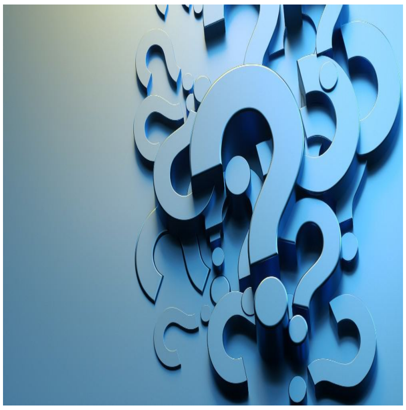

CRA $500 Digital News Tax Credit: Did You Claim it?

Description

The season to file your income taxes for fiscal 2020 has come and gone. Did you take advantage of all the tax credits available to you? Many taxpayers often miss out on the Digital News Subscription Tax Credit (DNSTC). The Canada Revenue Agency (CRA) introduced this temporary and non-refundable 15% tax credit to support the digital news industry in Canada by incentivizing taxpayers.

Taxpayers with subscriptions to Canadian digital news media since 2019 and before 2025 can save up to $375 for the five income years in tax credits through the DNSTC. The maximum amount you can claim the tax credit per year for is $500. It means a meagre $75 tax credit that amounts to $375 in five years.

If you have been a digital news subscriber since 2019, this could be a useful tax write-off to slightly reduce your tax bill.

How the DNSTC works

The CRA considers the cost of subscriptions to qualified Canadian journalism organizations (QCJOs) as eligible for the tax credit. If you subscribe to a QCJO that generates original written content and offers news only through digital avenues, you can also apply for the tax credit. Subscriptions to any non-digital content or broadcasting organizations do not qualify for the tax credit.

While filing your claim, you need to ensure that the media outfit had an existing QCJO status when you made your payments. The official receipt from the outlet contains its QCJO designation number. The CRA requires all QCJOs to issue receipts that can verify subscribers when they claim tax credits.

A tax-free method to boost your household income

The premise behind the DNSTC is to use the help of taxpayers to provide financial support to the struggling Canadian digital news media organizations. The tax credit itself might not amount to much, but saving every penny helps in this economy.

Investing in a Tax-Free Savings Account (TFSA) offers you another way to reduce your tax bills and boost your income. Using the contribution room in your TFSA to invest in income-generating assets like **Fortis** (TSX:FTS)(NYSE:FTS) could help you create a tax-free revenue stream in your TFSA that generates passive income.

Fortis is one of the most stable stocks available on the TSX. It has returned 13% compounded annually since 1995, beating the **TSX Composite Index**. The stock has raised its dividend payouts to shareholders for almost 50 years, and its management plans to continue increasing its dividends at a CAGR of 6% in the next five years.

The utility holdings company generates most of its income through rate-regulated and diversified utility assets that generate robust cash flows for the company. The company can continue creating reliable and predictable income, because its services are essential to all industries.

Adding Fortis to your TFSA portfolio means creating passive income that can keep growing your account balance to make you a much wealthier investor, in the long run, setting you up for life.

Foolish takeaway

The Digital News Subscription Tax Credit might not offer you substantial tax savings. However, subscribing to QCJOs could help you play a role in revitalizing the digital news industry in Canada to keep the flow of useful information going on the internet.

Investing in a portfolio of reliable income-generating assets in your TFSA can help you add another income stream to supplement your household income. Fortis could be an excellent stock to begin building such a portfolio.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

TICKERS GLOBAL

1. NYSE:FTS (Fortis Inc.)
2. TSX:FTS (Fortis Inc.)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred

5. Quote Media
6. Sharewise
7. Yahoo CA

Category

1. Dividend Stocks
2. Energy Stocks
3. Investing

Date
2025/09/11
Date Created
2021/05/10
Author
adamothman