2 Uncommon CRA Tax Breaks to Claim in Your 2021 Tax Return

Description

Taxes might not be the highlight of your year unless you are an accountant or work in the CRA. Regardless, they need to be filed and paid, and you have to make sure all the numbers you put in are accurate so that you are not slapped with a penalty by the CRA. Many of the tax numbers can be downright frightening (especially if they are too heavy on your pocket), but some of them can be your allies.

Tax breaks! For many of you, they might be the only fun part of doing your taxes. Figuring out every dollar that you can save from the CRA might seem like an interesting game. And in this game, there are two "levels" that relatively few taxpayers focus on.

"Other" employment expenses

First off, this is not a tax break that everyone can claim. If you have a job that requires you to pay for certain expenses and you don't get an allowance for them (separate from your wages), you might be able to claim those expenses in your taxes.

Motor vehicle expenses are an example. If your job requires you to travel a lot, and per your contract, you are responsible for your vehicle's maintenance and fuel, you can claim a tax break. But that doesn't apply to the commute you do to and from work. There might be several other expenses that you might be able to claim on line 22900 of your taxes, and it's worth looking into.

Student loans interest

The situation of student loans in Canada is not as dire as it's across the border, but it can still be a significant financial liability. One way to mitigate this liability is claiming the tax break on the interests you are paying on some of your student loans. Only four types of student loans (issued by the federal and provincial government or under an act) are eligible for the tax break.

A tax break of the future

You don't get any tax breaks for your TFSA contributions right away, but the tax-free income you get from it in the future is more than enough compensation, especially if you are able to grow your contributions at a decent rate. One stock that might help with that is a growth-oriented **Altus Group** (TSX:AIF) stock. This software company caters to one market: commercial real estate.

It has a decent product portfolio of niche-specific software products, data-driven solutions, and tech-based services that might help CRE stakeholders. It has a decent global presence with about 50 offices worldwide has served about 56,000 customers.

While it hasn't been very consistent, Altus Group has a potent growth track record. It offers a 10-year compound annual growth rate (CAGR) of 23.25%. Just one year's TFSA contributions ($6,000) can turn into a sizeable nest egg in a decade if the company can sustain this growth pace.

The balance sheet of the company is quite strong, and the revenues have been growing consistently as well. The stock is a bit overpriced, but its heavier-than-usual price tag might be justified considering its growth potential. Still, you can wait for the stock to dip before buying.

Foolish takeaway

While not every tax break is for every taxpayer, there *is* a tax break for almost everyone. If you look into all the available tax breaks, you might be able to find many small deductions that you didn't even know about. And even if they might seem small individually, they can culminate to a decent amount that you divert toward your savings.

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