



## **Correspondence Modernization: Call Driver And Print Media Reduction - Final Report -**

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**Ce rapport est aussi disponible en français.**

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## SUMMARY

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The Correspondence Modernization Project was put in place to address objectives for the Canada Revenue Agency (CRA) identified in '*Budget 2016, Chapter 7 – Open and Transparent Government*'. The Project focuses on enhancing the CRA's enquiry line telephone services; revamping the structure, design and format of the CRA's correspondence and messaging; and raising awareness of the CRA's secure portal of e-Services.

The target groups for this research included individual taxpayers ("individuals"), small/medium business ("business"), authorized representatives for individuals ("ARs for individuals"), and authorized representatives for small/medium business ("ARs for business"). The research objectives were:

*Telephone enquiries – Individuals and Business*

- ✓ Reasons for calling the CRA and reasons for not dealing with the matter only by using the CRA website or a secure CRA service (*My Account* for individuals, *My Business Account* for business)

*Forms enquiries – Individuals and Business*

- ✓ How do they get the tax forms they need
- ✓ If they call the CRA to get a form, what are the reasons for calling rather than downloading the form from the CRA website

*Forms enquiries – ARs for Individuals and Business*

- ✓ Reasons for ordering paper forms from the CRA
- ✓ Impact of a rule change that limits the maximum number of forms that can be ordered to nine
- ✓ Circumstances in which tax forms are sent by mail rather than submitted electronically

*Correspondence – all target groups*

- ✓ Assessment of examples of current correspondence in terms of clarity, required actions and design, including what is liked and any perceived issues
- ✓ Comparison of the current version of a correspondence with the previous version used, preference for the current versus previous version, and reasons for preference

Ten focus groups were conducted between May 4 and May 11, 2017, in Halifax, Toronto, Montreal and Vancouver. The number of focus groups by target group was as follows: three with individuals, three with business, two with ARs for individuals, and two with ARs for business:

- All of the individual and business participants had called the CRA in the past two years.
- Individual and business participants included a mix of current users and non-users of CRA secure online services, with the majority being users of these services.
- All the business participants had fewer than 100 employees, with most having two to four employees.
- The ARs were tax professionals who have some individual or business clients for whom they are authorized representatives.

The results of the research will be used as input to the Correspondence Modernization Project in terms of promoting use of online services (CRA website, CRA secure services) as an alternative to calling the CRA, reducing use of paper forms, and specifically with correspondence, the input will feed into the overall benefit measurement strategy in order to: measure the benefits of the correspondence redesign; collect baseline data for future phases of the External Administrative Correspondence (EAC) project; and identify and course correct any issues related to EAC.

### Telephone Enquiries – Individuals and Business

The following are factors that can result in calling the CRA rather than using the CRA website or a secure online service:

- *Enquiry can only be addressed by speaking to an agent.* There are a variety of enquiries which cannot be fully addressed using online resources and require speaking with a CRA telephone agent.
- *Lack of awareness of secure services:* Lack of awareness of secure services was, for this group of participants, not a major factor in choosing telephone over online. Only two of the individual participants were not aware of *My Account*. All of the business participants had heard of *My Business Account*.
- *Not registered to use a secure service:* In each of the two target groups – individuals and business – a little over one third were aware of the relevant CRA secure online service (*My Account* and *My Business Account*, respectively), but were not registered to use it. Some of these participants called the CRA for reasons that could have been handled by the secure service (e.g. change of address, confirm an account balance).

Most of the participants who had never registered for a secure service showed little interest in registering because they think they would rarely use the service, or would usually rely on their accountant for most enquiries.

- *Forgot secure service log-in information:* This was an issue particularly for some individual taxpayer participants. Because some use *My Account* only rarely, there is a risk of forgetting or losing the log-in information. This led to two types of calls to the CRA: (1) calls to get log-in information, and (2) calling the CRA with an enquiry rather than making any attempt to get log-in information. It appears these participants are not making use of instructions on the CRA website on how to deal with lost log-in information. They are also not aware of changes to the registration process that allow much faster registration than in the past.
- *CRA agents are perceived to be helpful:* Participants had positive perceptions of the quality of service provided by CRA telephone agents, especially when requesting advice for complicated matters. Providing effective service is certainly a good thing for taxpayers. What it also does, though, is enhance the attractiveness of calling relative to using online resources. If a person would use a secure service only infrequently, there is less incentive to use that service when they know they can get good service by telephone (leaving aside wait times, which some participants complained about). It can be quicker and easier to call the CRA than to take the time to look for the relevant information on the CRA website.
- *Need for reassurance/certainty:* Taxation is something that can be stressful for both individual taxpayers and business. The rules and information can be unfamiliar or complex. The perceived

possible consequences of doing something “wrong” can cause stress and anxiety. Getting information directly from a CRA telephone agent can, for some people, give them the reassurance and certainty they want in a way that reading the information online does not. Some participants made calls to the CRA for information they knew was online, or had even seen online, but they wanted to hear it directly from a CRA agent.

- *Enquiry might be addressed on the CRA website, but could not find the information on the website:* In some cases, participants first went to the CRA website to try to deal with their issue, but could not find the information and therefore called the CRA. There were a number of instances where it appeared, on judgment, that the information they were looking for actually is on the CRA website. Ease of use of the CRA website and the clarity of the information is therefore important in reducing call volume.
- *Questions on correspondence received:* Several participants (both individual and business participants) called the CRA because of something they read in correspondence from the CRA. Typically these calls were caused by a perceived lack of clarity in explanation of the required action – i.e. clarity in terms of what action is required, and why it is required. Clarity in explanation of required action is particularly important for reducing likelihood of calling. Some of these calls may have been unavoidable, but the general point is that correlating volume of call types with relevant correspondence may reveal opportunities to reduce certain types of calls by revising correspondence.

## Forms Enquiries

**Individual taxpayers and business:** Participants mostly access tax forms through tax software or an accountant or tax preparer. Some have on occasion accessed and downloaded a form using the CRA website. None had ordered paper forms online, and almost none had called the CRA for a form. All would prefer to access a form online rather than call the CRA for a form.

**Authorized representatives:** Some ARs – a minority – had ordered paper forms from the CRA. The forms most commonly ordered were remittance forms; ordering other types of forms was uncommon.

The remittance forms mentioned included the *T7DR* – or *T7DR(A)* – for income tax, *GST/HST* remittance voucher, and the *PD7A* for source deductions. These forms cannot be downloaded and printed from the CRA website, but they can be ordered from the CRA. (The CRA does not offer these online given that financial institutions will not accept copies of these vouchers because the copies will not contain the magnetic ink used by the CRA.)

For all three types of remittances, clients have other options for making the payment besides going to a financial institution and paying in person. Other options can include mailing in the payment, using online banking, or using the CRA’s *My Payment* online service. None of these other options require an original remittance voucher.

In this context, some ARs will keep a stock of original remittance vouchers as a service to clients who don’t have a voucher and who want to pay in person at a financial institution. The voucher most likely to be ordered in large quantities was the *T7DR(A)*, because they have a large number of

clients for whom they do tax returns. It appeared that order quantities for the other remittance vouchers were much smaller.

Some ARs who ordered paper copies commented that this is primarily for “older clients” who are not inclined to pay electronically, and who believe paying in person better ensures payment is received by the CRA.

