Canada Revenue Agency: You Can Now Claim the $500 Digital News Subscription Tax Credit

Description

Digital news publications need the support of their loyal customer base and Canadian taxpayers can help them achieve a financially stable business. The Canada Revenue Agency (CRA) allows Canadians to claim a tax break by subscribing to digital news publications which can help lower their tax bill.

You need to ensure that the news is accessed in a digital or online form and the content provider is recognized as a qualified Canadian journalism organization (QCJO).

What is the incentive for the taxpayer?

The Digital News Subscription Tax Credit is a recent tax break. The Canada Revenue Agency is, in fact, providing an incentive to the taxpayer to support Canadian news media publications. The tax credit is a non-refundable one and you can claim up to $500 in costs towards eligible subscriptions.

This means the maximum annual tax credit is $75 and the qualifying expenses must be after 2019 but prior to 2025. The digital news tax credit was introduced in 2019 but is applicable in 2020. You need to know that the claim is limited to the cost of a standalone digital subscription.

Invest tax savings in your TFSA

The digital news subscription tax credit is one of the many tax breaks provided by the Canada Revenue Agency. You need to leverage these tax savings and hold them in a TFSA (Tax-Free Savings Account) to benefit from long-term gains.

The TFSA is a registered account where withdrawals are not taxed by the CRA. These withdrawals can be in the form of dividends, interests, or capital gains. So, it makes the TFSA an ideal account to hold blue-chip, dividend-paying stocks such as **BCE** (TSX:BCE)(NYSE:BCE).

Investing in equities is a long-term play, and you need to identify stocks that have strong fundamentals. Further, if you invest $300 a month for a period of 35 years, you can reach $1 million in savings given an annual growth rate of 7%.

This telecom giant has survived multiple recessions

BCE is a telecom giant and its stock is trading at $53.23, which is 18.5% below its 52-week high. The telecom heavyweight has underperformed in 2020. However, the pullback has meant BCE now has a forward yield of a tasty 6.3%. So, a $25,000 investment in BCE stock will generate close to $1,600 in annual dividends.

In the third quarter, BCE continued to gain market share in the broadband space with 210,000 total net wireless retail internet and IPTV customer additions. It also added 128,000 new postpaid and prepaid customers in Q3, which comprised majorly of mobile and smartphone subscriptions.

BCE delivered $1 billion in free cash flow in the September quarter and its year-to-date cash flow rose 14% year over year to $3.25 billion. However, the company expects free cash flow growth to moderate in Q4 due to an increase in capital spending as well as higher account receivables and inventory.

The company ended Q3 with $5.2 billion in liquidity and will generate another $940 million from the cash proceeds it will receive from the sale of Bell data centres. BCE is well poised to ride the ongoing economic downturn and the upcoming transition to 5G will help drive top-line growth higher in the next few quarters.

CATEGORY

1. Dividend Stocks
2. Investing
3. Tech Stocks

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. NYSE:BCE (BCE Inc.)
2. TSX:BCE (BCE Inc.)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Yahoo CA

Category

1. Dividend Stocks
2. Investing
3. Tech Stocks

Tags

1. Editor's Choice

Date
2025/08/17
Date Created
2020/11/06
Author
araghunath