



CRA: 2 Game-Changing TFSA Stocks That Won't Be Taxed

Description

The Tax-Free Savings Account (TFSA) is a wonderful tool for Canadian investors to achieve a wide variety of financial goals. A personal favourite use for the account is to use it to generate passive and tax-free income.

The Canada Revenue Agency (CRA) cannot touch a single cent of the earnings any of your assets make for you in a TFSA. Many people make the mistake of just using the account to hold cash. However, there is so much more you can earn using the TFSA.

I will discuss **Hydro One** ([TSX:H](#)) and **Lightspeed POS** ([TSX:LSPD](#))([NYSE:LSPD](#)) — two stocks that can help you [earn big without incurring income taxes](#).

Growing utility stock

Hydro One is an asset that operates in the very secure utility sector in Canada. Like other utility operators, Hydro One enjoys the privilege of being able to generate predictable and stable cash flows regardless of economic conditions. Hydro One is an electrical transmission and distribution company.

It is a prominent recession-resistant stock for investors to consider adding to their TFSAs. Hydro One is trading for \$29.04 per share at writing. At its current valuation, the stock pays its shareholders at a juicy 3.49% dividend yield. It is an essential business that can continue generating income to finance its dividend payouts.

Additionally, the company's low-risk business model allows it to grow steadily without fail. Hydro One is Ontario's largest electricity transmission and distribution provider. It can be an exciting addition to your TFSA, because it is a utility stock that also provides you with returns through capital gains.

High-growth tech stock

Reliable dividends are an excellent way to add consistent cash flow to your account balance in the

TFSA. Another thing you can do to generate substantial tax-free income within your account is allocating some of the contribution room to a high-growth tech stock like Lightspeed POS.

There are few high-quality growth companies that can operate in these unpredictable market conditions. Lightspeed is one of the best from the lot. Lightspeed is one of the growth stocks set to generate increasing income regardless of how the pandemic develops.

A part of the rapidly expanding digital payments and e-commerce market, Lightspeed is an easily scalable business. The company is focused on growing its customer base as well as expanding through acquisitions to drive its top line in the coming years.

The stock is trading for \$63.11 per share at writing, and it has grown more than 425% since March. It is likely that the stock is quite far away from any ceiling in its valuation, and now could be an ideal time to capitalize on the stock.

Foolish takeaway

Hydro One can provide you with growth through steady capital gains and reliable dividends. Lightspeed might not pay you dividends, but it can provide substantial capital gains. Buying and holding shares of both companies in your TFSA can help you leverage both for remarkable [tax-free growth](#) that the CRA cannot touch.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:LSPD (Lightspeed Commerce)
2. TSX:H (Hydro One Limited)
3. TSX:LSPD (Lightspeed Commerce)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
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