth rate (CAGR) is 16.54%, enough to get you to nearly \$200,000 in just 15 years if you invest \$20,000 in it now. In a Tax-Free Savings Account (TFSA), that would be a sizeable amount, which you can withdraw anytime, tax-free, to fund a major purchase, go on vacation, or another financial goal. If you can wait just six more years, you could be sitting at half a million dollars.

Foolish takeaway

When it comes to taxes, even a literal “foolish” takeaway would be to pay them on time. It seems understandable that people are making more money, they may feel like they are literally giving half of it to the government.

One way to mitigate the tax loss is to invest using registered accounts to enjoy tax-free/tax-deferred growth of wealth. Given enough time, even [a safe stock](#) like Metro can help you grow your wealth substantially.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:MRU (Metro Inc.)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred

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