*How paper copies are ordered:* Paper copies were more likely to be ordered using the CRA’s online ordering system, but some said they sometimes ordered them by telephone. The reasons given for ordering by phone were:

- The service provided by CRA telephone agents is very good, so ordering by phone is easy.
- The AR may call because they also have some other matters they want to discuss with a CRA agent.

*Impact of limiting the number of paper copies to nine:* This was not perceived to be a problem except by the several participants who ordered a substantial number of the *T7DR(A)* because of the large number of tax returns they prepare. These participants ordered hundreds of copies at a time, and said restricting the number to nine would be a real problem in terms of helping clients who want to pay at a financial institution.

*Mailing paper tax forms to the CRA:* ARs were asked about circumstances in which they would mail in tax forms rather than submitting the information electronically. Overall, the ARs said that they will send information electronically when the CRA supports electronic submission, and otherwise will mail (or fax) the information when electronic submission is not an option.

## Correspondence

Participants reviewed the current version of selected correspondence, and then compared the current version to the previous version sent by the CRA. The following correspondence was included in the research:

*Correspondence for individual taxpayers:*

GST/HSTC Notice of Redetermination (Benefit Letter)

T1 Notice of Assessment

*Correspondence for business:*

T2 Notice of Assessment

GST/HST Notice of Assessment

PD7A Statement of Account

**Design:** There was a clear preference for the design aspect (i.e. font, layout, headings) of the current versions of all the correspondence. The font in the current version is perceived as “clean”, not “old-fashioned” unlike the font in the previous version, and easier to read. The use of bold fonts for headings and key items is more effective in the current versions, and so headings and key items stand out more in the current version.

**Page 1 is very important:** For all target groups, the content of the first page of a document plays a very important role. Participants prefer a “first-page approach” – that is, they prefer that the first page communicate what the document is, why the person is receiving it, and any required action or

key summary information. Perception of clarity and required action is strongly influenced by the content on the first page. Getting a good understanding of the basics on the first page also makes it easier to understand details on subsequent pages.

**The current versions of the correspondence mostly were perceived positively in terms of clarity and communicating required action.** Key elements of page 1 of the current versions include (1) a title in large, bold font, (2) several short narrative lines summarizing key information for the recipient, and (3) a boxed summary at the bottom of the page with a key dollar amount such as an amount owing. With some exceptions, this approach was positively perceived, and often perceived as communicating both key information and required action more quickly and clearly than in the previous versions. There were two notable exceptions:

- *GST/HST Notice of Assessment* (for business): On page 1, the boxed summary at the bottom (*Account summary* box) uses the phrase *Total balance* to label the dollar amount shown. The problem was that *Total balance*, by itself, is ambiguous as it could be either an amount owed by the company or a refund amount to the company (in the examples shown to participants, it was an amount owing). Participants suggested it would be better to say something like “balance due.”
- *PD7A* (for business): Most participants disliked the content of the first page, because (a) it did not address whether there is an amount owing, and (b) it was confusing because the number shown – the remittance account balance – was seen by some as being an amount owing. The confusion over the meaning of remittance account balance carried over to the *Account summary* on the next page. These issues contributed to a strong preference for the previous version of the *PD7A*.

**Shorter is better for business correspondence:** Participants reviewing business correspondence preferred fewer pages in the documents they receive. Thus, many preferred the older versions of the correspondence given that these had fewer pages compared to the current versions. This preference for the previous versions due to their shorter length occurred even though the current version was perceived to be better in terms of design (font/use of bolding/layout) as well as more effective in quickly communicating the key pieces of information and required action.

**Some ARs tend to be skeptical about their clients’ ability to understand the correspondence:**

Individual and business taxpayer participants tended to be positive about the ease of understanding the current versions, while some ARs tended to be a bit more skeptical about their clients’ ease of understanding. Note, though, that usually the ARs said they personally found the correspondence relatively easy to read and understand. The ARs generally identified the same issues with the current and previous versions of the correspondence as the “client” groups.

**Overall preference:** Leaving aside the skepticism some ARs have about their client’s ability to understand the tax documents:

- For individual taxpayers – *GST/HSTC Notice of Redetermination*, and the *T1 Notice of Assessment*: the majority of participants preferred the current version over the previous version of each correspondence.
- For business – *GST/HST Notice of Assessment*, and the *T2 Notice of Assessment*: the majority of participants preferred the previous version of each correspondence. However, this was

primarily because the previous version is shorter (and for some participants because it was familiar). In terms of design, the current version was preferred, and in terms of clarity and required action the current version was often perceived to be equivalent or even better.

- For business – *PD7A*: As noted above, participants did not like the content of the first page because it was perceived to be confusing and to be missing key information. The confusion carried over to the *Account summary*. This led to preference for the previous version, and the previous version also had the advantage of being shorter.

**“Debit” and “credit” tend to cause some confusion:** Quite a few participants said the use of “debit” (DR) and “credit” (CR) can be confusing (these terms appear in all the correspondence). Individual taxpayer and business participants said this, and ARs said their individual and business clients tend to be confused by these terms. There were suggestions to avoid use of these terms, or to replace them with more “natural” language. That said, while this caused some difficulty understanding the tables in the correspondence, it usually did not appear to impede participants understanding the bottom line results.

Note that the *More information* section in the current versions of the correspondence does include definitions of debit and credit. These definitions did not help for some participants. For example, in some documents, the following definitions were given: *Debit (DR) is the amount you owe us and credit (CR) is the amount we owe you*. The perceived problem some participants noted is that the “credit” in the tables can be money that the person has paid to the CRA (and which reduces an amount owing), and it seems misleading to describe this as money the CRA “owes” to the person.

**Participants tend to deemphasize the importance of the *More information* section:** Participants focused more on the personal information in the correspondence than on the general information in the *More information* section. This led some – particularly in the case of correspondence targeted to business – to suggest somehow condensing this general information so as to reduce the overall length of the document, or even to delete some of the information. That said, the CRA has its own reasons for including this information, and it is important in addressing the needs of some clients and in promoting use of online resources.

**The current versions are perceived to encourage going online:** With respect to the current versions of the correspondence, some participants observed that there are multiple references to going online, and sometimes the same website is referred to more than once. This is perceived to have the general effect of encouraging the reader to go online at the CRA website for information or service.

**Total contract amount of the project:** \$93,032.90 (including HST).

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Rick Robson  
Vice-President  
Sage Research Corporation

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## TELEPHONE ENQUIRIES – INDIVIDUALS & BUSINESS

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All of the individual and business participants had called the CRA at least once sometime in the past two years, and a large majority in both target groups had called more than once. There was discussion of the general reasons for calling and perceptions of whether or not the enquiry could have been addressed just as well by instead using either the CRA website or a secure online service such as *My Account* or *My Business Account*.

Note that the screening requirement was only to have called at least once. The fact that it turned out the large majority meeting this criterion had called more than once in the past two years suggests a hypothesis that individuals or businesses who call the CRA are likely to be repeat callers. In some cases the repeat calls were to address the same situation, but more often the calls were for different reasons. The latter suggests that people who call the CRA at least once may tend to form a view that calling the CRA is one useful option for dealing with their tax-related enquiries/issues.

The following are factors that can result in calling the CRA rather than using the CRA website or a secure online service.

