CRA Tax Update: Don’t Miss This 1 Important Deadline

Description

2020 has been a devastating year for economies worldwide. The dynamic of how we live our day-to-day lives is entirely different from what we were all used to. As the pandemic continues to ravage the world, taxes might be one of the last things on your mind. However, as the government continues to make efforts to manage the spread of the virus, paying our taxes is a duty that enables the government to bolster its efforts.

The Canadian government is taking measures to help Canadian citizens and has tasked the Canada Revenue Agency (CRA) with two critical tasks. I will discuss the two major tax updates you should be aware of and how you can offset the cost of paying your taxes using investments.

Tax deadline update

When the pandemic struck, people couldn’t care less about filing their taxes; they were figuring out what they could do to stay safe. So, the CRA announced a change in its deadlines for Canadian taxpayers to file their taxes for the 2019 income year.

The government offered relief by extending the tax-filing deadline to June 1, 2020. The deadline to pay the taxes they owe has been extended to September 1, 2020. This should give Canadians plenty of time to figure out their tax details. To make things even better, the government announced that the typical late filing penalties will not apply.

It means that you can use this extended time to get your financial affairs in order and scrounge up enough funds to pay off the taxes you owe.

CERB

Another major update this year was the launch of the Canada Emergency Response Benefit (CERB) program. The program would pay Canadians $500 per week for up to 24 weeks. Eligible Canadians include those who have lost their income and meet certain eligibility criteria to receive the benefits.

It would be best if you kept in mind that the CERB money you receive will be counted as part of your taxable income for 2020 when the next tax season arrives.

Using any savings

If you have any savings, and you invest that amount in an income-producing asset like **Fortis** (TSX:FTS)(NYSE:FTS), you can earn a significant amount of passive income through its dividends. The utility company recently released its quarterly earnings report for Q2, 2020. Staying true to expectations, the quarter went smoothly for the company with a 3.7% earnings growth.

At a time when most publicly traded companies are suffering substantial losses or volatility, Fortis is providing its shareholders with stability in growth and income. The company's earnings per share increased to $0.56 per share. The increase took place, despite the pandemic causing a massive disruption in our economy.

The defensive nature of this business is clear due to Fortis's positive quarterly report. No matter how bad the economy gets, people need their utilities, and Fortis can provide. More than 80% of its revenue is regulated or residential, leading to predictable income. Surprisingly, even its unregulated business did well, with an increase of 3% in sales.

Foolish takeaway

At writing, Fortis is trading for $54.55 per share, and it offers its shareholders dividends at a juicy 3.50% dividend yield. Investing any savings in the stock and holding onto your shares can see your wealth grow through its capital gains and dividends. With enough capital invested in Fortis shares, you can earn enough passive income to offset the out-of-pocket money you have to pay for your taxes on September 1, 2020.

CATEGORY

1. Dividend Stocks
2. Investing

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. NYSE:FTS (Fortis Inc.)
2. TSX:FTS (Fortis Inc.)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Sharewise
6. Yahoo CA

Category

1. Dividend Stocks
2. Investing

Tags

1. Editor's Choice

Date
2025/08/27
Date Created
2020/08/06
Author
adamothman