



Canada Revenue Agency: October GST Refunds Are Here!

Description

Have you received your October goods and services tax/harmonized sales tax (GST/HST) credit? The Canada Revenue Agency (CRA) gives a single person a maximum GST refund of \$451 per year in four installments. The CRA credits the amount into your account on the fifth day of July, October, January, and April. If you are eligible for the maximum benefit, you would have received a \$112 GST refund on October 5.

What *is* a GST refund?

The GST credit is tax-free and available to Canadians above 19 years of age who file their tax returns. The CRA refunds low and mid-income earners some portion of the tax they paid to buy goods and services.

You can [get the maximum GST](#) of \$451 per year if your adjusted family net income is \$38,000 or less. Beyond this income, your GST credit amount starts reducing, and you don't receive any credit above \$48,000 annual income. Your GST amount may also vary depending on your marital status and number of children.

Why you didn't receive a GST refund?

If you haven't received the GST refund for October, it could be because you didn't file your 2019 tax returns before the September 31 deadline. There could be other reasons like:

- You did not update your information related to direct deposit, marital status, or address on My CRA account.
- The CRA reassessed your 2018 tax returns or assessed 2019 returns and settled any outstanding debt you had with the CRA.

The CRA also gave a one-time GST refund of \$400 on April 9 as part of the COVID-19 Emergency Response Plan. If you didn't receive that amount in April, it could be because of the above two reasons

or because you didn't file your 2018 tax returns.

There is still time. The CRA allows you to claim retroactive credits for up to three years. You can file your 2018 tax returns and claim the \$400 one-time GST refund. Also, file your 2019 returns to continue receiving GST refunds in the 2020-2021 period.

What should you do with the tax credit?

An amount of \$100 a quarter might seem pretty less. But you can make the most of this money by investing it in a high-growth stock. You don't want to pay tax on the money you make from your tax-free refund. Hence, invest this money through your Tax-Free Savings Account (TFSA).

The \$100 refund is like a bonus the CRA gave you. There are some high-growth stocks, but they come with risk. If you can spare this \$100 in experimenting with a risky stock, you could grow this money to \$200. One such stock is **Lightspeed POS** ([TSX:LSPD](#))([NYSE:LSPD](#)). This stock launched its initial public offering (IPO) on the **Toronto Stock Exchange** last year and surged 90%.

This year has been a rollercoaster ride for the point-of-sale (POS) solutions provider as the pandemic temporarily shut down its client base of retailers and restaurants. Its stock fell 67% in March only to surge more than 200% between April and September with the rise of e-commerce. Those who invested their one-time GST credit on Lightspeed stock in April now have \$966 in their Tax-Free Savings Account (TFSA).

It's hard to say whether the stock would replicate the April to September rally, but it could double in the next two years if it maintains its 50% revenue growth rate. The company has raised \$367 million from its US IPO to [invest in future growth](#).

Lightspeed earns through subscription fees and a commission on transactions. It could use the capital raised to buy small competitors and grow transaction volumes. It could also use this money to add new services and expand its offering to other segments like Golf clubs.

Investor corner

Instead of keeping the \$100 GST refund idle in your account, put it to work in a high-growth stock. Just put all your 2020-2021 GST refunds worth \$450 in Lightspeed and let that money grow for two years. Your \$450 could become \$900 by 2022.

CATEGORY

1. Coronavirus
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2. TSX:LSPD (Lightspeed Commerce)

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Author

pujatayal

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