



CRA's Emergency \$443 GST Refund: No Canadian Left Behind

Description

This year, the Canada Revenue Agency (CRA) surprised everyone by giving away generous cash benefits. The CRA assured that no Canadian in need would be left behind. The ones affected the most by the pandemic were those with minimum wages and little savings. Even seniors were affected, as they are vulnerable to the health risks the COVID-19 virus brings. The CRA targeted these two demographics with emergency Goods and Services Tax (GST) refund.

The \$443 emergency GST refund

Before discussing the emergency GST refund, you should know what the GST refund is. Everyone pays a tax when they buy taxable goods and services. The merchants and service providers add the GST to the bill they give you. These merchants pay the GST they collect from you to the CRA. The CRA believes that low- and mid-income earners pay a higher portion of their income for goods and services than high-income earners.

Hence, the CRA refunds a portion of the GST to low- and mid-income earners on the fifth date of every quarter (October, January, April, and July).

For the June 2019-June 2020 period, an individual with a family net income of less than \$38,000 got [up to \\$443 in GST refund](#). The CRA calculated this GST amount on your 2018 taxable income, as it had extended the 2019 tax deadline to September. If your income is above \$38,000, the GST refund reduces. Beyond \$48,000, a single individual gets no GST refund.

This year the CRA gave a one-time emergency GST credit equivalent to your annual GST credit. So, if you were entitled to get a \$290 GST credit in the June 2019-June 2020 period, the CRA credited an additional \$290 as an emergency GST credit on April 5.

Why were you left behind with the emergency GST refund?

If you haven't received this credit, it could be because

- You didn't file your 2018 income tax returns. As the CRA didn't have your 2018 taxable income updated, it couldn't calculate the GST refund amount; or
- Your account information, such as direct deposit details or address, have changed since March 9. As the CRA didn't know your new account details, it didn't credit the GST refund.

You still have time to claim the retroactive emergency GST refund. All you have to do is file your 2018 tax returns and update your account details and marital status with the CRA. This is because you get a higher GST if you are married (\$580) and if you have a kid (\$290). You will probably get your emergency GST credit in the next GST cycle of January 5 or April 5.

Have you already completed the above two conditions and still have not gotten the emergency refund? The CRA probably adjusted that amount against any unpaid dues. Indirectly, you now owe CRA up to \$443 less.

Convert \$443 into \$886 in a year

Once you collect your \$443 GST refund in January or probably April, invest that money in **Lightspeed POS** ([TSX:LSPD](#))([NYSE:LSPD](#)). Do so through your Tax-Free Savings Account (TFSA), as you don't want to pay tax on the money that your GST refund earns for you.

Lightspeed POS is an [omnichannel platform](#) that helps retailers and restaurants manage multiple store locations. It earns money from subscription fees and a commission on transactions that happens on its platform. This holiday season is pretty hectic for Lightspeed, as the pandemic has moved holiday shopping orders online. Higher transactions mean more revenue from the commission.

Lightspeed stock has surged 105% since November started. If you'd invested \$443 in this stock on November 1, you would now have \$912 in your TFSA. Last year, it surged almost 50% between November 22, 2019, and January 24, 2020. Its rally will fade, and it will see some correction towards the end of January or early February 2021 when retail shopping slows.

Buy the stock on this correction. Probably by that time, the CRA will have credited your \$443 emergency GST refund. The stock will begin to rally toward June 2021 when the back-to-school shopping begins, provided the pandemic eases. By the end of 2021, it will convert your \$443 to \$886 or even higher.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. NYSE:LSPD (Lightspeed Commerce)
2. TSX:LSPD (Lightspeed Commerce)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
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