CRA Tax Relief: 3 Useful Write-Offs You Can Make in 2021

Description

The Canada Revenue Agency (CRA) has taken steps to ease taxpayers' burden in 2021. It reminds tax filers not to miss out on three tax write-offs. You can bring down your tax obligations if you're eligible to claim them.

Tuition and training fees

A valuable refundable tax credit is the Canada Training Benefit. The federal government saw it fit to introduce financial support to help with disruption in the labour force due to changes in technology. Workers are eligible to receive up to $250 annually. The tax credit should offset half of your tuition and training fees.

Canadians who are between 26 and 65 and with eligible earnings of a minimum of $10,000 (maximum $150,000 in the year) could qualify. File your tax return, then keep track of your notional account balance. The balance should reflect in the Notice of Assessment from the CRA. You can claim the lesser of the balance and half of eligible tuition and fees paid in any given year.

Home office expenses

Canadians who worked from home in 2020 will find it easier to claim the home office expenses. The CRA introduced special rules to accommodate this year's claims. An employee is eligible to claim them if you worked from home for over 50% of the time for four consecutive weeks.

The flat rate method doesn't require supporting documents. You can claim $2 per day working from home, up to a maximum of 200 days. Thus, the claim could be a maximum of $400.

Digital news subscriptions

Digital news subscribers to qualified Canadian journalism organizations (QCJO) can claim a nonrefundable tax credit. The Digital News Subscription Tax Credit (DNSTC) is equivalent to 15% of your costs (maximum). DNSTC is valid from 2020 through 2024, so you could have a $75 tax credit every year.

Create tax-free income

The new Tax-Free Savings Account (TFSA) contribution limit in 2021 is a fresh opportunity for users to create tax-free income. Investing in infrastructure assets today is a defensive move. A formidable choice is **Brookfield Infrastructure Partners** (TSX:BIP.UN)(NYSE:BIP).

The $20.35 billion company owns data, energy, transportation, and utility assets. Capital-rich **Brookfield Asset Management**, the parent company, has a 30% ownership stake. This utility stock is among the TSX's Dividend Aristocrats owing to its 12 consecutive years of annual distribution increases.

If you were to invest today, the share price is $68.87, while the dividend yield is 3.74%. Over the last 11.61 years, BIP.UN's total return is 617.40% (18.51% CAGR). Meanwhile, current investors are enjoying a 10.42% year-to-date gain.

Brookfield Infrastructure's business is enduring given that its diverse infrastructure platform is vital to keep the global economies it serves to run smoothly. Since either government-regulated rates or long-term contracts back the assets, cash flow is generally stable.

Management projects the cash flow per share to grow at a rate between 5% and 9% annually for the next several years. The target is achievable because of higher volumes, contract rate escalations, and expansion projects.

File your tax return

This year's tax season is different, if not complex, because of the public health crisis. However, it's no excuse not to file your tax returns. Your efforts should be worth it if you can claim the tax write-offs available.

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Date
2025/07/04
Date Created
2021/04/20
Author
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