



CRA: How to Make \$1 Million and Never Pay Taxes Again

Description

The Canada Revenue Agency has made it possible to amass \$1 million without paying a penny in taxes. You just need to follow a simple playbook.

The most important thing is to pick the right stocks, but you can't ignore the initial steps along the way.

Always invest with this account

If you reach the \$1 million mark and still need to pay taxes, you don't actually have \$1 million. In reality, you may have 20% or 30% less.

Every year, millions of Canadians believe they have more money than they actually do because they don't account for the eventual tax burden. It's a tough wake-up call when you retire to realize this in practice.

The trick is to avoid taxes altogether by investing with an RRSP or TFSA. Either account is [suitable](#), but if you want to supercharge your path to \$1 million, go with a TFSA.

TFSAs allow you to do your *future self* a favour. You pay taxes on your income today, but for the rest of time, the money is protected. Your capital grows tax free, and if even withdrawals are tax free. It's a one-stop solution to never paying taxes again.

RRSPs, for comparison, save you money now. Contributions reduce your tax burden today, but you'll need to pay up upon withdrawal.

In practice, both accounts work well for most people, but TFSAs pay it forward. That's a huge gift to your future self, as they get to keep 100% of the eventual value, no tax math necessary.

Best tax-free stocks to get rich

Everyone wants to get rich quick, but it's the slow and steady that win the race.

If your stocks are protected from taxes, you shouldn't care how the profits are generated. Both dividends and capital gains are acceptable — whatever builds wealth best.

For decades, investors have used stocks like **Canadian Utilities** ([TSX:CU](#)) to reach \$1 million and beyond. The company pays a reliable dividend, but also generates consistent capital gains.

In total, shares have produced double-digit annual returns for more than a half-century! With a TFSA, you could pay zero taxes on these gains.

The secret is baked directly into its business model.

"At its core, the company is a utility provider," I [explained](#) earlier this year. "Businesses and residences require electricity. Canadian Utilities provides it."

The trick to the company's long-term performance lies in its rate-regulated approach.

"Notably, 95% of its revenue is rate-regulated, meaning that the government guarantees a certain pricing range that the company can charge," I said. "Because electricity demand is remarkably resilient, even during a severe recession, Canadian Utilities has almost perfect visibility into future profits."

To create long-term riches, all you need to do is invest in stocks like this. Companies like Canadian Utilities allow you to keep investing over decades. You save a ton of time researching new stocks picks, putting that effort into contributing more capital instead.

Of course, stocks that generate dividends *and* capital gains make the most sense in an account that lets you pay zero taxes, like a TFSA or an RRSP.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

TICKERS GLOBAL

1. TSX:CU (Canadian Utilities Limited)

PARTNER-FEEDS

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

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