*Enquiry can only be addressed by speaking to an agent*

*Lack of awareness of secure services*

*Not registered to use a secure service*

*Forgot secure service log-in information*

*CRA agents are perceived to be helpful*

*Need for reassurance/certainty*

*Enquiry might be addressed on the CRA website, but couldn't find the information on the website*

*Question on correspondence received*

**Enquiry can only be addressed by speaking to an agent:** Some of the calls made by participants (both individuals and business) were such that, on judgement, speaking to a CRA agent was the only way the matter could be dealt with. These types of calls are not a focus of this research project, but the following are some examples just to illustrate these types of calls:

*Individuals:*

- Mailed a T1 adjustment request but it did not show up on *My Account* – it turned out the CRA had not received it
- An executor doing taxes for an estate could not find information on previous tax returns
- Did not report a change of address and an expected tax refund did not arrive, so needed to deal with getting the refund cheque reissued (and changing their address)
- Changed address online and filed two years of tax returns at the same time; refund for one was mailed to the new address but the refund for the other was mailed to the old address
- Was expecting a tax refund but it did not arrive within the expected time frame so called to find out when the refund would be issued
- Instalment payment was allocated to the wrong tax year

- Received what turned out to be a scam call purported to be from the CRA, and called to find out if it was legitimate or not

*Business:*

- Payment allocated to the wrong account
- Believed there was an error on the T2 Notice of Assessment (NOA)
- Sent in a corrected T4 but the CRA used the original, incorrect T4 when assessing an employee's return
- Collected HST before a business number was registered and wanted to find out how to handle this
- Needed an extension for filing their T2 return
- Remitted a payment but it was not showing up on *My Business Account*
- Heard that the CRA website had been hacked and called to see if their company's information had been affected

**Lack of awareness of secure services:** Lack of awareness of secure services was, for this group of participants, not a major factor in choosing telephone over online. Only two of the individual participants were not aware of *My Account*. All of the business participants had heard of *My Business Account*.

The main sources of awareness of these secure services mentioned by participants were: CRA website, correspondence from the CRA, and for some talking with a CRA agent.

With regard to the two mobile apps – *My CRA* mobile app, and *My Benefits CRA* mobile app: the majority of individual taxpayer participants had not heard of these apps, and none of them used the apps.

**Not registered to use a secure service:** In each of the two target groups – individuals and business – a little over one third were aware of the relevant CRA secure online service (*My Account* and *My Business Account*, respectively), but were not registered to use it. Some of these participants called the CRA for reasons that could be handled by the secure service. This included, for example, several (including both individuals and business) who reported a change of address, and a few business participants confirming account balances.

Most of the participants who had never registered for a secure service showed little interest in registering:

- Individuals: They would use it so seldom that they do not see a need or value in registering. A few rely on their accountant for information.
- Business: They rely on their accountant to keep track of tax requirements and balances, and/or never/rarely experienced a need for this type of service.

**Forgot secure service log-in information:** This was an issue particularly for some individual taxpayer participants. These participants had registered for *My Account* at some point in the past, but had since forgotten or lost the log-in information. (This group overlaps with the previous group of those “not registered to use a secure service”, as some initially said they were not registered but then explained they had forgotten their log-in information.)

Note that participants mostly described this as no longer knowing their “password.” For reference, logging into *My Account* (if one is not using a sign-in partner) requires a user ID and a password. Most of these participants did not talk about these two separate items, but rather only referred to the “password.” We caution against interpreting “password” literally in this case, as some may use the word “password” to refer to both the user ID and password.

Forgetting the *My Account* log-in information led to two types of calls to the CRA:

- *Call to get a “password”*: This type of call is arguably avoidable if people go to the CRA website and try to log in. The log-in page for *My Account* (<http://www.cra-arc.gc.ca/myaccount/>) includes a link under *CRA login* that reads *Forgot your password or user ID?* This link leads to instructions on what to do for either a lost user ID or password.

For whatever reason, some participants who forgot their password either did not go to the log-in page, or did not notice (or perhaps understand) the information on what to do there. Instead, they called the CRA to find out what to do. The following is a comment by a person who called to deal with a forgotten “password”, and evidently did not actually try to deal with the matter by going online at the CRA website:

*It's too bad you couldn't click on something. You know, where it would say if you've forgotten your password, click on something, and they send you an e-mail automatically so you don't have to go through the phone, waiting 20 minutes to get someone to talk to. (Individual Taxpayer)*

- *Don't try to get log-in information and instead proceed to call the CRA with their enquiry*: Some participants with an enquiry who had forgotten their log-in information did not try to recover the information or re-register, and instead called the CRA with their enquiry.

The main reason for this is that they registered at a time when getting full access to *My Account* involved waiting a week or two to receive a security code in the mail, and because of this history perceived the process as slow. Rather than wait, it's “easier to call” and just deal with the matter right away.

*Called about RRSP deduction limit: I tried to get a new password, and I stopped [and called] when it said, “We'll mail you one between seven and 15 days.” When you've got three days to file, you can't wait that long. (Individual Taxpayer)*

*Called about RRSP deduction limit: Right now, it's easier to call. If the user name and password were actually memorable, it would be easier just to do it all online, and I would. (Individual Taxpayer)*

*Called about change of address: I forgot my user name and password. [I registered] several years ago, and I don't want to go through the hassle of getting it again and forgetting it again. (Individual Taxpayer)*

*Called to get proof of income and said I wasn't sure if I had the correct log-in”: I think I was just in a hurry and just wanted one answer. So, I didn't want to log on to the computer and start everything. (Individual Taxpayer)*

The following are additional comments related to forgetting log-in information:

- Some participants suggested that the CRA needs to make it easier for people to deal with lost/forgotten log-in information. As noted above, though, the current CRA *My Account* registration page does in fact specifically address how to deal with a lost user ID or password.

- It appears that some people registered for *My Account* seldom access the service. For people who do not have system in place to store log-in information, this increases the risk of forgetting or losing the log-in information.

*I'm not going to use that password for another year, and I'm not going to remember it. And I'm going to call [the CRA] again: I'll go through it probably once a year and I'll call them.* (Individual Taxpayer)

Note that the CRA allows users to create their own user ID and password, so there is an opportunity for users to create log-in credentials that are more memorable to them.

In one focus group, a participant pointed out that the CRA allows one to sign in to *My Account* using one's online banking log-in. Other participants in the group were not aware of this possibility and some said this would make it much easier to use *My Account*. They said they use online banking frequently and they don't forget or lose their online banking log-in information.

*I use that [online banking] all the time. But when you use CRA, it's maybe once a year.* (Individual Taxpayer)

Note that the *My Account* log-in page (<http://www.cra-arc.gc.ca/myaccount/>) prominently features the ability to use a *Sign-in Partner*. Again, though, it appears that some people who forget their log-in information are either not going to this page or are not understanding the information on the page or they feel that the process would be cumbersome.

- It is our understanding that the CRA changed the registration process relatively recently, such that the security code can be emailed to the person almost immediately. This makes registration for full access much faster. One participant who recently called about a forgotten password said they received instructions on how to reset their password via email, or received a notification via email – but nobody else in that focus group had heard of this possibility.

The results suggest that the website instructions for dealing with a lost user ID or password should prominently describe how quickly this can be accomplished.

