CRA: Did You Avail of These 3 Tax Breaks?

Description

The tax-filing deadline is almost upon us. If you follow the good practice of filing your taxes way before the deadline, then you might be at peace when it comes to your taxes. But if you haven't filed yet, we are close enough to the deadline for some real panic to set in.

When it comes to filing your taxes, cutting it too close is usually not a good idea. If the system crashes at the last moment, or you don't have all the relevant information at hand when you are filing your taxes, you risk provoking the ire of the CRA. It also has another negative consequence. In a hurry to file the taxes, you might miss out on some of the taxes you might be eligible for.

Whether or not you filed your taxes well in time, it's a good idea to review the tax breaks you claimed (or didn't avail) so that you are better prepared for the next year.

Digital news subscription tax credit

The digital news subscription tax credit is relatively new and quite easy to miss, especially if you don't subscribe to any of the news services the tax credit accounts for. But if you do, it's a tax break you *shouldn't* miss out on. It might only be a small sum, but it will allow you to claim some of the amounts you've spent on the subscription back through the tax credit.

Home office expenses

Before the pandemic, this tax break used to be exclusively for remote workers and freelancers. But 2020 changed this supposed "monopoly." Millions of Canadians worked from home last year — many of them for the very first time. And since it was a novelty, it's highly probable that you might have missed the tax break you would have gotten, especially through the simplified method — i.e., $2 per day if you qualify.

RRSP contributions

This tax break has more to do with your saving/investment schedule and pattern. If you had limited enough savings and prioritized maxing out your TFSA, then not making RRSP contributions (and not claiming the resulting deduction) is understandable. But ideally, RRSP contributions *should be* part of your saving strategy. Your savings will grow tax-deferred and might turn into a sizeable enough nest egg by the time you are supposed to pay taxes on them.

One stock you might consider buying from your RRSP contributions is **TFI International** (TSX:TFII)(NYSE:TFII). The powerful growth stock is still riding its post-pandemic growth momentum to new heights, and the best part is that it's not painfully overpriced, despite achieving and retaining unprecedented growth levels after the pandemic-driven crash.

Its aggressive growth spurt resulted in a five-year CAGR of 37%. If the company manages to keep this pace up for just five more years, it can be explosive for your portfolio's growth. The company is asset-rich and financially stable with an impressive balance sheet. It also has a decent footprint in North America through its +80 operating companies and 360 sites.

Foolish takeaway

The CRA doesn't take kindly to any tax mistakes you make, though the department might not bat an eye if you leave out any of the tax breaks you might be qualified for. The responsibility of figuring out every tax break you can claim ultimately falls on you, because the financial benefit will be solely yours as well.

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Date
2025/09/08
Date Created
2021/04/27
Author
adamothman