



## Collect Passive TFSA Income With These 4 Stocks

### Description

Tax-Free Savings Account (TFSA) users should consider dividend investing right now if they have available contribution rooms. Collecting more [non-taxable passive income](#) can cushion the impact of rising inflation.

**Canacol Energy Ltd.** ([TSX:CNE](#)), **Extendicare** ([TSX:EXE](#)), or **Boston Pizza Royalties** ([TSX:BPF-UN](#)) are excellent second-liners because of their high yields. The **Bank of Nova Scotia** ([TSX:BNS](#)) ([NYSE:BNS](#)) can be your anchor stock as it pays the highest dividend in the banking sector.

### Price-friendly

Canacol Energy benefits from [rising commodity prices](#). The \$544.89 million natural gas exploration and production company operates in Colombia. In 2021, total revenues grew 12% to US\$275.66 million versus 2020. Net income reached US\$15.17 million compared to the US\$4.74 million net loss compared to the previous year.

Notably, the company had US\$138.5 million in cash and cash equivalents and US\$148.1 million in working capital surplus at year-end 2021. For 2022, management commits to drill up to 12 exploration and development wells. This stock in the oil & gas industry is price-friendly. At only \$3.18 per share, the dividend yield is 6.54%.

### Pure dividend play

Extendicare in the health sector is a [pure dividend play](#). At \$7.92 per share, current investors enjoy a 9.7% year-to-date gain in addition to the generous 6.06% dividend. The \$711.12 million provider of care and services for seniors across Canada is still recovering from the global pandemic.

In 2021, revenue increased 10.27% versus 2021, although net operating income (NOI) fell 19.17% year over year to \$146.3 million. According to management, it's repositioning Extendicare to focus on growth in long-term care (LTC) and home health care.

Also, Extendicare is actively engaged with the government and its industry partners to identify enhancements to the government's capital development funding program. The goal is to ensure that all projects are economically feasible.

## Vastly improved financials

As of March 18, 2022, Boston Pizza trades at \$16.99 per share, a new 52-week high. The trailing one-year price return and year-to-date gain is 36.92% and 11.10%, respectively. If you invest today, the dividend offer is a hefty 6.0%. This \$365.65 million company collects royalty income from 387 restaurants in the royalty pool.

In 2021, franchise sales and royalty income both increased by 7.64% versus 2020. The year's highlight was the 290.88% year-over-year growth in net and comprehensive income to \$37.4 million. Jordan Holm, Boston Pizza President, said, "We are encouraged to see our sales performance improve during the year compared to 2020." He admits, however, the significant impact of the pandemic on the business.

## Core holding

Canada's third-largest bank needs no hard sell to TFSA investors. Besides its size and scale, the \$111.73 billion bank's dividend track record is 190 years. The Big Bank stock trades at \$92.77 per share and pays a 4.31% dividend. Would-be investors need not worry about the safety of dividends. BNS' payout ratio is only 46.37%.

BNS is well-prepared for the uncertainties ahead. It raised ample funds from its recent \$2.25 billion bond offering. The interest rate hike and succeeding increases in 2022 and 2023 augurs well for the bank. Its President and CEO, Brian Porter, said BNS' earnings power will be on full display in fiscal 2022.

## Tax-free income streams

A Big Bank stock and one high-yield dividend stock as back up should be enough to deliver tax-free income streams in the wake of the inflationary period.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. NYSE:BNS (The Bank of Nova Scotia)

2. TSX:BNS (Bank Of Nova Scotia)
3. TSX:BPF.UN (Boston Pizza Royalties Income Fund)
4. TSX:CNE (Canacol Energy Ltd)
5. TSX:EXE (Extendicare Inc.)

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## **Date**

2025/06/28

## **Date Created**

2022/03/22

## **Author**

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