



CRA Changes Tax Deadline: Will It Happen Again in 2021?

Description

When COVID-19 struck in mid-March 2020, the Canada Revenue Agency (CRA) didn't waste time extending the tax filing and tax payment deadlines for the 2019 income year. The coronavirus outbreak disrupted preparations for the tax season. Taxes took a backseat as the health and safety of Canadians became the top priority.

The CRA moved the tax filing deadline from April 30, 2020 (customary) to June 1, 2020, while taxpayers had until September 30, 2020, to pay taxes owed to the government. Since the pandemic is still around and on its second wave as the year comes to a close, will the CRA make the same [tax changes](#) in 2021?

Plan ahead for tax season

For now, there's no indication of tax filing and tax payment deadline extensions, even if both were delayed this year. When you visit the CRA's website, it advises Canadians to get ready to do their taxes and plan ahead for tax season. The agency also encourages taxpayers to sign up for a direct deposit and file online as early as February 22, 2021, to avoid delays and reduce potential exposure to COVID-19.

Tax slips are coming out

To prepare for the tax season, the CRA tells taxpayers to gather information slips such as the T4, receipts, and previous tax year's notice of assessment. Also, use a copy of last year's return as a model. Most Canadians should be receiving tax slips and receipts by the end of February 2021.

A taxpayer who can't do a tax return because there's no tax slip can secure it from CRA My Account also in February. According to the agency, it would be better to file your return at the earliest possible time. The pandemic could delay your ability to file and slow down the assessment of refunds, benefits or credit payments.

Posted deadlines

The posted deadline for tax filing and tax payment is return is April 30, 2021. For self-employed individuals or those with a self-employed spouse or a common-law partner, the deadline to file taxes is June 15, 2021. However, the payment for all taxes owed is still April 30, 2021.

High-yield income stock

During the pandemic, many Canadians have been saving their pandemic money and not spending them all. One tax change you can't overlook is the new Tax-Free Savings Account (TFSA) contribution limit for 2021. If you're a TFSA user, you'll have an additional \$6,000 room to earn tax-free income.

The same amount invested in **Keyera** ([TSX:KEY](#)) will produce a tax-free income of \$478.80. This energy stock yields 7.98% and is among the [dividend kings](#) in the **TSX**. While the company operates in the volatile oil and gas midstream industry, it has inherent safety nets to overcome the risks.

Keyera's deep moat stems from its extensive network of natural gas processing facilities and large scale pipelines. The company's integrated businesses offer a full range of midstream services essential to its broad customer base, pre-dominantly investment-grade counterparties. Take a position now while the stock trades at a 24% discount.

Save on time and effort

Rather than hope for an extension, do what the CRA suggests. Save on time and effort by filing your tax return early. Don't procrastinate or else pay late filing penalties.

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