



## Canada Revenue Agency: Earn \$3,460 in Tax-Free Income

### Description

While none of us really enjoy paying taxes, we certainly like the benefits of using them. That's especially during a pandemic. Very few of us have to worry about how our health bills will be met or if we can see a doctor. These things are a given, and it's all thanks to our taxes.

But, also during a pandemic, there have been serious financial troubles. Many Canadians have lost their jobs, and others simply are struggling to make ends meet. If there is a way to bring in tax-free passive income, then definitely jump at the chance.

No, I'm actually not talking about the Canada Recovery Benefit (CRB). In fact, those payments are not [tax free](#)! You must file these on your return next year, and if you make more than \$38,000, you will have to pay back \$0.50 for every dollar you made above that threshold.

Instead, it'd be a great idea to find another way of bringing in tax-free cash.

### Enter the TFSA

The Tax-Free Savings Account (TFSA) has been a top tool in the arsenal of Canadian investors for over a decade now. The Canada Revenue Agency (CRA) adds contribution room each year so that Canadians can take full advantage of investing in Canadian companies. Yet very few actually reach that contribution limit! And this is a huge mistake.

If you have the funds available, reaching that limit is crucial. You'll be missing out on returns that can be used for the next financial downturn, as a nest egg, your retirement, or whatever you need it for! In fact, you can also miss out on dividend payments. These payments will provide you with passive income now and for the rest of your life — all completely tax free.

### What you'll need

What you need as an investor to bring in that cash is a company that is set to do well no matter what

happens in the markets. That's why I would recommend a company like **Brookfield Property Partners** ([TSX:BPY.UN](#))(NASDAQ:BPY). The company has \$88 billion in total assets around the world in properties ranging from family homes to storage and student housing to office space. Its [diverse](#) portfolio means investors don't have to worry, as when one area or country goes down in revenue, another can pick up the slack.

But the important thing you'll want to look at is the company's dividend yield. Brookfield offers a 8.3% dividend yield as of writing, which is strong for most real estate investment trusts. This year, you have contribution room of \$69,500. If you were to take \$60,000 of that room and put it towards Brookfield, you could then bring in annual income of \$3,460!

## Bottom line

While taxes are great, tax-free income is almost even better. You might not be able to get away completely from paying taxes, but you sure can when using a TFSA. So, make sure you make the most of your TFSA and invest in a company like Brookfield to bring in passive income now and for the rest of your life!

### CATEGORY

1. Coronavirus
2. Dividend Stocks
3. Investing

### TICKERS GLOBAL

1. TSX:BPY.UN (Brookfield Property Partners)

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