



2 New Tax Breaks for 2020

Description

The pandemic has been incredibly hard on Canadians. Many have lost their jobs during this crisis, with even benefits not being enough to completely sustain an entire family. The recent changes have been helpful, but things are still hard. That's why it's important to know exactly what you're able to claim for the 2020 tax season.

There were a few new tax breaks added in 2020, but with the pandemic taking over many of these breaks weren't explored. So today, I'm going to cover just two tax breaks that could be especially beneficial during the current pandemic.

Canada Training Credit

To be fair, the Canada Training Credit isn't exactly new, but the new limit is. The credit can be claimed as a new refundable tax credit towards eligible tuition and fees for courses taken this year. The credit will be the lesser of the Canada training credit limit, and half of eligible tuition and fees.

The limit as of writing is \$250 per year, up to a maximum of \$5,000 in a lifetime. To receive this credit, you would have to be between 25 and 65 years old, have made \$10,000 in income last year, and not make more than \$147,667 net income as of writing.

So why is this beneficial this year? If you're out of work, you could be training to find a new job. This could be your time to find the dream job you want, or at least to put yourself ahead of the curve when finding a new method of employment. You may also be able to apply for further student benefits and credits, so this is an ideal way to bring in some extra cash at tax time!

Work-space-in-the-home credit

So you're not out of work, in fact you're [working more than ever](#)! But most of that work is now done at home. Or at least 50% of it is. If that's the case, you can apply for the Work-space-in-the-home tax credit. This credit allows those working from home to deduct anything related to your workspace, like

property taxes and even home insurance.

The entire calculation can get a bit tricky, but you or your employer would need to fill out a T-2200 form in this case. It can be worth it, especially if you start working from home on a regular basis now and in the future. With 20% of Canadians working from home during the pandemic, and about 70% saying they would keep it that way afterwards, this could very well be a new reality.

What to do with the cash?

Invest of course! There are a lot of stocks out there that are undervalued, but you want stocks that will see returns. That means finding strong companies that are likely still performing well today. These companies will continue to perform well now and during future market crashes. So if you want to use your tax credit towards a strong investment, I would recommend **Algonquin Power & Utilities Corp.** ([TSX:AQN](#))([NYSE:AQN](#)) and **Kirkland Lake Gold Ltd.** (TSX:KL)(NYSE:KL).

Algonquin is a great choice as utilities simply don't go away. You need to keep the lights on, and the company saw a dip for the first time in pretty much all company history due to the pandemic. But now, countries have learned to work even during COVID-19. That means revenue is back to normal, and so is the share price. With Algonquin continuing to grow through acquisition, expect shares to continue to grow as well. Shares are already up 19% this year, and 20% if you look at the compound annual growth rate (CAGR) for the last decade.

Kirkland Lake is another [great option](#) if you think gold is the key to getting through a downturn. I would take Kirkland Lake over streaming companies any day, as the company proved it can create a mining powerhouse by acquiring mines around the world. Now, even with one mine not producing as much, other mines pick up the slack. The company has soared in the last three years by 55%, and still has room to grow.

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2. TSX:AQN (Algonquin Power & Utilities Corp.)

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Author

alegatewolfe

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