



CRA's Secret Tax Break: Take Advantage Right Now!

Description

The pandemic has messed up life for Canadians and people worldwide. For Canadians specifically, it's also meant the pandemic took priority in our minds –even above tax breaks that had nothing to do with COVID-19. But there is one tax break everyone can take advantage of that was announced just before the pandemic hit.

The tax break is for Canadians to take on a zero-emission vehicle. These vehicles will be 100% income tax deductible until 2024. Though there are a few rules that apply.

Tax break rules

If you're looking for a new car, then you should definitely consider a zero-emission vehicle for a number of reasons. There's the obvious: it's better for the environment. However, there are ways that it can put cash in your pocket if you do it today.

First of all, this tax break is for brand new cars made available after March 18, 2019, and must be available before 2024. A new car will last far longer than most used cars, especially if you do your research. This can save you money in the long term, buying a car that won't need replacing.

It also means you can trade in your old car. Most dealers will take a trade in, even if it means taking in a car that isn't the company's brand. So that right there is cash in your pocket, or cash you can put towards your brand new car.

Then, as long as you have a brand new zero-emission vehicle, it is 100% income tax deductible up to \$55,000. You also get \$5,000 from the government for most zero-emission vehicles. Again, cash that can help pay off this new vehicle. For all that, you could even afford a **Tesla** Model 3!

Invest for more cash

As these cars become more popular both in Canada and around the [world](#), investors should be looking

to take advantage. You might not want to invest in a company like Tesla if you have a Tax-Free Savings Account (TFSA). If you do, you'll be taxed. However, there are other ways to bring in cash.

One way is to invest in hydrogen fuel cells, which power zero-emission vehicles. The perfect choice right now is **Ballard Power Systems Inc.** ([TSX:BLDP](#))([NASDAQ:BLDP](#)). The company has already seen record-level sales, and this should soar as countries put more money towards clean energy initiatives, as Canada has.

Even during a pandemic, the company managed to deliver \$25.8 million in revenue, with cash reserves reaching \$170.3 million. While the virus caused a slight delay on delivery, that will be over soon. On top of that, it now has a new production house up and running in China.

The company also had huge share growth in the last year alone, soaring 250% in the last year alone. If this continues, which looking at historical data is not a stretch, a \$5,000 [investment](#) could turn into over \$15,000 in only a year!

Foolish takeaway

All this is to say that there are multiple ways to take advantage of this tax break. You can buy up a vehicle with a significantly reduced cost. You can also invest in this industry, bringing in enough cash to pay off those car loans in the next few years alone!

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