



Canada Revenue Agency: 1 Important Deadline You Can't Afford to Miss

Description

The Canada Revenue Agency (CRA) has one important date Canadians need to remember. It is September 30, 2020. Last week, the CRA [announced](#) that this is the final deadline for Canadians to file their 2019 tax returns without incurring late penalties or interest on tax amounts owing.

File your taxes by September 30, 2020, to avoid CRA penalties

It is important to complete your tax return as soon as possible for two reasons. Firstly, why pay costly penalties and interest if you don't need to? Secondly, if you want the continuity of income-tested CRA benefit programs (like the Child Tax Credit), you need to file before the deadline. The best way to avoid any benefit delay is to submit your taxes as quickly as possible.

Avoid paying tax on investment returns by maximizing the TFSA

Are you an investor like me, and you just don't "love" paying taxes on your investment gains? Well, there is actually one *legal* way you don't have to. I am talking about the Tax-Free Savings Account (TFSA). The Canada Revenue Agency created the tax-free account as a means for Canadians to bolster their long-term savings/investments by protecting a portion from tax implications.

If you are interested in boosting your investment returns, the best place to start is by investing through your TFSA. The CRA increased the TFSA contribution amount by \$6,000 in 2020. If you were over 18 years old in 2009 and you have never contributed, you are eligible to contribute a combined total of \$69,500! That's \$69,500 that you can invest today totally tax-free!

Pay no CRA tax on this ideal TFSA stock

[One ideal TFSA stock](#) to pay no CRA tax on is **Brookfield Infrastructure Partners** ([TSX:BIP.UN](#))([NYSE:BIP](#)). Yesterday, BIP beat the market with its second-quarter results. Although fund flows from

operations (FFO) were down 5% year over year at \$0.72/unit, it was nicely above analysts' consensus of \$0.67/unit.

Adjusting for currency weakness in Brazil, FFO would have been up 3% year over year. COVID-19 has resulted in a number of project delays. Just under 10% of projected FFO was inhibited simply due to timing this quarter.

Despite that, this stock is setting up for a strong recovery into next year. Firstly, BIP has a very diversified, stable, and contracted platform with exposure to a variety of essential infrastructure assets (utilities, transportation, energy, and data). Its cash flows over the long term are very stable.

Secondly, most of the COVID-19 headwinds (project delays and weak volumes) will be offset in the second half of this year, as new acquisitions and projects come online. Right now, the stock is relatively cheap, but I bet it won't be for long.

Thirdly, management affirmed that it still sees strong growth ahead. It took advantage of the March market crash, flipped some public infrastructure equities, and earned a nice \$25 million profit. BIP still holds some public equity positions, which could lead to greater strategic transactions later. It also has a number of medium-sized tuck-in acquisitions that could be very synergistic within its current platform.

Most interestingly, I think BIP will target a larger, more transformational acquisition later this year or next. BIP is well capitalized, globally established, and an expert at turning distressed assets into cash flow machines. The uncertain economic environment will present opportunities. Investors, like management, just need to be patient.

This is one stock you want to keep all your earnings

Brookfield Infrastructure is one stock that you don't want Canada Revenue Agency to tax. Combine BIP's growing (5-9% a year) 4.75% dividend with its ample long-term growth opportunities, and it is one stock that can really compound tax-free wealth over a lifetime.

CATEGORY

1. Coronavirus
2. Dividend Stocks
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2. TSX:BIP.UN (Brookfield Infrastructure Partners L.P.)

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