



Canada Revenue Agency Tax Relief: Did You Receive Your \$400 GST Payment?

Description

The GST/HST was created to help individuals and households with low to modest incomes. Whenever we buy something, we pay taxes to the provincial and federal governments. The GST credit is the way the government pays back that tax to the people who might need it more. The amount of tax credit increases for a household with kids since you can receive separate credit for each child.

This is a routine credit and is not part of the special payments created and released by the CRA to help the people cope with the financial burden of the COVID. However, the CRA released an additional GST payment to the typical GST recipients on April 9. This didn't impact their routine payment and was calculated based on their 2018 tax returns, and on average, boosted the GST payouts by about \$400.

If you receive GST credit every year, were eligible for the payment and filed your 2018 taxes, you should have received this payment. If you didn't, you might need to contact the CRA and see if there is an option for retroactive payment. Even if you don't need it, you can put it to use by investing it in a good stock.

An asset management company

IGM Financial ([TSX:IGM](#)) is a Winnipeg-based asset management company with a market capitalization of about \$10.8 billion and about \$167 billion worth of assets under management, and \$190 billion worth of assets under administration. The balance sheet of the company is strong, and even after a decent recovery pace, the stock hasn't become overpriced.

The best part about this stock is its [generous dividend yield](#) of 6.4%. The company hasn't increased its dividends even once in the past five years, but it's also not expected to slash its dividends. The payout ratio is also healthy.

A small amount like \$400 in the company might benefit you if you opt for the DRIP program and forget about it. But if you have a heftier amount to invest, the yield can be enough to start a modest passive income.

A venture capital stock

Better use of the \$400 might be the overpriced venture capital growth stock **StorageVault Canada** (TSXV:SVI). The stock is currently trading at a price of \$4.2 per share, so \$400 will get you about 95 shares in the company. The reason for considering SVI despite its overvaluation is its consistent growth pattern in the last decade.

Its 10-year compound annual growth rate (CAGR) is a powerful 42.4%. If it can maintain that rate for just one more decade, it can turn your \$400 investment into \$13,000. [The company](#) owns, develops, and leases out self-storage units and caters to both individuals and commercial businesses.

Foolish takeaway

The CRA benefits can be powerful financial help, especially during troubled times like we saw in 2020. But they should not be your last resort. Even with low income, there are ways to save and put away small amounts for investing.

Given enough time, you can create an emergency fund for yourself and won't have to rely solely upon payments like the additional GST credit.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:IGM (IGM Financial Inc.)
2. TSX:SVI (StorageVault Canada Inc.)

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