**CRA agents are perceived to be helpful:** It was not an objective of this research to evaluate the quality of service provided by the CRA telephone agents. That said, both the individual taxpayer and business participants had a positive perception of the quality of service provided by the telephone agents:

- While there were some spontaneous complaints about the wait time to speak with an agent, there were no spontaneous complaints about the service provided by agents.
- By contrast, some participants spontaneously commented on how helpful the agents were.
- It appeared that virtually everyone who called the CRA had their enquiry addressed satisfactorily. Note that although participants were not asked to comment on the quality of the telephone service, past experience has shown that if people have service problems they will use the focus group setting to voice their complaints – as they did, for example, with telephone wait times.

Providing effective service is certainly a good thing for taxpayers. What it also does, though, is enhance the attractiveness of calling relative to using online resources:

- If a person is going to use a secure service only infrequently, there is less incentive to use that service when they know they can get good service by telephone (leaving aside wait times).

A business participant registered for *My Business Account* who called to report a change of address: *It's easier to call because in my experience it's quick and they're really helpful. I do lots of [other] things online, but this is easy.* (Business)

- Some participants commented that it can be quicker and easier to call the CRA than to look for the relevant information on the CRA website. For example:

*It's very direct. You don't have to go through 50 pages of information [on the CRA website] to get your answer. You just call and it's yes, no, this is what you need.* (Individual Taxpayer)

Some participants noted that they will only spend up to a certain amount of time looking for information on the website before they decide it's easier to call. For example, when asked in one focus group how long they would look on the website before calling, the answers ranged from five to 15 minutes.

The implication is that website design can impact likelihood of calling: the quicker people can find what they are looking for on the CRA website, the less likely they are to call.

**Need for reassurance/certainty:** Taxation is something that can be stressful for both individual taxpayers and business. The rules and information can be unfamiliar or complex. The perceived possible consequences of doing something “wrong” cause stress and anxiety, as these can involve interest, penalties, being flagged for future attention, and so forth.

Getting information directly from a CRA telephone agent can, for some people, give them the reassurance and certainty they want in a way that reading the information online does not.

*All of these things are very personal case scenarios. A human on the other side of the phone is kind of more for reassurance than a website could provide, you know?* (Individual Taxpayer)

A participant registered for *My Account*: *Although I use a computer, I think I would rather do taxation on the phone.* (Individual Taxpayer)

Uncertainty over whether one has correctly understood information on the CRA website or CRA correspondence can trigger a phone call: the person may think they know the answer, but they feel better if a CRA agent tells them the same answer. For example, the following person was trying to identify a schedule they needed to adjust their T1 return and based on what they read online they thought it was Schedule 7, but wanted reassurance from a CRA agent that this was correct:

*Online, it said I had to actually mail in the form. So then, I called to make sure I had the right form because I wasn't sure which schedule it was because it was confusing. So, I called, and they just confirmed what was online. Then I knew what to do, and I sent in the schedule that needed to be done.* (Individual Taxpayer)

Some participants, even in the case of factual information on a secure service, wanted the reassurance and certainty of hearing it from a CRA agent. For example, the following two participants were registered for *My Business Account*, and both called the CRA to confirm an account balance:

*It's just a preference. I think I just want to be assured. I want assurance.* (Business)

*I'll note down who I called, day and time – so if something goes wrong or whatever, then I can say I talked to this person, this date, this time. Just for my own reassurance.* (Business)

A few participants suggested that an interactive chat feature on the CRA website (or secure service) might reduce the need to call the CRA in some circumstances.

**Enquiry might be addressed on the CRA website, but couldn't find the information on the website:**

Some participants wanted information that would not require using a secure service and tried to find information on the CRA website. They said they could not find the information, or perceived the information to be confusing, or were unsure how to apply it to their circumstances. As a result, they called the CRA to get an answer.

In order for the CRA website to reduce the likelihood of calling, information needs to be quick and easy to find, and clear. This point is reinforced by two of the factors discussed above:

- *CRA agents are perceived to be helpful:* People who have called the CRA in the past will often believe that they will get the information they need if they call the CRA. This can limit the amount of time they are willing to invest in finding information on the CRA website.
- *Need for reassurance/certainty:* If a person feels uncertain about how to interpret or use the information on the website, they can call the CRA and likely get reassurance/certainty.

The following are some examples to illustrate these types of calls where it possible that the information the person wanted is on the CRA website. In all of these examples, the participant said they looked online at the CRA website but could not find the information. Note that one cannot be certain in these instances that the information the person was looking for was on the CRA website as that would require in-depth knowledge of the caller's circumstances and needs (participants were told they did not need to provide any personal details they were uncomfortable disclosing). However, it is possible that difficulty in navigating the website or difficulty understanding information on the website led to calling the CRA.

*Individuals:*

- Was declaring income for a family trust, did not have a T3 for some income, and was not sure why this was or what to do  
Trusts are a complex area, but the CRA has a lengthy and detailed guide online - *T4013 T3 - Trust Guide 2016*<sup>1</sup>.
- A participant acting as executor for an estate needed information on how to get a clearance certificate  
The CRA website has a site, *What to do when someone has died*, that includes a *Clearance Certificate* link that provides instructions on how to get a clearance certificate<sup>2</sup>.
- Wanted information about expense deductions for a rental property, particularly whether (a) one can deduct heating expenses, and (b) one can deduct the cost of work they did themselves on the property  
The CRA website has a site, *Rental expenses you can deduct*, that addresses both of these points, as well as a detailed guide, *T4036 - Rental Income 2016*<sup>3</sup>.

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<sup>1</sup> T4013 – T3 Trust Guide 2016, <https://www.canada.ca/en/revenue-agency/services/forms-publications/publications/t4013.html>

<sup>2</sup> CRA website, *What to do when someone has died*, <http://www.cra-arc.gc.ca/tx/ndvdl/lf-vnts/dth/menu-eng.html>

<sup>3</sup> CRA website, *Rental expenses you can deduct*, <http://www.cra-arc.gc.ca/tx/bsnss/tpcs/rntl/bt/rprtr/xpns/menu-eng.html>

*Business:*

- Wanted to find information on whether GST/HST is charged on books, and particularly whether or not the provincial sales tax component of the HST is charged on books  
The CRA website has a site specifically addressing this topic, *GST/HST information for suppliers of publications*<sup>4</sup>. By clicking links from this page, information on provincial rates can be found.
- Participant operated a seasonal business, was getting notices during the off-season about not filing payroll source deductions, and wanted to “register as a seasonal business”  
The business is supposed to file a nil remittance. The CRA website specifically addresses the scenario of a seasonal business on the page, *Report a nil remittance*, including giving an example of what a seasonal business should do<sup>5</sup>.
- Wanted to know if there is a penalty for filing a HST return late when the business is expecting a refund  
The CRA website page, *GST/HST - Penalties and interest*, answers this question.

Ease of use of the CRA website and clarity of the information is obviously important in terms of reducing call volume. Analysis of call volume by topic should be paired with examination of the design and content of the CRA website.

**Questions on correspondence received:** Several participants (both individual and business participants) called the CRA because of something they read in correspondence from the CRA. Some examples include:

*Individuals:*

- Received an unexpected tax bill and wanted to find out why
- Received a request to send in certain documents to support information on their tax return, but did not think one of the requested documents was applicable and called to get clarification (the participant said it had something to do with “filing with somebody else”, which they said they were not doing)
- Wanted to know if a capital loss referred to on a T1 Notice of Assessment has already been “divided by two” (i.e. whether it incorporates the inclusion rate or not)

*Business:*

- Received a request for documentation of consumer invoices, and had a question on some of the specific items being requested
- Wanted to know why a penalty had been charged

Some of these calls may have been unavoidable, but the general point is that correlating volume of call types with relevant correspondence may reveal opportunities to reduce certain types of calls by revising correspondence. Based on the above examples, clarity in explanation of required action is particularly important for reducing likelihood of calling – i.e. clarity in terms of what action is required, and why it is required.

