



## Canada Revenue Agency: You Can Avoid Tax on the \$27,000 CRB Payments

### Description

It's true. The Canada Revenue Agency (CRA) might not be too eager to spread the information, but those benefits Canadians can use during the COVID-19 crisis are 100% taxable. If you aren't working, these benefits are your income. So, whether you work after the pandemic, worked before, or don't work at all, no matter, what you will need to claim every penny on your tax return next spring.

That includes all the new benefits offered by the CRA. If you were to use every benefit, that would bring in an annual total of \$27,000. All of that can be taxed by the CRA and even requested back if you make more than \$38,000 for the year. Given that \$27,000 certainly isn't enough to live on, it's likely you'll eventually have another source of income. So, what can you do to avoid these taxes?

### Short answer: You can't

Wait, wait, I said short answer! You can still avoid taxes through a few avenues. While you'll still be taxed, the idea is to make up those taxes through other means. First, while you would be taxed on Canada Recovery Benefit (CRB) payments, you can also receive tax credits. These credits have been pumped up because of COVID-19, and there are many.

Some to consider include the Basic Personal Amount (BPA), the Digital News Subscription Tax Credit (DNSTC), and training credits. The BPA depends on where you live, but you are eligible for a basic amount that cannot be taxed by the government, and this automatically goes on your tax form.

There is also the DNSTC, where if you subscribed to Qualified Canadian Journalism Organization-approved digital news, you can then claim this on your taxes. You are eligible for \$75 per year until 2025 for a maximum of \$500 in a lifetime.

Finally, there are training credits. If you aren't working, or working in a job to make ends meet, it might be time to start training for something else. Luckily, the CRA in 2019 increased the training credit to \$250 per year, and up to \$5,000 in a lifetime. It can be applied to fees, tuition, courses, and the like.

## More options? Invest!

So, you have the \$27,000 from CRB payments; make the most of it by using these credits and investing some of your CRB income. I'm not saying use it all; in fact, I would recommend doing exactly what you should do with your paycheques. Put aside about 10% of each cheque towards investing. Then choose strong, stable stocks that should grow substantially over the next year.

Two options I would consider are **Suncor Energy** ([TSX:SU](#))([NYSE:SU](#)) and **CloudMD Software & Services** ([TSXV:DOC](#)). As the energy sector rebounds, Suncor will [continue](#) to be the first among energy stocks to rebound. The company is Canada's largest fully integrated oil and gas company and has the means to pick up the slack in other areas of the industry while others cannot. The company sports a 4.55% dividend yield and recently spiked in share price after news a vaccine could be on the way. It could be a short time before the stock starts climbing sky high.

Meanwhile, a winner where you'll see returns almost immediately is CloudMD. This company provides telehealth and virtual healthcare services across Canada. It's been acquiring businesses every which way and continues to grow in share price. It's also highly [unlikely](#), even with a vaccine, that this company will see a drop. Virtual healthcare options will be the future, and CloudMD proves it with a one-year return of 594% as of writing.

### CATEGORY

1. Coronavirus
2. Investing

### TICKERS GLOBAL

1. NYSE:SU (Suncor Energy Inc.)
2. TSX:SU (Suncor Energy Inc.)
3. TSXV:DOC (CloudMD Software & Services Inc.)

### PARTNER-FEEDS

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3. Msn
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6. Sharewise
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