



## Canada Revenue Agency: Go Green and Save 10% on Taxes

### Description

We humans have done a lot to harm the environment, especially in the last few centuries. But things have been changing lately. People are becoming more aware and making more informed choices, and it goes beyond isolated lifestyle choices. People are becoming aware of their power as consumers, and their purchase decisions are forcing organizations to rethink their environmental choices.

Relatively few things have been as intertwined with the environment as fossil fuel. To ensure that energy businesses are making cleaner and “greener” choices, the government has established a federal carbon tax. For now, it’s only applicable for the residents of Ontario, Manitoba, Alberta, or Saskatchewan, and to make the cost of this tax more “bearable,” the CRA is offering a tax rebate.

### Climate action incentive

The climate action incentive (CAI) is a fixed amount that the residents of the four provinces mentioned above can claim. In addition, the people who hail from the rural areas of these provinces get an extra 10% supplement. The reason is that the carbon tax this incentive is introduced to offset is applied directly to the gas prices. And people from the rural areas typically consume more gas and have fewer public transport options.

Only one person per household can claim the CAI on their tax. The amount can be claimed for more than just one person in the household, though. If you are married and have two kids (that are considered qualified dependents), you might be able to claim a total of \$600 in Ontario and \$1,000 in Saskatchewan, plus 10% if you live in a rural area.

The amount will apply directly to the balance or add to your refund (if applicable).

### Green investments

You can also show your [commitment to the environment](#) by investing in green companies, like **Northland Power** ([TSX:NPI](#)). The company develops and operates green energy assets in countries

around the world. Currently, the company has the capacity to produce (net) 2,266 MW of electricity through its solar, wind, and natural gas assets.

But choosing Northland is not just an environmentally responsible option; it's also a financially savvy choice. The company was growing at a steady pace for the last few years, but the growth trajectory took a sharp "up" in 2020. The stock has come down a bit from its 2020 peak, and it might currently be in its "normalization" phase, making it an excellent time to consider adding it to your portfolio. It also pays dividends at a 2.92% yield.

## Foolish takeaway

The CAI is a flat-rate rebate and won't vary based on [your income levels](#). But it's a decent amount, and even if it doesn't offset the extra expenses you pay when you fill up on gas, it's still better than nothing. But it comes with a few stipulations, and it's imperative that before applying, you go through the details of this tax break and make sure you and the other family members you are applying for qualify for this benefit.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. TSX:NPI (Northland Power Inc.)

### PARTNER-FEEDS

1. Business Insider
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