



## CRA: You Can Still Claim the \$400 GST Credit

### Description

The Canada Revenue Agency (CRA) gave many emergency cash benefits to Canadians during the pandemic. Prime Minister Justin Trudeau assured that no Canadian is left behind. But many Canadian fell through the cracks, as they did not qualify for the Canada Emergency Response Benefit (CERB). Hence, the CRA gave an emergency \$400 Goods and Services Tax (GST) credit in April.

### Did you receive the \$400 GST credit?

Check if you received a \$400 GST credit in your account in April. The GST covers every individual above 19 years of age residing in Canada. If you are single, you can get GST credit provided your annual adjusted family net income is below \$48,000.

If you haven't received the GST credit, you can still get this amount as a retroactive payment. First, identify from the reasons below why you didn't receive the tax credit.

- You didn't file your 2018 tax returns with the CRA.
- Your account information such as direct deposit details, address, or marital status changed since March 9.
- The CRA reassessed your 2018 or 2019 returns and found that you owe money. Hence, it adjusted the one-time GST credit to reduce your tax debt.

In the first two cases, you can claim the GST credit by filing your 2018 tax returns and updating your information on My CRA Account. In the third case, you get an indirect benefit, as your tax debt is reduced by the credit amount.

### How much can you get in emergency GST credit?

Compared to higher-income families, low- and middle-income families spend a larger portion of their income on buying taxable goods and services. Hence, the CRA introduced the GST credit to refund a portion of this tax to low- and middle-income families and balance the income gap.

As the objective is to balance the income gap, the CRA calculates the GST credit on your family income, marital status, and family size. A single person with an adjusted net family income of \$38,000 can get a GST credit of \$443. A single parent can get an additional \$290 in GST credit for the first child.

Under the COVID-19 response, the CRA [doubled this payment](#). For the July 2019-June 2020 benefit period, you will get a total GST credit of \$886 if you are single and another \$580 if you are a single parent.

If your family income is less than \$38,000, you should file your 2018 returns. You can significantly reduce your tax bill with several [tax breaks](#) — like the basic personal amount, working income, and child care expense — and enjoy over \$1,450 in GST credit.

## Make the most from your CRA tax credit

GST is just one of the many tax benefits the CRA offers. Those who regularly filed their tax returns and paid taxes got a \$400 GST credit on April 9. Some smart investors put this money in their Tax-Free Savings Account (TFSA). That was the time when tech stocks began to rally as the world went online.

With \$400, investors could not afford to buy **Shopify** stock that crossed \$500. At \$20 per share, **Lightspeed POS** ([TSX:LSPD](#))([NYSE:LSPD](#)) offered a cheaper exposure to the e-commerce wave. This bet paid off, and the stock surged almost fourfold, converting \$400 to \$1,500. Lightspeed is a turnaround story. It converted its omnichannel platform to suit the COVID-19 economy. It helps retailers and restaurants manage multiple stores' finances, marketing, inventory, and orders on one platform.

The pandemic brought new challenges of social distancing, and Lightspeed resolved these challenges with its technology. It offered curbside pickup, online booking, pre-ordering of food online, online payment, and e-commerce stores, all of which facilitated retailers to open their stores in the COVID-19 economy. Lightspeed saw wide adoption of its platform, and this reflected in its earnings.

Lightspeed stock is currently trading at more than 35 times its sales per share and has the potential to grow further. You can collect the retroactive GST credit and invest this money in Lightspeed. The stock has the potential to double your money in two years.

### CATEGORY

1. Coronavirus
2. Investing
3. Tech Stocks

### TICKERS GLOBAL

1. NYSE:LSPD (Lightspeed Commerce)
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