



Canada Revenue Agency: \$400 Tax Write-Off for At-Home Workers

Description

A new tax deduction is available for the income year 2020. If you've been working from home more than 50% of the time in four consecutive weeks, at least, don't miss claiming the work-from-home tax deduction in the coming tax season. The [good news](#) is that the Canada Revenue Agency (CRA) has simplified the process of claiming.

When you file your personal income tax return for 2020, you may be able to claim home office expenses, such as makeshift office costs, office supplies, and certain phone expenses, including internet fees. The CRA allows claims of up to \$400 per individual. While the [tax write-off](#) is only for this year, it could be available for next year and beyond if working from home becomes the norm post-pandemic.

Temporary flat rate method

In 2018, many Canadians were working at home. The CRA reports that the number of people who claimed the work-space-in-the-home deduction was 174,210. The total claims reached \$271,866,000, or \$1,561 on average per person. With the pandemic raging, it was safer to let employees work remotely or at home.

To ensure more workers can benefit from the work-from-home tax deduction, the CRA shortened the qualifying period. The tax agency will also implement a new temporary flat rate method. An eligible Canadian can claim \$2 per day of working from home because of COVID-19, with up to a maximum of \$400.

You don't need to secure signed tax forms by your employer to be eligible. Aside from the amended work-from-home tax forms (T2200S and T777S), the CRA has launched a calculator to assist claimants in computing the expenses. Check the CRA website for all eligible home office expenses.

Top dividend-growth stock

Brookfield Renewable ([TSX:BEP.UN](#))([NYSE:BEP](#)) is an exciting pick for the new year if you're shopping for new additions to your stock portfolio.

Renewable energy stocks should be the top prospects in 2021 when the clean energy revolution commences.

The \$14.73 billion company owns critical assets or clean energy sources such as biomass, hydro, solar, wind, and cogeneration facilities. The contracts of Brookfield Renewable with clients are mostly long term. Expect the company's renewable energy development projects and cost-reduction initiatives to bring in more cash flows.

The income streams could be massive due to higher power rates. Since commencing operations two decades ago, Brookfield Renewable has been outperforming the broader market while growing its dividend. Thus far, year-to-date gain is nearly 15%.

In terms of income potential, this utility company pays a 2.8% dividend. The yield is modest for now, although management expects 5-9% annual growth in the long term. Last, Brookfield Renewable is the dividend-growth stock in the TSX. The stock can set you up for a lasting income.

Firm commitment to help

The federal government in Canada continues to find ways to ease the financial hardships of Canadians. Whether it's temporary income support or tax relief, taxpayers welcome anything available. The simplified work-from-home tax deduction is the latest proof of the government's firm commitment to helping workers.

Minister of National Revenue, Diane Lebouthillier, adds that by making the home expenses deduction more accessible and easier to claim, at-home workers can reduce their overall income tax liabilities.

CATEGORY

1. Dividend Stocks
2. Investing

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. NYSE:BEP (Brookfield Renewable Partners L.P.)
2. TSX:BEP.UN (Brookfield Renewable Partners L.P.)

PARTNER-FEEDS

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

Category

1. Dividend Stocks
2. Investing

Tags

1. Editor's Choice

Date

2025/08/01

Date Created

2020/12/30

Author

cliew

default watermark

default watermark