Canada Revenue Agency: Is the Tax Deadline Delayed for 2021?

Description

COVID-19 brought sudden economic disruptions in 2020 and prompted the Canada Revenue Agency (CRA) to issue tax alerts. The early measures to help Canadian taxpayers cope with the health crisis were the tax filing and tax payment deadlines for the income year 2019.

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Instead of April 30, 2020, the tax agency moved the tax filing deadline for individuals and corporations to June 1, 2020. For tax payments, the deadline was deferred to September 1, 2020, to give Canadians more time to prepare. The CRA didn't charge penalties and interest, including the late-filing penalty, on tax returns filed by September 1, 2020.

Tax deadline in 2021

In 2021, it appears the CRA will stick to the usual deadline. Thus, the tax filing and tax payment deadlines for the income year 2020 is April 30, 2020. If you're self-employed or have a spouse or a common-law partner who is self-employed, you have until June 15, 2021 to file your tax return. However, you must still pay all taxes due by April 30, 2021.

File your 2020 taxes early

The CRA is aware that the COVID-19 pandemic could delay a taxpayer's ability to file a return. The agency encourages you to file early this year to prevent delay in tax assessment or late release of refund, benefits, and other tax credits.

Also, the CRA advises taxpayers to sign up for a direct deposit. The agency has many Canadian financial institution partners that offer CRA direct deposit enrollment online. By filing your tax return online or using the CRA's digital services, you practice social distancing and limit potential exposure to the more lethal COVID-19 variants.

Most taxpayers should have their tax slips and receipts by the end of February. Collate your information slips such as the T4, receipts, previous year's notice of assessment, and a copy of the

2019 tax return. If you don’t have your tax slip, obtain it from your CRA My Account. You can file your return online beginning on February 22, 2021.

Profitable investment

Aside from the various tax credits, Canadians have profitable investment options in the stock market. Investing in telecom giant **BCE** (TSX:BCE)(NYSE:BCE) can boost family income. Canada’s largest telecommunications company pays a hefty 6.05% dividend.

BCE is also a recession-proof asset and therefore appeals to both young and old investors. In particular, millennials can start with a modest capital or use their Tax-Free Savings Account (TFSA) contribution limit in 2021 to build wealth over time.

Expect BCE to be at the front and centre of the evolving modern communications system. Through the 5G technology, this $49.5 billion company would have a scalable network that can seamlessly adapt to meet shifting consumer demands, which traditional architectures can no longer address.

Many industries and geographies will benefit from the lightning-speed of 5G. Even rural areas in Canada will have access to high-speed internet that wired connections can’t provide. As an industry leader, BCE has plenty of upsides. Analysts forecast the price to climb 26%, from $54.74 to $69, in the next 12 months.

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Tax extension not likely

The CRA shows no sign of extending the tax filing and tax payment deadlines like last year. It would be best to file your return early to avoid paying needless penalties and interest.

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