



Canada Revenue Agency: Only 33 Days Left to Claim This Tax Credit!

Description

When it comes to investing, there are always several ways you can increase your performance, whether it's through changing your stock holdings, improving your research process, or even trying new strategies to save more taxes from the Canada Revenue Agency. Whatever it is you're doing, investors should always be looking for an edge.

Because taxes are so critical and play such a major part in decision making, it's crucial we do what we can to minimize the taxes we pay. That's why limiting the taxes we pay in whatever way is possible can be so important. This means taking advantage of any tax benefits or advantages that are available to us.

How to save on taxes you owe to the Canada Revenue Agency

If you have money outside a registered account like a TFSA or RRSP, then you probably know that any gains you make in that account will be taxable by the Canada Revenue Agency. However, what you may not know is that any losses you record in that account can help offset the tax owed on the money you gain.

This is important and can even affect investors who only invest in a [TFSA or RRSP](#).

Investors have until December 29 to sell any stocks they have lost money on this year to offset against the gains made this year. That gives investors just 33 days to figure out if there are any stocks you want to sell to take advantage of the loss and reduce your tax bill next year with the Canada Revenue Agency. This can help reduce your tax bill substantially.

How tax-loss selling affects everyone

When investors are selling their investments to take advantage of tax-loss selling, it puts downward pressure on the market. That's why often, the market will underperform in December until the last few weeks of the month and into a January rally.

The downward selling pressure is more defined in stocks that have struggled, too. This makes sense, as these were the stocks that most investors likely lost money on and are looking to dump for tax reasons.

Investors tend to sell their stocks with the biggest loss, as it will help reduce the most amount of taxes owed to the Canada Revenue Agency. Plus, many use this time to rebalance their portfolios.

So, even if you have no stocks you want to sell, or you don't have to worry about taxes, because you invest in a registered account, it's important to be aware of what may happen over the coming weeks.

A stock to buy on a pullback

This year on the **TSX**, one industry that has been decimated far worse than any other is energy. This means there's a strong chance that a tonne of investors will decide to sell their energy stocks to reduce their tax bill payable to the Canada Revenue Agency.

This means that energy stocks could see some short-term headwinds over the coming weeks if there's a lot of selling pressure. It also means that investors may soon see the perfect opportunity to buy these stocks just ahead of a major recovery rally.

However, because there is still substantial risk in the energy industry, if you're looking to buy, I would stick with a more resilient energy stock such as **Suncor Energy**.

[Suncor](#) is a massive Canadian energy stock with major production capabilities, significant midstream assets, and over 1,500 retail stores.

The integrated nature of Suncor's business makes the stock a lot more robust than many of its energy industry peers. So, the fact that it's still down 43% year to date shows just how cheap the stock is.

There are a tonne of TSX stocks that investors could sell this season to help keep the Canada Revenue Agency away. So, if you're looking to buy one of these cheap stocks, I would be ready. The perfect opportunity may be right around the corner.

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Date

2025/08/26

Date Created

2020/11/26

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