



Ontario Seniors: You Can Claim This \$2,500 Tax Credit for 2021

Description

According to [a report from Investment Executive](#), the “Ontario government proposed a temporary home improvement tax credit for seniors in its 2020 Ontario budget. The credit would allow seniors to stay in their homes for longer during the Covid-19 pandemic.”

This tax credit, also called the Seniors Home Safety Tax Credit, is fully refundable for the 2021 tax year. Seniors can avail of 25% of eligible expenses up to \$10,000, which is a maximum tax credit of \$2,500.

These expenses must be focused on improving safety and accessibility for Ontario seniors which will help them make their home more functional or mobile. The tax credit can also be shared among family members and is applicable per principal residence.

Further, expenses may include building wheelchair ramps, stair lifts, and elevators, grab bars in restrooms as well as additional lighting and automatic garage door openers among others.

According to the Ontario government, the tax credit would benefit 27,000 people and cost \$30 million in 2021. The province stated it will work with the Canada Revenue Agency to simplify this tax credit process.

This senior-focused TSX company remains a good bet for investors

The above-mentioned tax break will mean the demand for mobility products should increase which brings companies such as **Savaria** ([TSX:SIS](#)) into the picture. Savaria is a firm that designs, engineers, and manufactures products for personal mobility.

According to Grand View Research, the global personal mobility market is estimated to grow at an annual rate of 6.5% between 2020 and 2027, providing Savaria with enough room to grow its top-line at an enviable pace in the upcoming decade.

Savaria is well poised to lead the personal accessibility industry. An aging population in North America and increased spending on healthcare in developed countries will act as secular growth tailwinds for the company.

This means demand for adapted vehicles, stair lifts, and home elevators will be in high demand. Savaria has a diversified product portfolio and also manufactures medical beds and therapeutic surfaces.

It has [manufacturing facilities](#) in North America, China, and Europe. The company generates a majority of sales from the accessibility segment that accounted for 70% of total revenue in the first half of 2020 while patient handling accounted for 24%. The U.S. is a major market for Savaria and derived 58% of sales, followed by Canada at 22%.

Savaria stock is trading at a discount

Savaria stock has been range bound in 2020, but has returned 160% in the last five years. Despite its stellar returns, Savaria also sports an attractive dividend yield of 3.36% making it a top company for growth and income investors.

Savaria provided preliminary results for its September quarter last month. It expects revenue to fall by 6% year-over-year to \$90 million in Q3 while adjusted EBITDA might rise 8% to \$17 million.

While analysts expect Savaria sales to fall by 4.5% to \$357.5 million in 2020 it is forecast to rise by 8.1% to \$386.6 million in 2021. This means it's trading at a price to sales multiple of 2 and a price to earnings multiple of 26.5.

Analysts tracking Savaria have a 12-month price target of \$17.5, which means the stock can gain over 22% in the next year.

CATEGORY

1. Dividend Stocks
2. Investing

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1. TSX:SIS (Savaria Corporation)

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Author

araghunath

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