



## Canada Revenue Agency: 1 Handy New Tax Break You Can Claim

### Description

The workspace-at-the-home tax deduction was already available before the pandemic began. However, it has become a [handy new tax break](#) following the transition of Canada's workforce from the office environment to the work-from-home model. Similarly, claiming the tax deduction is longer as tedious as before.

The Canada Revenue Agency (CRA) made meaningful changes to the claiming process. Hundreds of thousands, if not millions of Canadians, can lower their tax bills while doing remote work. The makeshift workstation can be an area in your house, a room, the garage or a detached building on your property.

### The flat rate method option

If you worked from home in 2020, the CRA allows you to claim certain home office expenses minus the red tape. You can claim this new tax break on your income tax return to reduce your overall income tax liability. A temporary flat rate method that simplifies the claim for home office expenses applies today.

The condition is that you must have worked more than 50% of the time from home, at least four consecutive weeks last year, due to the health crisis. You can claim \$2 per working day plus any additional days. Thus, the maximum amount an individual taxpayer can claim is \$400 (200 working days).

Under the temporary flat rate method, you don't have to measure the work space's size at home and keep documents as proof. Employers will not accomplish and sign Form T2200S or Form T2200 anymore. Only the days you worked from home (full-time or part-time) will count as workdays. Your day-offs, vacation or sick leave days, and other absence or leave don't count.

### The detailed method option

The CRA still allows the detailed method, especially for more considerable home office expenses.

However, you must meet all of the eligibility criteria. You worked from home in 2020 due to the pandemic, or your employer required you to perform your job at home.

Also, you worked more than 50% of the time for four consecutive weeks, at least. The expenses must be necessary or directly for work. Finally, the claim must include a completed and signed Form T2200S or Form T2200 by your employer.

## Earn tax-free income

Aside from the generous CRA tax breaks, Canadians can [earn tax-free income](#) through the Tax-Free Savings Account (TFSA). TFSA users have an additional \$6,000 contribution room in 2021.

Real estate investment trusts (REITs) in the logistics, warehouse and industrial sectors are attractive investment options in the COVID world. **Granite** ([TSX:GRT.UN](#)), a \$4.69 billion REIT, should be on your radar because its 110 properties are scattered worldwide, and the occupancy rate is a high 99%.

Granite operates in eight countries, namely Canada, United States, Austria, Czech Republic, England, Germany, Poland, and the Netherlands. Institutional investors, including **CIBC** Asset Management (5.4% of outstanding shares), are Granite shareholders.

In the nine months ended September 30, 2020, revenue and cash flows from operating activities increased by 23.4% and 39.6%. The pandemic did little to affect Granite's stock performance as the REIT delivered a total return of 22.6% last year. The current share price is \$76.01, while the dividend yield is a decent 3.95%.

## Don't forget to claim

The tax filing and tax payment deadline is on April 30, 2021. If you worked from home in 2020, don't forget to claim the handy home office expenses on your tax return.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. TSX:GRT.UN (Granite Real Estate Investment Trust)

### PARTNER-FEEDS

1. Business Insider
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