
Canada Revenue Agency: 3 Virtually Unknown Tax Credits to Claim in 2020!

**Description**

Canadians need every penny they can pinch during this economic downturn. Unfortunately, this is a scary scenario, as it’s unknown when the economy could rebound. The pandemic has made things any one’s game. Until a vaccine is readily available to everyone, it’s unlikely that there will be any real rebound in the economy.



That means you should prepare in any way you can. There are multiple ways to do this, but one you should start researching are tax credits you and your family could be eligible for. Here, I’ll go over just three that are practically unknown to Canadians. So make sure you see if these tax credits are right for you.

## Home office tax credit

The pandemic has sent many Canadians working from home. In fact, at the beginning unless you were an essential worker you were told to stay home. So there were an incredible amount of Canadians who suddenly needed to figure out how to work from home while still watching their kids.

The Canada Revenue Agency (CRA) wanted to make things a little easier for Canadians by providing a tax credit. If eligible, you can deduct tax on expenses and even your property itself. It takes a bit of calculation, but if you have an area of the home used for more than 50% of your work, you can claim things like heat, hydro, internet and more used by that one area of your house.

## Training credit

Many Canadians were also laid off during this time. Businesses across the country lost money fast, and had to make it back by letting go of employees, leaving many wondering what to do next in their careers. One option was to go back to school and train for another job.

Enter the training credit. While this credit isn’t new, it can certainly be used during this period to your advantage. You can claim up to $250 per year in credits, with a maximum of $5,000 in a lifetime. So you can continue to take classes over the next several years. This credit will either reduce your income taxes due on your return, or be part of your tax refund.

## Contribute to your RRSP!

The Registered Retirement Savings Plan (RRSP) is a great way to bring down your tax burden. By putting aside a set amount toward your retirement, usually about 18% of your previous year's income. Even young investors should consider this option, as this could bring your taxes owed from one higher tax bracket down to a lower one.

How it works is however much you contribute into your RRSP, that contribution is then deducted from your overall taxable income. Again, this can make a huge difference if it brings you from one tax bracket down to another.

## Bottom line

Use these tax credits and more to your advantage for this year's tax return. There have been a lot of changes and could be even more in the year to come. Know exactly what you can and can't claim from the CRA, and keep your funds safe and secure!



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**Date**
2025/08/24
**Date Created**
2020/12/05
**Author**
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