



All for One and One for All: The 3 CRA Musketeers Leave No Canadian Behind

Description

There is a famous quote from the French historical adventure novel *The Three Musketeers*, “All for one and one for all.” In simple terms, every individual should act for the group’s benefit, and the group should act for every individual’s benefit. This is the principle even the Canada Revenue Agency (CRA) follows.

The CRA aims to give every Canadian or a resident of Canada several benefits to make their lives comfortable. In return, it expects every Canadian or a resident of Canada to file income tax returns.

How CRA benefits work

The CRA handles all the aspects of the Canadian government’s revenue. The government collects taxes from individuals and uses this money to give several cash benefits. As Canada follows a progressive tax system, high-income earners pay higher income tax and get lower cash benefits. Whereas low and mid-income earners pay lower income tax and get higher cash benefits.

The CRA determines most of its cash benefits on the average family net income, or AFNI, and gives them to those who file their taxes regularly. The CRA has three cash and tax benefits that apply to every taxpayer whether young or old, single or family.

The CRA’s basic personal amount

The first CRA musketeer calculates a basic personal amount (BPA) that every individual need to meet day-to-day expenses like food, utilities, and clothing. Hence, it exempts this amount from tax. Every province has a different BPA, but here I will talk about the federal tax benefit.

The BPA is available to every Canadian or resident of Canada over 19 years of age. However, your BPA tax credit will reduce as your income increases. You can get a maximum of \$1,984 BPA tax credit if your net income is less than \$150,473. You can get a minimum of \$1,845 if your net income exceeds \$214,368.

This is a non-refundable tax credit, which means if your federal tax bill is less than \$1,984, the CRA will not return you the remaining amount.

GST refund

The second CRA musketeer tries to bridge the income gap among individuals with its benefits. One such benefit is the Goods and Services Tax (GST) refund. Every individual pays a GST when he/she buys a taxable good or service. The CRA returns a portion of this tax to low and mid-income earners having an AFNI of less than \$63,000. There is no GST refund if your income is beyond this threshold. Here again, the eligibility criteria are the same as the BPA tax credit.

A responsible citizen who files his/her taxes before April 30 can get a maximum GST refund of \$456 if you are single and have an AFNI of less than \$38,000. If you are married and have a child, your GST refund will increase. The CRA will give you the GST amount in four installments in the July 2021-June 2022 period.

The CRA's digital news subscriptions tax credit

The third CRA musketeer aims to encourage Canadians to promote digital journalism. As long as you are a Canadian above 19 who subscribes to a qualified Canadian journalism organization (QCJO), you can get this [tax credit](#). You can get a maximum of \$75 in digital news subscriptions tax credit if you spend up to \$500 in digital subscriptions.

This is a non-refundable tax credit, which means, if you don't use the entire \$75, the CRA will not return the balance amount to you.

Time to think for some individual benefits

Everyone can avail of the above benefits and put those savings into a growth stock like **Lightspeed POS** ([TSX:LSPD](#))([NYSE:LSPD](#)). This omnichannel platform also follows the "one for all" mantra and aims to get one platform to every small and mid-sized retail and hospitality store. The mom-and-pop stores have finally come to accept the Lightspeed platform and the many benefits it offers. The platform helps them efficiently manage multiple physical and online stores (orders, payments, inventory, shipping) on a single device.

Lightspeed is growing by leaps and bounds organically and through [acquisitions](#). It still has a huge fragmented market to tap and bring everyone on one platform. In doing so, the stock has surged fourfold in two years.

CATEGORY

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Date

2025/07/08

Date Created

2021/03/19

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