



## Canada Revenue Agency: You Can Get Retroactive Emergency GST Credit of Up to \$400

### Description

You must have heard from your friends and colleagues that the Canada Revenue Agency (CRA) credited an extra \$400 in their account in April. This extra payment was equivalent to the Goods and Services (GST) tax credit they received for the 2019-2020 benefit period. The CRA paid out this amount as part of the COVID-19 response. If you haven't received this amount, you can still get it as a retroactive payment.

All you need to do to get your retroactive emergency payment is file your 2018 tax returns with the CRA.

### Are you eligible for the GST credit?

If you are thinking whether or not you are eligible for the GST credit, tick the below options.

- Are you 19 years and above and a Canadian resident?
- Is your annual adjusted family net income below \$48,000?

If you tick both the options, you are eligible to get a GST credit. Please note that there is no upper age limit to receive the GST credit. Hence, everyone from a 19-year old student to an 80-year old retired person, from a working professional to a housewife, is eligible for the GST credit.

The CRA established GST credit in 1991 as low- and mid-income families spend a larger portion of their after-tax income on buying taxable goods and services, as compared to higher-income families. By refunding some or all of the GST, low- and mid-income families paid, the CRA tries to balance the income gap.

The CRA takes into consideration your family income, marital status, and family size while [calculating your GST credit](#). So if you are a family of three with an adjusted net family income of \$38,000, you can get a GST credit of \$747. For the July 2019- June 2020 benefit period, you will get an extra \$747

emergency GST credit under the COVID-19 response.

## You can get retroactive emergency GST credit?

Now that you know that you are eligible for the GST credit, why didn't you get it? The CRA gives this benefit only to those who file their tax returns regularly. You will get the GST credit for the current year if you have filed your previous year's tax returns.

It's not too late. You can get retroactive payment of your basic and emergency GST credit for the 2019-2020 period if you file your 2018 tax returns now. A \$1,500 credit for a family of three is equivalent to three weeks of Canada Emergency Response Benefit (CERB) payments. For a single person, the total GST credit could climb as high as \$886.

If your family income is less than \$38,000, you can use various other CRA benefits to [reduce your tax bill to \\$0](#). Some of these tax breaks include personal amount, working income, child care expense, and tuition fees (for post-secondary education course). So you pay \$0 income tax to the CRA and get the maximum GST credit just by filing your tax returns.

## One TSX stock which can double your retroactive emergency payment

The \$400 emergency GST tax credit came unexpectedly. If you invest this amount in a growth stock, it can grow three to four-fold in seven to 10 years. Always invest in high-growth stocks through your Tax-Free Savings Account (TFSA). The TFSA makes your investment income tax-free.

On stock which is in its early stages of growth is **Lightspeed POS** ([TSX:LSPD](#)). Founded in 2005, the company provides cloud-based point-of-sale (POS) solutions to retailers and restaurants. It earns revenue through subscription fees, sale of hardware devices, and a commission on every transaction.

After 15 years, Lightspeed has crossed the \$100 million revenue mark and is now in a high-growth phase. Last year, its revenue rose 55% year-over-year. In April, the COVID-19 pandemic shifted the traffic from physical stores to online stores.

At that time, Lightspeed's e-commerce volumes surged 400% compared to February. The company has the potential to grow significantly in the medium term.

It has only been 16 months since Lightspeed stock started trading on the **Toronto Stock Exchange**. During this time, it has surged 78%. If you invest your \$400 emergency GST credit in the stock, your money can more than double in the next three to five years.

### CATEGORY

1. Coronavirus
2. Investing
3. Tech Stocks

### TICKERS GLOBAL

1. TSX:LSPD (Lightspeed Commerce)

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## **Author**

pujatayal

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