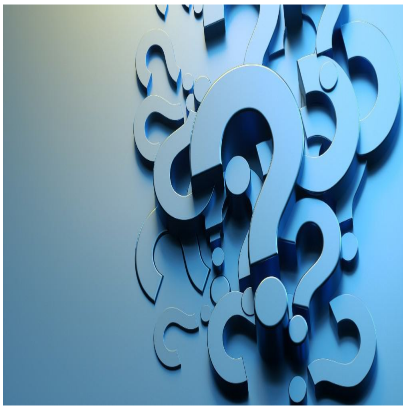

CRA: Do You Qualify for the $75 Digital News Subscription Tax Credit?

Description

The Canada Revenue Agency (CRA) uses many tools to encourage Canadians to improve their skills. In Budget 2019, it introduced a special tax credit to promote online journalism. While the digital news agencies that qualify get many benefits, their subscribers get a $75 digital news subscription tax credit. This credit is only available until 2024, so make the most of it.

Do you qualify for digital news subscription tax credit?

The way tax credit works, the CRA exempts some qualifying expenses from the lowest federal tax rate of 15%. Here the qualifying expense is up to $500 spent on a digital news subscription, which can reduce your federal tax bill by $75. If you buy subscriptions worth $300, you can claim $45 (15% of $300) in tax credit. But if you spend $600 on qualifying subscriptions, you will still get a $75 credit.

Every Canadian above 19 years of age who files income tax returns can avail of this tax credit. All you have to do is buy qualifying subscriptions from a qualified Canadian journalism organization (QCJO). A QCJO is a news organization that publishes originally written news in digital form and doesn't have a broadcasting licence.

You can check the list of QCJOs on the CRA website and buy the subscriptions during the tax year. Save the receipt of your purchase, as it will contain the QCJO designation number. It might come in handy as a supporting document when you do your taxes.

How to use the digital news subscription tax credit

The digital news subscription tax credit might look like a $75 tax saving on the face of it, but you can enhance its value tenfold. First-hand information holds a lot of value. You can subscribe to the financial newsletter and learn about the various tax and cash benefits and investing strategies. You can also subscribe to your industry newsletter, stay updated with the trend, and hone your skills for the future.

Learn about the stock market and invest in some stocks through your Tax-Free Savings Account (TFSA) after detailed research.

A high-growth digital stock

Speaking of digitization, some cloud-based software platforms are in a high growth phase and have the potential to double your money in two years. **Dye & Durham** (TSX:DND) platform gives business and legal professionals access to public records and government registry data. The company benefits from its diversified base of 25,000+ customers, with no single customer accounting for more than 2% revenue.

Dye & Durham is accelerating its growth through acquisitions, acquiring 19 companies in the last seven years. These acquisitions are accretive to revenue and earnings. In the second quarter of fiscal 2021, its revenue and adjusted EBITDA surged 96% year over year and it expects to repeat this growth in the third quarter. For fiscal 2022, it expects adjusted EBITDA to surge 150%.

The key factor driving Dye & Durham's EBITDA is the long-term contracts with large customers and its high retention rate. The revenue and earnings growth drove the stock 190% since its initial public offering in June 2020. The stock has dipped 19% from its February peak, creating a buying opportunity. It has the potential to continue its high growth in the coming years.

Investor takeaway

Here I would like to go a little philosophical. Don't judge a stock by its momentum. Instead, look at its fundamentals and growth potential. Newsletters are a good source of knowing where the economy and the industry is heading. Even Warren Buffett buys and sells stocks looking at the news. But before that, he studies a stock's fundamentals. Keep learning and keep investing.

CATEGORY

1. Investing
2. Personal Finance
3. Tech Stocks

TICKERS GLOBAL

1. TSX:DND (Dye & Durham Limited)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Yahoo CA

Category

1. Investing
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