



15% CRA Digital News Tax Credit: Do You Qualify?

Description

COVID-19 news is upsetting most of the time, especially if public health officials report new cases. But did you know that if you're getting updates from a paid news subscription, you qualify to receive the digital news subscription tax credit (DNSTC) from the Canada Revenue Agency (CRA)?

Journalism tax measure

The latest tax measure lends support to digital news media organizations in Canada. CRA aims to enable these organizations to achieve a financially [stable business model](#). Meanwhile, a taxpayer can claim costs paid for an eligible digital subscription in a tax year.

The 15% digital news subscription tax credit is part of the federal government's journalism tax measures introduced in Budget 2019. This particular tax credit is non-refundable. It pertains to amounts paid by individuals to a qualified Canadian journalism organization (QCJO).

Tax break from online news

An individual taxpayer must have an agreement with a QCJO for a qualifying subscription that is eligible. It covers expenses after 2019 and before 2025. You can claim the credit on your income tax return for the income years 2020 to 2024.

The CRA calculates the maximum credit by multiplying the lowest personal income tax rate (15%) by the total of all amounts paid. The qualifying subscription expense in the year is up to \$500. However, keep in mind that only stand-alone digital subscriptions to the content of the QCJO are the eligible expenses.

Hot news item

BlackBerry ([TSX:BB](#))([NYSE:BB](#)) is a [hot item](#) these days following a report by Frost & Sullivan in June

2020. The independent report concludes that this \$3.64 billion provider of intelligent security software can secure all Internet of Things (IoT) endpoints, and upward of 96% of all cyber threats.

The news should excite investors. You can buckle up for a tasty ride because the season of BlackBerry is upon us. Year to date, the tech stock is underperforming by 21.5%. Analysts forecast the stock price to climb between 73.7% and 113.7% in the next 12 months. The current share price is \$6.55.

Awesome growth potentials

The growth potential of BlackBerry is limitless, owing to the ever-increasing demand for functional safety-certified and secure software. According to BlackBerry CEO and Executive Chairman John Chen, cyber chaos is widespread in the business environment. The company can protect data, privacy, intellectual property, and even a nation's critical infrastructure.

Fiscal incentive

Many industries across Canada are ailing. The media industry in Canada needs a lift too. Finance Minister Bill Morneau said that DNSTC is one of three components of a \$595-million, a five-year boost for the said industry. This particular tax credit encourages Canadians to pay for online news. It can cover about two months' worth of a digital subscription fee.

For a good cause

Advertising revenues of media organizations are dropping. You can do your share by helping them as they transition to digital. If you pay \$200 a year for an online subscription with QCJO, you can claim a \$30 tax credit.

A scheme with financial incentives like tax credits is an effective strategy. DNSTC is temporary, although readers' reception is positive thus far. The federal government is studying ways to improve and expand this new tax break.

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