



Latest CRA Update: Is the Tax Deadline Extended Again in 2021?

Description

The Canada Revenue Agency (CRA) moved the tax deadlines, filing and payments, for the 2019 taxes due to the COVID-19. Most individuals had until June 30, 2020 to file returns, while the tax payment extension was up to September 30, 2020.

We're on the second wave of coronavirus and a [new tax season](#) is at hand. However, the CRA hasn't announced an extension in 2021, similar to last year. Taxpayers have until the regular yearly deadline, or April 30, 2021, to file tax returns and pay taxes owed to the government for the 2020 income year.

Tax filing in the pandemic

Discussions are ongoing regarding tax deadline extensions between CPA Canada and the tax agency. Meanwhile, this year would be unusual, if not a bit complicated, for taxpayers. There would be various ways to assess and compute the taxable income, given the numerous benefits and [tax breaks](#) in 2020.

The health crisis altered the lives of Canadians, including their financial situation and propensity to earn income. Government transfers, subsidies, and credits were plenty to cover the unexpected fluctuations or loss of employment income. Many people had to transition from the office atmosphere to the work-from-home environment.

Hence, Canadian taxpayers will have something new to tackle when filing their tax returns in 2021. Note that you may owe some tax on your COVID benefits depending on your total 2020 income. The CRA reminds taxpayers to gear up and prepare returns for 2020 taxes early.

Faster assessment

Since physical or social distancing is the norm, the CRA encourages taxpayers to file their returns online starting February 22, 2021. Electronic submission will allow faster facilitation of tax refunds and avoid delays in benefit payments. According to the tax agency, about 90% of taxpayers filed electronically in 2020.

Increasing income stream

Aside from the COVID benefits still available in 2021, Canadians with funds to spare can venture into the investment world to generate a healthy income stream. Maximizing the Tax-Free Savings Account (TFSA) is a great option too for tax-free earnings. A \$6,000 or more investment in dividend all-star **Canadian Utilities** ([TSX:CU](#)) could grow significantly over time.

The dividend growth streak of this utility stock is the longest among the lot. Canadian Utilities has raised its dividends for nearly 50 consecutive years. With an outstanding record of annual dividend hikes and a low-risk business model, this \$8.81 billion diversified utility company is perfect for risk-averse investors.

Since Canadian Utilities deliver stable and recurring revenue streams every year, the payouts to investors are uninterrupted. The dividend yield is 5.44%, so your \$6,000 can produce \$326.40 in extra income. Analysts forecast the price to appreciate 18% from \$32.22 to \$38 in the next 12 months. This utility stock is the ideal investment if you want increasing income streams, no less in 2021 and beyond.

Paper return option

Canadian taxpayers can view and manage their tax and benefit information by signing up for the CRA's MyAccount. For those who filed a paper return in 2020, you would receive your 2020 income package from the CRA via mail by February 19, 2021, or later due to delivery delays. You can also view, order or download paper copies of the income tax forms and schedules online.

CATEGORY

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2. Investing

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1. TSX:CU (Canadian Utilities Limited)

PARTNER-FEEDS

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Date

2025/08/25

Date Created

2021/02/17

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