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<sup>4</sup> CRA website, *GST/HST information for suppliers of publications*, <http://www.cra-arc.gc.ca/tx/bsnss/tpcs/gst-tps/thr/sctrs/spplrpbs-eng.html>, *General GST/HST rebate application*, <http://www.cra-arc.gc.ca/tx/bsnss/tpcs/gst-tps/rbts/gnrl/menu-eng.html#Code16>

<sup>5</sup> CRA website, *Report a nil remittance*, <http://www.cra-arc.gc.ca/tx/bsnss/tpcs/pyrll/pymnts/nlrmt-eng.html>

# FORMS ENQUIRIES

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## **Individual Taxpayers**

Individual taxpayer participants were asked how they obtained tax forms, and whether they would call to get tax forms.

In the English sessions, the majority of participants relied on income tax software to provide the tax forms they needed, while some relied on a tax preparer. These proportions were reversed in the Montreal focus group, where the majority relied on a tax preparer.

Several participants had gone online at the CRA website to obtain special tax forms.

None of the participants had called the CRA to get a tax form, and they said they would look online before calling.

## **Business**

Business participants were asked the same questions as individual taxpayers.

Business participants relied on their accountant/tax preparer to provide business tax forms. They receive remittance forms by mail. Some have had occasion to download forms from the CRA website, although none had ordered paper forms online.

Some participants had called the CRA: one had called to get a *PD7A* (they tried to get it online first, but this form is not available for download online), and several others had called not to order a form but rather with questions about which form they needed for a particular circumstance.

Overall, business participants will first try to get tax forms from either their accountant/tax preparer or online at the CRA website rather than calling the CRA.

## **Authorized Representatives**

**Ordering paper forms:** Some ARs – a minority – had ordered paper forms from the CRA.

The forms most commonly ordered – and most likely to be ordered in bulk – were remittance forms.

A few participants mentioned ordering paper copies of:

- *T2201 – Disability Tax Credit Certificate:* This form is in part completed by a medical practitioner, and the AR wants to give the client a paper form they can take to the practitioner. The T2201 is available for download on the CRA website, and so can be printed out. However, one participant said that in their experience some doctors will not complete the form unless it is the “official” version of the form from the CRA.
- *T1 return:* One participant said they worked as a volunteer to help people complete their income tax return. This work was done on-site rather than in-office, and in this setting it was easier to work with the paper tax return rather than try to use their tax software.
- Envelopes

With regard to remittance forms, the forms mentioned included the *T7DR* – or *T7DR(A)* – for income tax, *GST/HST* remittance voucher, and the *PD7A* for source deductions. These forms cannot be downloaded and printed at the CRA website, but they can be ordered from the CRA. The CRA says the following about these types of remittance forms:

The payment forms and remittance vouchers listed below are not available for download on our website due to the technical requirements. Financial institutions will not accept payments submitted with photocopies of these forms and vouchers, since photocopies do not contain magnetic ink.<sup>6</sup>

In the case of the *GST/HST* remittance voucher and the *PD7A*, clients normally receive original vouchers in the mail, but they may lose a voucher or it may get lost in the mail.

Note that for all three types of remittances, clients have other options for making the payment besides going to a financial institution and paying in person. Other options can include mailing in the payment, using online banking, or using the CRA's *My Payment* online service. None of these other options require an original remittance voucher. It is only if the payment is made in person at a financial institution that an original voucher is required<sup>7</sup>.

In this context, some ARs will keep a stock of original remittance vouchers as a service to clients who don't have a voucher and who want to pay in person at a financial institution. The voucher most likely to be ordered in large quantities was the *T7DR(A)*, because they have a large number of individual clients for whom they do tax returns. It appeared that order quantities for the other remittance vouchers were smaller.

Some ARs who ordered paper copies commented that this is primarily for "older clients", who are not inclined to pay electronically, and who believe paying in person better ensures payment is received by the CRA. So, the paper copies are there only for a subset of their clients.

As noted, only a minority of ARs order paper remittance vouchers. When others were asked why they did not order paper copies, there were three types of responses: (1) it is the client's responsibility to figure out how to make the payment – the AR may advise them on their options, but then it's up to the client; (2) the AR may provide the client with a non-original voucher which can be used to mail payment (by photocopying a voucher, or using software that creates a simulated voucher); (3) the AR may mail in the payment on the client's behalf (or use a CRA drop box).

Several suggested that if requirements were changed so that financial institutions do not need an original voucher, the need for ordering remittance vouchers would largely go away.

**How paper copies are ordered:** Paper copies were more likely to be ordered using the CRA's online ordering system, but some said they sometimes ordered them by telephone. The reasons given for ordering by phone were:

- The service provided by CRA telephone agents is very good, so ordering by phone is easy.
- The AR may call because they also have some other matters they want to discuss with a CRA agent.

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<sup>6</sup> CRA Website, *Request payment forms or remittance vouchers*, [http://www.cra-arc.gc.ca/formspubs/frms/ppr\\_nly-eng.html](http://www.cra-arc.gc.ca/formspubs/frms/ppr_nly-eng.html)

<sup>7</sup> A few participants commented that sometimes a teller will not require an original remittance voucher – but this depends on the teller and perhaps the relationship between that teller and the client.

**Impact of limiting the number of paper copies to nine:** Participants were asked what the impact would be if they were able to order no more than 9 copies at a time. This was not perceived to be a problem except by the several participants who ordered a substantial number of the *T7DR(A)* because of the large number of tax returns they prepare. These participants ordered hundreds of copies at a time, and said restricting the number to nine would be a real problem in terms of helping clients who want to pay at a financial institution.

With regard to eliminating paper copies altogether: (1) in the case of remittance vouchers, this removes the option to pay at a financial institution for clients who do not proactively receive a voucher from the CRA; (2) for the few participants who ordered the *T2201*, eliminating the CRA printed version could be a problem for clients whose doctor will only complete the CRA printed version.

**Mailing paper tax forms to the CRA:** ARs were asked about circumstances in which they would mail in tax forms rather than submitting the information electronically. Overall, the ARs said that they will send information electronically when the CRA supports electronic submission, and otherwise will mail (or fax) the information when electronic submission is not an option. To put this another way, they don't mail (or fax) the information unless that is the only option they have, and they prefer electronic methods.

Some examples given of where mailing (or faxing) is required included:

- Tax returns for years prior to 2013
- “Specialty forms such as international tax forms” – the example was cited of Americans who need to file a Canadian return
- Nonresidents who sell Canadian property
- Certain T1 adjustments that cannot be done online using a secure service
- The form requires a signature
- It is necessary to attach receipts

With regard to faxing (which is “electronic” but is an analogue format that presumably will require manual data entry by the CRA, as is the case with paper forms): some participants said it would be preferable if the CRA would accept emails with scanned documents instead.

