



## CRA: 3 Hidden Ways to Boost Your Tax Refund

### Description

The Canada Revenue Agency (CRA) offers a generous amount of tax refunds and rebates for those who need it most. Many of these programs are well-known. However, some tend to slip under the radar. Missing out on these hidden programs could be the equivalent of leaving thousands of dollars on the table every single year.

With that in mind, here are the top three hidden ways you can boost your CRA tax refund this year.

### CRA caregiver rebate

The Canada Caregiver Credit program is designed to support the unsung heroes of our society — family caregivers. If someone in your family (a spouse, or parent or grandparent) is dependent on you due to a physical or mental impairment, you could get a tax refund for their care.

Depending on the dependent's age and circumstances, you may be entitled to up to \$7,140 in annual tax refunds. This amount could go a long way toward helping your family.

### CRA GST/HST credit

The CRA has managed to offset the costs of living for low and middle-income families via a quarterly tax refund. The Goods and Services Tax/Harmonized Sales Tax (GST/HST) credit could be worth hundreds of dollars in direct payments every quarter. The exact amount you receive depends on your personal circumstances. Check with a CPA to learn more.

### CRA uncashed cheques

The tax refunds mentioned above are sometimes sent via cheques. If you've moved or if the cheques are lost en route, you may have an unclaimed balance pending with the CRA. According to the CRA, there were 7.6 million uncashed cheques belonging to over five million Canadians that are collectively worth over \$1 billion.

The CRA now has an online portal that allows you to check if there's any pending unclaimed tax refund in your name.

## What to do with tax refunds?

Depending on your situation, you could have a few hundred to a couple of thousand dollars in tax refunds. These refunds are designed to offset your cost of living and support your family. However, if your family's finances are already in good shape, you could use the tax refund to bolster your financial security further.

High-income dividend stocks, such as **RBC Bank**, could allow you to generate passive income from your tax refund capital. RBC stock currently offers a 4.5% dividend yield, which means a \$1,000 investment could deliver \$45 in recurring annual cash flow. Over time, the stock price appreciation and regular dividends could far outweigh your annual tax burden.

RBC seems to be in a better position than most of its rivals. The bank's exposure to the commercial debt and mortgage sector is limited, which makes its balance sheet more robust. Also, the [dividend yield is higher than its five-year average](#). This means investors can lock-in a substantial rate right now.

## Bottom line

The CRA offers generous tax refunds and rebates. While the most popular programs are well known, the lesser-known ones could deliver hundreds, if not thousands of extra dollars to your account. Investing this unclaimed cash in dividend stocks could change your financial future forever.

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