CRA: 2 Secret Ways to Build Immense Wealth

Description

The CRA is in charge of collecting your taxes. But sometimes, they give you the gift of *avoiding* taxes. Don’t take these opportunities lightly.

If you want to build immense wealth, follow these two steps.

Open this account now

If you don’t have a TFSA, open one now. It could be the best decision you ever make. Even if you already have a TFSA, you could be leaving free money on the table.

The CRA lets you skip paying taxes when your money is stashed in a TFSA. Both dividends and capital gains are protected.

Simply having a TFSA isn’t enough, however. To generate tax-free gains, you need to first contribute capital to invest with. This is where millions of Canadians fall behind.

Think of the last time you contributed money to your investment account. Are you doing so on a regular basis, or are contributions erratic?

The CRA allows you to put roughly $6,000 per year into your TFSA, although the specific annual limit varies year to year. The trick is to break down this maximum into smaller chunks, like $500 per month. Then set up automatic contributions, which can transfer $500 into your TFSA each month without you lifting a finger.

Even if you can’t manage $500 per month, start with a smaller amount, even as low as $50. The important thing is to start this process. As we’ll see, the more money you can put in, the faster you’ll generate immense wealth.

Beat the CRA with these stocks

With a TFSA, you have *unlimited* tax protection potential. Don't let it go to waste.

For example, a lot of retirement investors opt for dividend stocks like **Enbridge** (TSX:ENB)(NYSE:ENB). This isn't necessarily a bad place to start.

Enbridge is the largest pipeline owner in North America. This business is like operating a toll road, except instead of cars, it transports fossil fuels. Since 1995, the stock has averaged double-digit annual returns.

If you invested a few thousand dollars per year into Enbridge stock, starting in 1995, you could now have a cool $1 million. The CRA introduced the TFSA in 2008 — a bit late to take advantage, but, theoretically, those gains could have been completely tax free.

But dividend stocks aren't always your best option. If you want to maximize your TFSA potential, go with growth stocks. These investments can grow 1,000% in value or more. Remember, it doesn't matter how fast or how large your portfolio grows; with a TFSA, all of its is protected from the CRA.

One of my top growth stock picks is **Shopify** (TSX:SHOP)(NYSE:SHOP). This is a software business, which provides a few natural advantages. Software is relatively cheap to build and deploy. You just need to send a download link. Enbridge, for comparison, needs to spend millions, sometimes billions of dollars to expand given it needs to build more pipeline infrastructure.

To maximize your TFSA gains and protect your newfound wealth from the CRA, focus exclusively on software stocks like Shopify. Growth can be several times faster than traditional dividend stocks like Enbridge.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

TICKERS GLOBAL

1. NYSE:ENB (Enbridge Inc.)
2. TSX:ENB (Enbridge Inc.)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Yahoo CA

Category

1. Dividend Stocks
2. Energy Stocks
3. Investing

Date
2025/08/26
Date Created
2020/12/06
Author
rvanzo