Canada Revenue Agency: You Can Still Grab the Emergency $443 GST/HST Credit

Description

The Canada Revenue Agency (CRA) has paid out millions of dollars in federal benefits to Canadians amid the COVID-19 pandemic. The country's unemployment rate has surged, and the dreaded virus has disrupted the personal and professional lives of residents to a large extent. Now, the second wave of infections indicates the pandemic will rage on for at least a few more months.

So, it makes sense to leverage the benefits and credits provided by the Canada Revenue Agency to ease your financial burden. One such emergency credit is the $443 GST/HST payment that is available for low- and middle-income Canadians.

What is the GST/HST credit?

The CRA paid the GST/HST emergency credit on April 9 this year. It was a one-time payment of $443 paid to individuals already eligible for the credit. This is a tax-free quarterly payment made to help individuals and families with low and modest income offset all or part of the GST or HST that they pay.

According to the Canada Revenue Agency, around 12 million households received this payment. If you are single, the payment was $443 and is about $580 if you are married. If you did not receive these payments, it means you have not filed your 2018 tax returns.

You can still file your returns and claim the one-time emergency benefit as well as receive the GST/HST credits in the future, or any other related federal benefit. Further, the CRA confirms the GST/HST credit is tax-free and will not be a part of your net annual income.

Generate your own tax-free income of $443/year

If you receive the $443 payout from the CRA, you will most likely need the emergency money. However, the COVID-19 pandemic has shown us the importance of creating multiple income streams, as the economy may plunge into a recession without a prior warning.

One way to create a tax-free income stream is by holding dividend stocks in your TFSA (Tax-Free Savings Account). This registered account has an annual contribution limit of $6,000 for 2021. You can hold quality dividend stocks such as **Northwest Healthcare REIT** (TSX:NWH.UN) in your TFSA that can generate close to $400 in annual dividend income on an investment of $6,000, given its forward yield of 6.5%.

You can use these dividend payments to reinvest them and benefit from a higher payout over time. Northwest Healthcare is a diversified real estate investment trust with a presence in North America, Europe, and Australia.

Its diversified portfolio of properties spans 15.4 million square feet of gross leasable area. The REIT derives 80% of revenue from public healthcare funding and is part of a recession-proof industry. This will help it generate stable cash flows across business cycles. In October, its rent collection improved to 98.1%, up from 97.6% in Q3.

Northwest has an occupancy rate of 97.2% with a weighted average lease expiry period of 14.5 years. The company's robust business model, high occupancy rate, and strong balance sheet allow it to pay a monthly dividend of $0.067 per share, or annual dividends of $0.80 per share.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)

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1. Business Insider
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