



CRA Update: New \$500 Digital News Tax Credit

Description

The Canada Revenue Agency (CRA) is being accommodating with Canadians during these unprecedented times. From [delaying the tax filing and payment deadlines](#) to going as far as introducing an entirely new tax break, any help is welcome for Canadians when it comes to the financial situation.

The digital news tax credit

The current tax system offers several tax credits and deductions that cover many of the expenses that the government considers fit to lower your taxes. The CRA also tends to introduce new tax breaks from time to time. Last year, the government introduced the digital news tax credit. This tax break applies to all Canadian taxpayers, and you should consider using it before filing your tax returns for the 2019 income year.

The digital news tax credit applies to any taxpayer who has subscribed to any paid news subscriptions. While the subscriptions already gave you an advantage by staying up to date with the latest news, it also qualifies you for the tax credit.

Applicable for up to \$500 in subscription fees for digital news outlets, you can use it to save 15% from your subscription expenses. The total amount you can save is a meager \$75, but every dollar saved can go a long way if you know where to use it.

Using tax savings

Between all the standard tax deductions and credits and newer tax credits like the digital news tax credit, you can save substantial amounts in taxes. Instead of using that amount as extra spending money, I would advise investing the amount and letting it grow tax-free in a Tax-Free Savings Account (TFSA).

Consider investing your tax savings in an asset like **Jamieson Wellness** ([TSX:JWEL](#)). The global health crisis had an adverse impact on most publicly traded companies on the TSX. One of the rare

few companies to come through the sell-off relatively unscathed was this health and wellness company.

Jamieson Wellness provides products that cater to a healthier lifestyle — something that people are increasingly becoming aware of amid the pandemic. The demand for healthy living has also boosted the demand for its products, and it is enjoying a robust operational performance.

The most recent quarter saw Jamieson Wellness improve on its figures all around. The company's revenues increased by 16.5%, and its adjusted EBITDA grew by more than 15%. At writing, the stock is trading for \$35.97 per share, and it keeps climbing higher. The stock is up 40% from the beginning of 2020, and it is likely to soar to greater heights over time.

Foolish takeaway

While the new tax break might not save you a significant amount, it can contribute to your overall tax savings. Using all the tax savings to [purchase value stocks](#) like Jamieson Wellness and storing the shares in your TFSA can help you capitalize on massive capital gains and dividends. I think you can use these to boost your overall wealth in the long run substantially.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:JWEL (Jamieson Wellness Inc.)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
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