CRA Announcement: 2 Must-Know Tax Changes

Description

The CRA has probably been in the headlines more times in 2020 than the past five years put together. The department has been on the frontline, battling the financial repercussions and consequences of the pandemic. The CERB and CRB programs, along with other benefit payments targeting the financial victims of the pandemic, were the primary reason why the CRA was highlighted last year, but there have been others.

2021 has been a bit different. The pandemic is almost behind us (even though concerns surround a third wave have been rising). The tax-filing and submission dates haven't been extended. But that doesn't mean everything is back to normal. There are two 2020 tax changes (by-products of the pandemic you have to keep in mind.

The taxable benefit

The CERB was effectively a financial lifeline for some of the most adversely affected people. It allowed people to survive, despite losing their primary income source and no savings. But the CERB came with strings attached — specifically, the taxation strings. The CERB should be included in your taxable income, and you have to pay taxes on all the CERB payments you received.

Flat-rate home office expenses

If you usually work from home, you are probably well versed about home office taxes, and you know how to write off certain expenses. But a lot of people worked from home for the first time in 2020, and if you were one of them, don't forget to claim home office expenses on your tax returns. The most effective way to go about it might be claiming the flat-rate home office expenses ($2 per day).

Tax savings for the future

Amid what you have to pay in taxes and what you can save through deductions and credits for each year's taxes, don't forget about the tax-saving tool for the future — i.e., your TFSA. Your savings and investments in the TFSA (based on how extensive they are) can help you offset your taxable income in the future.

One stock you might consider for growing your savings is **GoGold Resources** (TSX:GGD). It's a Nova Scotia-based gold and silver exploration and production company. It has two major properties in Mexico, one of which is producing gold and silver, and the other is still in the exploration phase, but the projections look promising. When the second facility starts producing as well, GoGold might see a significant rise in assets and profits.

The company had another property in Mexico, which it recently sold to another Canadian mining company.

One reason to consider this company is that it's outshining and outperforming S&P/TSX Capped Gold by a significant margin. In the last 12 months, the gold index has gone down by about 2.7%, but the stock has gone up by over 240%. And though its year-to-date returns have been in the negative territory, the dip is significantly shallower compared to the indexes.

Foolish takeaway

When you are filing your taxes for 2020, it's imperative that you don't miss out on any tax obligation or don't forget about any deduction or credit you are eligible for. Both will hurt your finances in their own way. If you miss filing or paying any taxes, you'll be in hot waters with the CRA, and if you don't catch the tax breaks, you will miss out on valuable saving (and, consequently, investing) opportunities.

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