TFSA Investors – If You Like Dividends, You Should Love These 3 Stocks

Description

If you want to collect and keep all your cash dividend returns in 2023, the Tax-Free Savings Account (TFSA) is the place to invest. For any stock held in your TFSA, you have no tax reporting requirement and no tax liability. Every dollar earned in the TFSA is held safely with you forever.

Now there are certain rules and limitations that need to be followed, so be sure to consult a tax advisor or the Canada Revenue Agency (CRA). The point is, don't wait to get using your TFSA contribution space.

Any opportunity to save on paying tax and maximize your investment returns is one that should be utilized. Now speaking about returns, here are three dividend stocks you should get your hands on for some enduring passive income.

A top TFSA energy stock

As long as oil stays over US$70 per barrel in 2023, **Canadian Natural Resources** (TSX:CNQ) will be set for a very good year. Given low supply and rising demand, economic factors heavily support a strong oil price. Regardless, CNQ can maintain its dividend and generate positive free cash flows for less than US$30 per barrel.

CNQ is Canada's largest oil producer and a major natural gas player. Noteworthy, many analysts regard CNQ as one of the best-managed companies in energy. For 22 consecutive years, it has increased its dividend by a compounded annual growth rate of 22%. No other energy company can claim such an incredible track record.

This year, it paid a special $1.50 per share dividend. Considering its rapidly improving balance sheet, more special dividends and base dividend increases are likely to arrive in your TFSA in 2023. CNQ stock trades with a 4.5% dividend yield today.

A high-yielding telecom stock

If you are looking for an outsized dividend yield (but not much more), **BCE** (TSX:BCE) could hold a place in your TFSA portfolio. As Canada's largest telecommunications business, it has a very strong, embedded competitive position.

BCE's income is preserved by contracted revenues. Therefore, it can regularly raise its rates to combat inflation's effect on earnings. Once it completes a big infrastructure (5G and fibre optic) plan, it should earn outsized levels of spare cash.

BCE pays a 6.1% dividend yield. For 14 years, it has increased its dividend by 5% or more. True, this business is only really growing by around that same rate, but its dividend is safe and it is a relatively low-risk business.

A top renewable stock for a TFSA

Brookfield Renewable Partners (TSX:BEP.UN) is the stock for those interested in growth and income in their TFSA. Now, this stock is down 23% in 2022. Not a very positive omen. However, it is trading with its cheapest valuation since the March 2020 crash.

Given rising energy demand and the move to renewables, Brookfield Renewables is incredibly well-equipped for long-term growth. It produces 23 gigawatts (GW) of hydro, wind, solar, distributed generation, and battery power.

Yet, its development pipeline is over five times that size. The green energy producer has no shortage of opportunities. Moreover, its scale, balance sheet, and international rapport make it the partner of choice for renewable developments across the globe.

BEP stock pays a 4.88% dividend. It has a nine-year history of growing its dividend by a 6% compounded annual rate. Chances are very high this trend will continue going forward.

CATEGORY

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TICKERS GLOBAL

1. TSX:BCE (BCE Inc.)
2. TSX:BEP.UN (Brookfield Renewable Partners L.P.)
3. TSX:CNQ (Canadian Natural Resources Limited)

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