# How to Earn Big TFSA Income That the CRA Can't Tax

## Description

Canadians everywhere could use some extra cash right now. The pandemic has left many Canadians' financial future in shambles. There are those that have lost jobs, and yet still may not be able to apply for the new benefits provided by the Canada Revenue Agency (CRA).



That's why the best tool in your arsenal right now has to be the Tax-Free Savings Account (TFSA). There are a number of benefits to have a TFSA. Of course, the most obvious: it's tax free! Any returns you make in your TFSA can be taken out and you do not have to report them to the CRA. This is in contrast to most other investment portfolios.

But the other benefit is you can now put your money to work for you, even in hard economic times. You likely have at least some savings. Those savings should be making you money, and that doesn't have to come from taking on risky stocks. Instead, as an investor, you should look for companies that are going to be strong in the future, and will continue to provide solid dividends. These dividends will provide passive income no matter what happens with shares.

## Buy low and sell high

That's the first thing investors hear when they begin investing. I'm not saying it's wrong, but really the first thing you should hear is buy low, and hold. Holding can practically guarantee you will eventually sell high. Most companies with large market capitalizations aren't going to disappear in a decade or two. So, you need to identify those companies that are likely to be around in the next decade or two, that also offer strong dividends.

The perfect option right now would be a stock like **Enbridge** (TSX:ENB)(NYSE:ENB). Enbridge is trading far below fair value right now. That's because the energy sector is in shambles and has been for a few years. Yet Enbridge is an unwarranted casualty. In fact, Enbridge provides a solution to the very issue!

That solution is pipelines. Enbridge has a series of pipeline projects underway that will put an end to the oil glut. That will create movement again and bring revenue and shares soaring upwards across the board. So, Enbridge is likely to see the first movement in share price when the energy sector begins to rebound.

It’s also supported by long-term contracts that will keep the company supported for decades. That means its 8.86% dividend yield is safe and incredibly high right now. You’ll be getting a steal on these dividends for what you would have paid last year.

## Bottom line

The main word of warning here is that Enbridge is a buy-and-hold stock for decades, but not in 40 years or so. There are huge changes happening right now with renewable energy possibly taking on investor and government cash in the future. Oil and gas could very well go the way of coal in the next few decades.

But this won’t happen overnight, and there will very surely be a rebound in oil and gas that will last some time. And Enbridge will be at the head, as it is already going through the environmental and social barriers to get these pipelines built. Other companies have had to wait much longer.

So, with all that said, you’ll be seeing huge returns in the next few years and a massive dividend while you wait. Just $34,750, about half of your TFSA, towards this stock would bring in $3,043 as of writing!



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1. Coronavirus
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