Canada Revenue Agency: 1 Huge Deadline Change for 2020 Taxpayers

Description

The Canada Revenue Agency (CRA) showed genuine concern for taxpayers after COVID-19 disrupted the 2020 tax season. When the pandemic broke out, the CRA promptly extended the tax-filing and tax-payment deadlines, so Canadians will have a reprieve.

New date to remember

Apart from the twin extensions, the CRA has temporarily suspended interruptions of credits and benefits. The move is to encourage taxpayers to file their income tax returns as soon as possible. After the June 1, 2020, tax-filing deadline, the agency is pushing the tax payment further from September 1 to September 30, 2020.

The latest payment due date is for current-year individual, corporate and trust income tax returns, including installment payments. Individual and corporate taxpayers are getting relief, because the CRA understands the difficulties in meeting financial obligations and tax debts incurred before the health crisis.

Furthermore, the extension comes with the waiver of interest on existing tax debts related to individual, corporate, and trust income tax returns from April 1 to September 30, 2020. For the Goods & Services Tax (GST) and Harmonized Sales Tax (HST) returns, the waiver covers April 1 to June 30, 2020.

Avoid tax debt

The CRA will not cancel penalties and interest on tax debts assessed before the specified period. However, the waiver from April 1 to September 30, 2020, provides immediate relief and ensures a taxpayer's existing tax debt will not grow during this challenging time.

Although there's a payment extension, you must still file your 2019 tax return. The CRA needs to compute the credits and benefits for 2020-21. If the agency is unable to assess by early September, payments of benefits, such as the Canada Child Benefit (CCB) will stop by October 2020. Individuals must repay all credits and benefits received from July to September 2020.

Accelerate tax-free earnings

Canadians can save a lot easier for income tax purposes via the Tax-Free Savings Account (TFSA). The benefit of this investment vehicle is not only tax savings, but tax-free income through your lifetime. All TFSA contributions, earnings, and withdrawals are generally tax-free.

Purchase dividend stocks to build a TFSA portfolio. You can maximize the annual TFSA contribution limit and realize tax-free capital growth over time. Select a blue-chip company like **TELUS** (TSX:T)(NYSE:TU). Why this telco stock? Telecommunications and the internet are the services that will thrive in the post-pandemic era.

The internet in particular permeates people's lives almost 24/7. You can't imagine life anymore without e-mail, social network, and Google. Connectivity is extremely valuable, whether in personal affairs or business dealings. TELUS will be side by side with Canadians, as they learn to co-exist with COVID-19.

Usage of TELUS's wireless and wireline networks in homes, schools, offices, and government agencies are ever-increasing. The $31.19 billion company boasts of a world-class communications network and fastest download speed (72.7 Mbps). With its 4.77% dividend yield, you can also fast-track your savings growth.

Reciprocate

The CRA has been overly accommodating in helping taxpayers cope with the difficulties in the 2020 pandemic. Canadians should set aside dislike for taxes and respond by fulfilling their tax obligations.

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