



Canada Revenue Agency: Did You Miss the Extra \$400 GST Credit?

Description

Did you hear about the \$400 that the Canada Revenue Agency (CRA) paid out in April 2020? The extra payment that many people have received is equal to the Goods and Services (GST) tax credit the CRA paid them for the 2019-2020 benefit period. The CRA paid this amount to taxpayers as a part of the [COVID-19 Response Plan](#).

If you have not received it yet, you can determine whether you are eligible and receive the amount as a retroactive payment. All it takes is filing your 2018 tax returns with the CRA.

Do you qualify for the tax credit?

The key here is to know whether you are eligible to receive the GST tax credit. Two requirements can qualify you to receive the amount:

- Your annual adjusted family net income must be below \$48,000.
- You must be over 19 years of age and a Canadian resident.

If you fulfill the criteria, you can get the GST tax credit. There is no upper limit on the age to receive this GST. This means anybody over the age of 19 in the family can receive the credit, whether you are a 19-year-old student, a working professional, or a retiree.

The CRA established the GST credit in 1991 to help low- to mid-income families that spend a significant portion of their household income on goods and services that come with a tax. These families end up with a larger portion of the household income than families in a higher income bracket. The CRA established this refund to balance the income gap.

Can you receive the retroactive GST credit?

The CRA provides this benefit to taxpayers who regularly file their tax returns. You can GST credit for the current year if you filed last year's tax returns. If you have not filed the tax returns yet, you can still

file your taxes and get retroactive payment for the GST credit. The CRA calculates your GST credit after considering your family income, marital status, and family size. An individual's total GST credit could be as high as \$886.

With this \$400 tax credit along with [other tax breaks](#) offered by the CRA, you can get a significant amount that you can consider investing in assets to grow your wealth.

Using your tax refund

Lightspeed POS ([TSX:LSPD](#)) can be a top contender for investing your tax refund so you can receive substantial returns. The tech stock is currently down 1.14% from its share price at the start of the year. It has been a rough year for the stock market all around, and LSPD also experienced the effects of the downturn.

The company provides omnichannel point-of-sale platforms to restaurants, small businesses, and retailers. The pandemic devastated its customers, and amid the sell-off frenzy, investors dumped the stock. Despite all its woes, the stock has recovered more than 200% of its March 2020 lows.

Many restaurants and retailers needed solutions to boost their sales, and Lightspeed fulfilled the demand. In March, the company received its highest e-commerce subscriptions, and its customers' e-commerce sales grew by 400% in that month. Lightspeed looks poised to cater to the changing dynamics of the market and making huge gains.

Foolish takeaway

GST tax credit may not seem like a substantial amount. If you use that money to invest in a growth stock like LSPD instead of using it as extra spending money, you can use the tax credit for a significant benefit.

LSPD is broadening its solutions to meet its customers' changing needs. I believe the stock has the potential to become more valuable in the long run.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:LSPD (Lightspeed Commerce)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
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