# CORRESPONDENCE

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**Procedure:** The correspondence reviewed in the focus groups consisted of the following. The number and type of groups in which each was reviewed is shown in parentheses:

*Correspondence for individual taxpayers:*

GST/HSTC Notice of Redetermination (Benefit letter) (3 Individuals, 2 ARs for Individuals)

T1 Notice of Assessment (3 Individuals, 2 ARs for Individuals)

*Correspondence for business:*

T2 Notice of Assessment (2 Business, 2 ARs for Business)

GST/HST Notice of Assessment (2 Business)

PD7A Statement of Account (2 Business, 2 ARs for Business)

For each correspondence, participants first reviewed and discussed the current version of the document, and then reviewed the previous version and compared it to the current version<sup>8</sup>.

For each current version, participants were first given a scenario summarizing what the individual or business receiving the letter would likely know prior to receiving the letter.

The previous version of the correspondence was for the same scenario as the current version with one exception, which allowed participants to directly compare the current and previous versions on all dimensions (i.e. clarity, design and required action).

The exception was the T1 Notice of Assessment (NOA) for individual taxpayers. In this case it was not possible to use the same scenario for both the current and previous version. To simplify the task, participants were not given the scenario for the previous version and were asked to compare the current and previous version more generally.

The scenarios were different between the English and French correspondence for technical reasons relating to production of the documents. However, the English and French scenarios were similar in some respects (e.g., the person owes money in both the English and French scenario, although the details of the amounts are different).

In each focus group, participants reviewed two pieces of correspondence.

## General Observations on the Results

**Design:** There was a clear preference for the design aspect (i.e. font, layout, headings) of the current versions of all the correspondence. The font in the current version is perceived as “clean”, not “old-fashioned” unlike the font in the previous version, and easier to read. The use of bold fonts for headings and key items is more effective in the current versions, and so headings and key items stand out more in the current version. Note that because this design preference favouring the current version applied to all correspondence types, discussion of this will not be repeated in the detailed results below for each correspondence.

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<sup>8</sup> The exception to this procedure was in the first (Halifax) focus group with individual taxpayers, where due to time restrictions affecting the second document (*T1 NOA*) participants were given the current and previous version at the same time.

**Page 1 is very important:** For all target groups, the content of the first page of a document plays a very important role. Participants prefer a “first-page approach” – that is, they prefer that the first page communicate what the document is, why the person is receiving it, and any required action or key summary information. Perception of clarity and required action is strongly influenced by the content on the first page. Getting a good understanding of the basics on the first page also makes it easier to understand details on subsequent pages.

**Shorter is better for business correspondence:** Participants reviewing business correspondence preferred fewer pages in the documents they receive. Thus, many preferred the older versions of the correspondence given that these had fewer pages compared to the current versions.

**Some ARs tend to be skeptical of their clients’ ability to understand the correspondence:** Individual and business taxpayer participants tended to be positive about the ease of understanding the current versions, while some ARs tended to be a bit more skeptical about their clients’ ease of understanding. Note, though, that usually the ARs said they personally found the correspondence relatively easy to read and understand. The ARs generally identified the same issues with the current and previous versions of the correspondence as the “client” groups.

**“Debit” and “credit” tend to cause some confusion:** Quite a few participants said the use of “debit” (DR) and “credit” (CR) can be confusing (these terms appear in all the correspondence). Individual taxpayer and business participants said this, and ARs said their individual and business clients tend to be confused by these terms. There were suggestions to avoid use of these terms, or to replace them with more common terminology. That said, while this caused some difficulty understanding the tables in the correspondence, it usually did not appear to impede participants understanding the bottom line results.

Note that the *More information* section in the current version of the correspondence does include definitions. There was some confusion over the definition of “credit.” For example, in some documents, the following definitions were given: *Debit (DR) is the amount you owe us and credit (CR) is the amount we owe you.* The perceived problem some participants noted is that the “credit” in the tables can be money that the person has paid to the CRA (and which reduces an amount owing), and it seems misleading to describe this as money the CRA “owes” to the person.

Note that because the issue with understanding “debit” and “credit” is a general one applying to all the documents, discussion of this point will not be repeated in the detailed results below for each correspondence. The exception is the section on the PD7A for business, which used more complicated definitions of debit and credit.

**Participants tend to deemphasize the importance of the *More information* section:** Participants focused more on the personal information in the correspondence than on the general information in the *More information* section. This led some – particularly in the case correspondence targeted to business – to suggest somehow condensing this general information so as to reduce the overall length of the document, or even to delete some of the information. That said, the CRA has its own reasons for including this information, and it is important in addressing the needs of some clients and in promoting use of online resources.

**The current versions are perceived to encourage going online:** With respect to the current versions of the correspondence, some participants observed that there are multiple references to going online, and sometimes the same website is referred to more than once. This is perceived to have the general effect of encouraging the reader to go online at the CRA website for information or service.

## **GST/HSTC Notice of Redetermination – Individual Taxpayers**

The *GST/HSTC Notice of Redetermination* was reviewed in five focus groups – three with individuals, and two with ARs for individuals. The English and French versions can be found in the Appendix.

The scenario was a relatively complicated one. The key features were:

- The person was eligible for both the GST/HST sales tax credit and the Newfoundland and Labrador HST credit (NLHSTC).
- The person received the four quarterly payments.
- However, after the first quarterly payment, the person no longer had custody of a child but did not inform the CRA at the time. They informed the CRA of the custody change after receiving the fourth quarterly payment.
- The Notice indicates an amount is owing due to a change to the qualified children.

The majority of participants found the current version to be relatively easy to read and understand, although as detailed below they did identify some issues with the document. The exception was the ARs for individuals in Toronto, none of whom felt the document would be easy to read and understand for their clients: they identified the same types of issues as other participants, but were more pessimistic about the impact on client understanding.

The majority of participants preferred the current version over the previous version. The exception again was the ARs for individuals in Toronto, all of whom preferred the previous version because it has fewer pages.

### **Perceived Positive Aspects of the Current Version**

**Account summary at the bottom of p.1:** The *Account summary* states:

**Account summary**

You have an amount due. It is payable upon receipt of this notice. If you have already paid, please ignore this request.

**Amount due:**                    \$164.25

Next to this text is a box giving payment options.

Many participants said the *Account summary* makes it very clear right away that the person owes money, and how much money is owed.

They also perceived the current version as much better than the previous version on this point, as (a) the previous version does not have this type of statement anywhere, and (b) never gives the

total amount owing – i.e. it always lists the GST/HSTC and NLHSTC amounts separately and does not give a total. With regard to the latter point, several participants said that with the previous version it was confusing as to whether they are supposed to make one combined payment or two separate payments.

**Narrative summary on p.1, and details on p.2:** Under the title in the current version, there are three one-line paragraphs under the title on p.1 that summarize what is going on. On p.2 there are the details. The individual taxpayer participants liked this first-page approach: there is a simple summary on p.1, and then if one wants details one can look at the information on p.2. The majority of ARs for individuals also liked this approach, although some preferred putting more information on p.1 in order to reduce the number of pages overall.

The previous version does not have this short narrative summary. Instead, right on p.1 it starts presenting tabular data. Some participants preferred the current version because of the simplicity of p.1, and the separation of the summary from the detail. That said, several ARs for individuals who wanted to shorten the document preferred the previous version because it uses fewer pages overall (three pages rather than six).

