



1 Easy Trick to Get up to \$850 in CRA Cash Benefits

Description

The Canada Revenue Agency (CRA) seems like it [loves collecting taxes](#) on everything. Canadians can pay a decent chunk of their annual income in taxes between the federal and provincial taxes. With all the taxes it collects, the CRA also gives out cash benefits to Canadians with lower income.

The government agency doubled the cash benefits to help Canadians with lower income get some additional cash. You may have received up to \$850 from the CRA for July 2019 to June 2020 benefit period.

For those who qualify for it and have not received the payment, you can get a retroactive payment in your account.

How much cash can you receive?

The particular cash benefit I am talking about is the Goods and Services Tax Credit (GSTC). Typically, the CRA pays out the GSTC to Canadians in a lower income bracket. The government provided an additional GSTC payment of up to \$400 in the accounts of people who already received the GST credit.

Canadians who did not receive the special tax credit can still receive the payment. All you need to do is file your 2018 income tax returns. Filing your taxes will entitle you to automatically receive a maximum GST credit of \$451 from the CRA and the extra \$400, depending on your marital status and adjusted family net income.

Canadians who are single and have an adjusted family net income between \$20,000 and \$38,000 can receive this payment.

If you are married and have an adjusted family net income of less than \$38,500, you can receive a maximum of \$592 GST credit with an additional \$600 in the emergency payments.

Typically, the CRA pays out GST credit in four installments. However, it paid Canadians the emergency cash in one go. To qualify for the GST credit, you must be a Canadian citizen who is at

least 19 years old. You can get an additional \$155 from the CRA in emergency payments if you have a child.

Maximize your CRA cash benefit

Canadians with an income lower than \$38,000 should definitely consider filing their taxes, because the tax bill is insignificant in that income bracket. The cash benefits you receive from the CRA can get you some extra money that you might be tempted to use to handle some expenses. However, I would recommend another way to use the emergency payment to maximize its value.

Purchasing shares of a high-growth tech stock like **Lightspeed POS** ([TSX:LSPD](#))([NYSE:LSPD](#)) and storing it in your Tax-Free Savings Account (TFSA) can help you turn that \$850 into a much larger amount in the long run. As its name suggests, the TFSA is an account in which you can invest for tax-free returns. You can withdraw funds from the account without incurring penalties or taxes.

Investing in Lightspeed POS and [storing it in the TFSA](#) can help you leverage the tax-advantaged account to your benefit. Lightspeed is a cloud-based solutions provider for retailers and restaurants, generating significant revenue amid the pandemic.

The stock declined by almost 70% in the March 2020 sell-off because it lost several customers amid the lockdown. However, the company saw a quick rebound due to its adjusted offerings to its customers in the COVID-19 economy. Lightspeed's valuation consistently increased when many other stocks continued to decline.

Foolish takeaway

Investing the \$850 payment in a high-growth stock like Lightspeed POS can help you maximize its long-term value due to the immense capital gains. LSPD's valuation is \$73.89 per share at writing, and it is trading for 515% higher than its March 2020 low. I think it could be a fantastic stock to invest in with the emergency payment.

CATEGORY

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Author

adamothonman

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