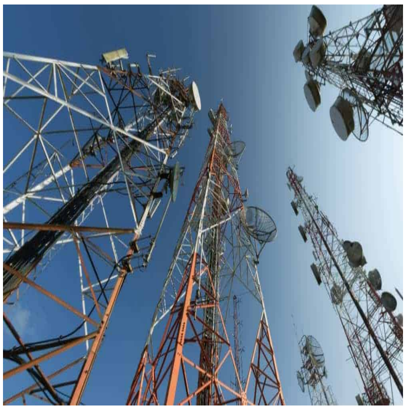

Canada Revenue Agency: Did You Claim the $500 Digital News Subscription Tax Credit?

Description

Digital news media organizations also need support in 2020. Canadian taxpayers can help them achieve a more financially sustainable business model by subscribing to digital news. In return, you can claim a rare tax break with the Canada Revenue Agency (CRA).

You can now save money on your taxes if you get an online subscription from 2020 and before 2025. Ensure your access is to the news in digital form and the written content provider is a qualified Canadian journalism organization (QCJO).

Taxpayers' incentive

The Digital News Subscription Tax Credit (DNSTC) is the most recent tax break by the CRA that incentives taxpayers to support Canadian news media. It's a non-refundable tax credit on amounts paid by individuals to a qualified QCJO.

You can claim up to $500 in costs you will pay toward eligible digital subscriptions in a taxation year. The maximum annual tax credit is $75, and the qualifying subscription expenses must be after 2019 and before 2025.

This rare tax credit was established last year but became effective in 2020. The claims are limited to the cost of a stand-alone digital subscription. Thus, only the digital form content will qualify as the expense for subscriptions that combine digital and newsprint subscriptions.

General rule

The general rule is that only the individual that enters into an agreement with a QCJO can claim the DNSTC. However, if the entitlement is for more than one person, such as spouses or roommates, the total credit amount can be split between the two. The claim must not exceed the maximum amount allowed per individual claimant.

The Independent Advisory Board on Eligibility for Journalism Tax Measures has the mandate to recommend which media organization meets QCJO designation criteria. As stipulated in the Broadcasting Act, a subscription with a QCJO carrying a broadcasting undertaking will not qualify for this credit. These QCJOs fight for customers' loyalty.

Recession-proof all the way

In the battle for the highest loyalty rate in the telecom industry, **TELUS** (TSX:T)(NYSE:TU) leads because of customer service excellence and technology leadership. If you were to invest in a defensive stock, Canada's second-largest telco is the hands-down choice.

TELUS pays a generous 4.94% dividend that should be sustainable for years on end, given the non-stop and recurring cash flows from the 14.5 million customer base. This $30.4 billion company derives about 70% of total earnings from the wireless segment, a stronger suit than wireline.

Also, it leads in market share on account of operational efficiency and world-class networks. The company will soon have two new reportable segments, namely telecommunications (wireless and wireline) and TELUS International. Its 5G-ready LTE-M network is now available across the country.

With the critical products and services TELUS provides, the business is recession-proof. The ever-growing appetite for broadband data is a significant tailwind, while the growth engine has yet to run on all cylinders.

Lend support where it matters

Customer loyalty and retention matters to a company, whether it's a digital news media organization or a telecommunications firm. If you're a news follower, show your support to a QCJO by subscribing to digital news. It's worth your while to earn the rare tax break.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

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2. TSX:T (TELUS)

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