For reference, the p.1 narrative summary in the current English version was:

We changed your annual entitlement based on the information we have.  
We reduced your annual GST/HSTC entitlement from \$520.00 to \$415.75.  
We reduced your annual NLHSTC entitlement from \$100.00 to \$40.00.

Another positive aspect of the approach used in the current version noted by some participants is the impact on the tabular data on p.2. In the previous version, the page break between p.1 and p.2 splits a table into two pieces -- the table starts on p.1 and continues on p.2. This makes the tabular data harder to read and the column headings only appear on p.1. This layout problem does not exist with the current version: because of its first-page approach, the tables and other details start on p.2.

### **Perceived Issues with the Current Version**

**p.1 does not state why the person’s entitlement has changed.** In the current version, the narrative text on p.1 says that the person’s annual entitlement has changed “*based on the information we have*”, but does not state what that information is. The information is given on p.2, where it states:

We reviewed your entitlement based on:  
- a change to the qualified children

Many participants said it would be clearer why they are receiving this letter if something like this p.2 information was added to narrative text on p. 1. This could mean simply moving this p.2 text to p.1. Some went further and suggested using wording more descriptive of what has happened – e.g., by referencing the change in custody that the person reported to the CRA, and adding that the person owes money as a result.

Some participants said that a positive feature of the previous version is that this description of the reason for review is stated near the top of p.1.

**p.1 title does not communicate to the person that they are receiving this because something has changed:** Some participants said that the word *notice* in the title (*avis* in French) does not communicate that the person is receiving this because something has changed. They suggested that a word or phrase should be used that communicates change – e.g. “notice of reassessment”, “avis d’ajustement” or “avis de modification.” The idea is that people will pay more attention if they quickly realize that they are getting this because something has changed. Our understanding is that technically the CRA considers this document to be a “notice of redetermination”, but that phrase is not used in either the English or French versions.

For reference English title, as it appears on p.1, is:

**Goods and services tax/harmonized sales tax credit  
(GST/HSTC) and Newfoundland and Labrador harmonized  
Sales tax credit (NLHSTC) notice**

The French title is:

**Avis du credit pour la taxe sur les produits et services/  
taxe de vente harmonisée (CTPS/TVH) et du credit pour  
la taxe de vente harmonisée de Terre-Neuve-et-Labrador  
(TVHTNL)**

The title wordings in English and French are somewhat different on the previous version, but are not any better in terms of conveying the notion that something has changed.

**Is the person supposed to pay now, or wait for reduction of future GST/HSTC entitlements?** In the *Account summary* at the bottom of p.1, the instruction is: *You have an amount due. It is payable upon receipt of this notice.* However, some participants noticed that at the bottom of p.2 it says, *We will reduce your future GST/HSTC entitlements by 100% until you have paid in full the amount due of \$164.25.* This caused confusion:

- Is the person being given two alternative options, or are they really supposed to pay right away?
- If the person chooses to wait for reductions of future entitlements, will there also be an interest charge because they did not pay right away? Some participants thought there would not be any interest charged because there is no statement to that effect, but some others thought interest would be charged.

Several participants noted that the previous version makes no reference to the possibility of a reduction in future entitlements. Instead it says only that *Any amount owing is due once you receive this notice.* They did not know if this was better or worse than what is said in the current version.

#### **Other perceived issues:**

- **“Avis du credit” at the beginning of the French title:** Some participants in the French group said this phrase at the beginning of the title makes them think they are getting money. This did not cause problems overall because the *Account summary* on p.1 very clearly conveys that the person owes money. However, this initially does cause a bit of a double-take.
- **p.2 Detailed explanation tables:** Some participants said it was somewhat difficult to understand the tables. There was uncertainty about how to interpret “debit” and “credit”, some wondered why the “same numbers are presented three times”, and some were not sure why a table included a column (\$) *Prior amount due* (which was zero in this scenario). That said, this was not a major issue because they felt they understood the bottom line and the resulting required

action. The ARs suggested “this is more for us than for the client.” Also, it should be kept in mind that this was a rather complicated scenario (the most complicated one used in the research) and not everybody was personally familiar with the GST/HSTC benefit, and none were familiar with the NLHSTC. Note also that the previous version was perceived similarly.

- **p.1 ratio of size of title font versus size of narrative text:** On p.1 the title is in a large font, while the narrative text underneath it is in a much smaller font. Several suggested that the differential should be reduced somewhat because they felt that people might think the narrative text is unimportant and not read it – when in fact it is important and useful.

Note that on the previous version the title font is much smaller and the title appears at the very top of the page. Participants commenting on these differences preferred the design of current version because the title is more visible.

- **Previous version gives more information on how to make a payment:** A few participants said the previous version was better in terms of giving information on how to make a payment. The previous version gave more detail on (a) how to make out a cheque to the CRA, (b) what to do if you cannot pay the full amount at once, and (c) hours of operation for telephone assistance.

Note that on the current version of the T1 Notice of Assessment, the *More information* page does include a section titled *Need more time to pay?* This section is not on the GST/HSTC Notice of Redetermination.

## **T1 Notice of Assessment – Individual Taxpayers**

The *T1 Notice of Assessment* (NOA) was reviewed in five focus groups – three with individuals, and two with ARs of individuals. The English and French versions can be found in the Appendix.

For both the English and French versions, the scenario involved a person who filed a tax return with an amount owing but who did not send in a payment at the time they filed. This meant there was an arrears amount owing. The French version of the scenario had the following additional components:

- The person filed the tax return late, so there was a penalty amount owing.
- The person participates in the Home Buyers Plan (Régime d’accession à la propriété, or RAP) and the Lifelong Learning Plan (Régime d’encouragement à l’éducation permanente, or REEP). As a result the NOA contains summaries of data for these two plans. In the scenario, participants were given brief descriptions of these two plans, but were not given the person’s history with the two plans nor were they expected to understand the data in detail.

Most participants found the current version to be relatively easy to read and understand, and there were no major perceived issues with the document. The large majority of ARs for individuals believed the current version would be relatively easy to read and understand by their clients, but some thought clients would have some problems – although this was more of a general skepticism of clients’ abilities to understand this type of document rather than a specific issue with the document.

Most participants preferred the current version over the previous version. The exception again was a small minority of the ARs for individuals, who preferred the previous version.

### **Perceived Positive Aspects of the Current Version**

**Title is clear – know right away what this is:** The title is *Notice of assessment (Avis de cotisation* in the French version).

**Account summary on the bottom of p.1:** Virtually all participants said this quickly and clearly conveys (a) that an amount is owing, (b) how much is owing, and (c) by when payment has to be made. It also gives information on payment options.

For reference, the *Account summary* in the English version states:

**Account summary**

You have an amount due. If you already paid the full amount, please ignore this request

**Amount due:** \$4,702.25

**Pay by:** August 3, 2017

**Narrative summary on p.1:** Participants liked this brief narrative summary because it says in simple terms what the document is, how much the person owes, and when payment is due.

For reference, the p.1 narrative summary in the current English version is:

We assessed your 2016 income tax and benefit return and calculated your balance.

You need to pay **\$4,702.25**.

To avoid additional interest charges, please by **August 3, 2017**.

The combination on p.1 of the narrative summary and the *Account summary* resulted in a strong preference for the current version over the previous version. Participants did not like that there is a lot of text on p.1 on the previous version, some of which is just general information and none of which gets to the bottom line of what the person owes. They complained that on the previous version one has to go to the last page to find out whether money is owed and how much. Also, the previous version does not give a “pay by” date, which participants said they want to know.

