



## CRA: You Might Have \$50,000 More Contribution Room in Your TFSA Than You Think!

### Description

TFSA's are like magic. You can make unlimited gains, and all of it remains tax free. The CRA doesn't usually make life enjoyable, but this tax-free account is their gift to all Canadians.

Already have one? Congratulations, but you might be leaving big money on the table.

You might have as much as \$50,000 in additional TFSA contribution room. You just need to do a little math.

### You need to know these numbers

Most TFSA holders know there's an annual limit for contributions. Otherwise, you'd be able to contribute unlimited sums, protecting it all from taxes. The CRA wouldn't like that.

This year, the annual contribution maximum is \$6,000. You should always do your best to reach that figure, but in many cases, you can go *beyond* the annual limit.

What really matters is your personal lifetime contribution limit. This may differ from the annual limit, because unused contribution room *rolls forward* year to year.

From the moment you turn 18, TFSA contribution room begins to accrue. If you've never invested anything into this account, you could theoretically contribute tens of thousands of dollars in a single transaction.

Here are the [historical](#) annual limits. From 2009 to 2012, the limit stood at \$5,000, rising to \$5,500 in 2013 and 2014. The annual limit jumped to \$10,000 in 2015, falling to \$5,500 between 2016 and 2018, only to rise again to \$6,000 for both 2019 and 2020.

Add all those numbers up, and you'll get \$69,500. That's how much you can invest in your TFSA if you turned 18 on or before 2009, the year the account was introduced.

Even if you hit \$6,000 in contributions this year, you may have unused room from previous years that you can capitalize on immediately.

## The best TFSA stocks right now

Of course, you still need a place to invest all that cash. Fortunately, there are some perfect stocks to buy right now with your tax-free advantages.

One of our top picks is **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)). One look at this stock's history, and you'll understand what makes it so special. Since 1995, shares have produced reliable double-digit annual gains. The dividend yield now stands at 7.8%.

The secret to this long-term performance is that Enbridge operates a quasi-monopoly. As the largest pipeline owner in North America, it has extreme control over its customers. That's the type of business you want for TFSA investing.

Think of pipelines like toll roads. If you want to travel on that road, you must pay the owner. Now imagine that there's only one toll road in town, with no alternatives to the end destination. Whoever owns that infrastructure is in a great long-term position. Enbridge has that power, but instead of cars, it transports fossil fuels.

The best part is that there's a structural [lack](#) of pipeline supply in North America. That's because regulations make it difficult to build more, and even if a project is approved, it could take a decade or more to bring it online.

This dynamic allows Enbridge to be a cash flow machine. That's what fuels its 7.8% dividend, which is completely tax free with a TFSA. To maximize your performance, identify stocks like this.

### CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

### TICKERS GLOBAL

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

### PARTNER-FEEDS

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