



Canada Revenue Agency: 3 Days Left to Lock in a \$456 GST Refund

Description

The Canada Revenue Agency (CRA) is pretty clear that the last date to file your income tax returns is April 30. If you are self-employed, your tax-filing deadline is June 15. Even if you don't fall under the tax-paying bracket, you must file your returns in order to receive the \$456 Goods and Services Tax (GST) refund.

The CRA gives many cash benefits to Canadians who file their returns regularly. Among them are GST refund, Canada Child Benefit (CCB), Old Age Security (OAS), and the Guaranteed Income Supplement (GIS). And this year, there is a temporary addition of COVID-19 benefits like the \$2,000/month Canada Recovery Benefit (CRB).

Three days to get GST refund

All other cash benefits have several eligibility criteria, but the GST refund applies to anyone above 19 years of age with an adjusted family net income (AFNI) of less than \$63,000. The AFNI is your income after deducting any tax-free child and disability benefits you receive from the government.

But the main eligibility criteria to get a GST refund is filing your income tax returns. Even if you don't earn more than the basic personal amount of \$13,808, file your returns. You won't have to pay income tax, but you will get up to \$456 in GST refund in four instalments. This is a tax-free refundable benefit the CRA gives low and mid-income earners.

How does the CRA calculate the GST refund

For singles:

- If you earn less than \$9,686, the CRA will give you a GST refund of \$299.
- If you earn between \$9,686 and \$38,892, you become eligible for the single supplement of \$157.
- And if you are a single parent of a child below 19, you become eligible for the \$157 child supplement. You can get the complete child supplement if your AFNI is between \$0 and \$38,892.

The CRA starts [reducing](#) your GST amount on income above \$38,892.

For married couples:

- If your AFNI is below \$38,892, both of you get a GST of \$598 (\$299 each). The single supplement vanishes but all other things remain the same.

For instance, Emma and Don are married and have two kids under 19. Their AFNI after excluding the CCB is \$38,500. They will get the maximum GST refund of \$912 (\$598+\$157+\$157), or \$228 per quarter.

How to use the GST refund

Most Canadians use their GST refund to pay bills. But if you have sufficient income to meet your expenses, you can consider this refund as a bonus and make it grow. As it is a tax-free benefit, keep it that way by putting this money in your Tax-Free Savings Account (TFSA). Do you know you can build a diversified portfolio with \$450?

There are many attractive stocks under \$50, and you can buy four to five such stocks and get the best of all. There are technology sector ETFs, dividend stocks like **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)), long-term growth stocks like **BlackBerry**, and speculative stocks like **Air Canada** and **Hive Blockchain** available under \$50.

I can't discuss all four categories here, but I would suggest you first secure your portfolio with a resilient dividend stock like Enbridge. The company has a robust toll-collector business model that earns it long-term steady cash flow on a single project. The stock is currently available at a 15% discount from its pre-pandemic high. This is your opportunity to lock in a 7.2% dividend yield for the next decade or more.

If you ask me the risks, know that no business is without risks. Enbridge has its fair share with over \$60 billion in debt, environmental issues related to pipeline construction, and a large portion of cash flow coming from the Mainline pipeline system. However, its benefits outweigh the risks, making it a good investment to earn [dividend](#) income.

Investor takeaway

If you invest \$100 from your GST refund in Enbridge, it will give you a \$7.2 annual dividend. If the company increase its dividend at an average annual rate of 5%, your dividend income will grow to \$11 by 2030. It is not a bad bargain for free money.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing
4. Personal Finance

TICKERS GLOBAL

1. NYSE:ENB (Enbridge Inc.)
2. TSX:ENB (Enbridge Inc.)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
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