**Use of bold font to direct attention:** Several participants commented positively on how bold font was used to highlight certain items. This included the items above in the narrative summary, and the *Balance due* at the bottom of the *Summary* on p.2 (and the *Balance due* is also boxed, making it stand out even more).

With regard to the bolding and boxing of the *Balance due* in the summary, this was perceived as more effectively highlighting this information than the approach used on the previous version.

**Order of information is appropriate, with RRSP information appearing after the Summary:** In comparing the current version with the previous version, some participants said the previous version presented information in the wrong order. It turned out this was because in the previous version the RRSP information is given before the *Summary* whereas in the current version this is given after the *Summary*. Many participants said they felt it was more logical to put the RRSP

information after the *Summary*, since the RRSP information depends to some extent on information in the *Summary*.

### **Perceived Issues with the Current Version**

There was one notable issue with the French version of the *T1 NOA*. Beyond that, there were no major issues.

**French p.1 narrative statement *Pour éviter des intérêts, veuillez payer ce montant d'ici le 3 août 2017*: this is perceived to be misleading.** Some participants perceived the statement to be misleading because in this scenario interest has already been charged, and there is an arrears interest amount in the *Summary* on p.2. It was suggested that the p.1 narrative statement should be amended to refer to “additional interest.” In fact, the latter is used on the English version of the document, where it states, *To avoid additional interest charges, please pay by August 3, 2017.*

#### **Other issues:**

- **Participant suggestion to explain how interest is calculated:** Some participants suggested that in connection with the “pay by” date on p.1, there should be an explanation of how interest charges would be calculated on late payment. Note, however, that this can have unintended consequences – for example, one participant wanted to know this because *“if they told you what the interest rate was, may you could relax a little bit – i.e., not pay by the due date.*
- **P.2 Summary table – highlight the penalties and interest lines:** Several participants suggested somehow highlighting these lines in order to help the person notice the impact of being late with filing and payment.
- **In the *Explanation of changes, the ambiguity of you may have to pay by instalments*:** Some participants objected to the ambiguity of the word “may.” They said if they were this person they would want to know for sure whether or not they have to pay by instalments, and some said they would call the CRA to find out. For reference, the full sentence is:

Based on our records, you may have to pay by instalments for the 2017 tax year or subsequent tax years.
- **P.2 Summary table – suggestion to use two columns:** In the Montreal session with ARs for individuals, several suggested the table would be even more clear if it used a two-column approach. They said that in this approach one column would show the amounts declared by the taxpayer and the second column would show the figures used by the CRA.

## T2 Notice of Assessment – Business

The *T2 Notice of Assessment* (NOA) was reviewed in four focus groups – two with business, and two with ARs for business. The English and French versions can be found in the Appendix.

For both the English and French versions, the scenario involved a business that (a) paid tax by instalments, and (b) filed a T2 tax return showing an amount owing, but did not make a payment. As a result of the late payment, arrears interest was charged. In the English version the *T2 NOA* also showed instalment interest and an instalment penalty.

Most of the business participants found the current version to be relatively easy to read and understand. The majority of ARs for business said their clients would find it easy to read and understand, but some thought their clients would have some difficulty with it.

The majority of participants – both business and ARs for business – preferred the previous version over the current version. The preference for the previous version was driven primarily by the fact it has fewer pages (two pages compared to six pages including the remittance voucher for the current version; note that the previous version supplied for testing did not have a remittance voucher), and the familiarity of the previous version. Most perceived the two versions as equivalent in the information provided (with a few exceptions noted below). Many of those who preferred the previous version nonetheless preferred the font used in the current version, and said that p.1 of the current version does better in quickly conveying both how much is due and by when it is due.

### Perceived Positive Aspects of the Current Version

**Title is clear – know right away what this is:** The title is *Corporation income tax assessment* (*Cotisation d'impôt des sociétés* in the French version).

**Account summary on the bottom of p.1:** Most participants said this quickly and clearly conveys (a) that an amount is owing, (b) how much is owing, and (c) by when payment has to be made.

Many of those who preferred the previous version nonetheless agreed that this information is more quickly and clearly visible on the current version – although because of familiarity with the format of the previous version they know where this information is on the previous version.

For reference, the *Account summary* in the English version states:

#### **Account summary**

Previous payments may not appear if they have not been processed. If you have already paid the balance owing, please ignore this request

**Amount due:** \$95,334.89

**Pay by:** August 13, 2015

**P.1 narrative text:** Some participants preferred the simplicity and clarity of the short paragraphs explaining what the document is about, how much is owed, and the payment due date. Also, in comparing this section with the *Account summary* at the bottom of the page, one participant

commented that they liked how “the words support the numbers and the numbers support the words.”

For reference, the p.1 narrative summary in the current English version is:

These notice(s) explain the results of our assessment of your T2 corporation income tax return(s). We assess your T2 corporation income tax return(s) and calculated your balance. The amount you need to pay is \$95,334.89. To avoid additional interest charges, please pay by August 13, 2015.

**Language in the *Explanation of changes and other important information* is a bit simpler and easier to understand:** A few participants noticed differences in the wording used in the current version versus the previous version, and said the wordings in the current version is simpler and easier to understand.

### **Perceived Issues with the Current Version**

**The document is too long:** Generally, business and ARs for business participants tended to favour documents with fewer pages. This was a major factor driving why the majority preferred the previous version over the current version. The previous version consisted of two pages (no remittance voucher), while the current version (with remittance voucher) consisted of six pages.

Some participants also said they are familiar with the previous version, and know from past experience where to find the information they need from the document.

Note that one of the factors contributing to the longer length of the current version is content in the *More information* section that does not appear in the previous version. This includes: a reference to *My Business Account*, what to do to change a tax return, definitions, and help for persons with visual impairments, information on how to pay, and information on what to do if you cannot pay in full. A few participants said they liked having the information on what to do if you cannot pay in full, but otherwise participants either did not refer to these items or suggested the *More information* section as a whole be somehow condensed. The idea behind the latter was that the information is there if someone needs it, but it can be condensed because they believe most people do not read this section.

**Should show the tax year-end on p.1:** On p.1, the *Notice details* section in the top right corner does not state the tax year-end. Some participants said this information needs to be on p.1 in the *Notice details*. Note that the tax year-end does appear in the *Notice details* on subsequent pages.

**Inconsistent use of “assessment” and “reassessment” on the English T2 NOA:** Some participants noted that there is inconsistency in use of these two terms: on p.1 it refers to “assessment” (*These notice(s) explain the results of our assessment of your T2 corporation income tax return(s)*), while on p.2 it refers to “reassessment” (*This notice explains the result of our reassessment of your T2 corporation income tax return, and Result of reassessment for reporting period ending December 31, 2014*). This causes some confusion as to the nature of the document.

This issue did not apply to the French T2 NOA, where the term “cotisation” was used on both p.1 and p.2.

**Inconsistent titling in the French T2 NOA:** Some participants noted that the title on p.1 (*Cotisation d'impôt des sociétés*) is different from the title used on p.2 (*Avis de cotisation des sociétés*). They said the titles should be consistent.

**Suggestion to eliminate p.2 or merge it with p.1:** P.2 of the current version gives the *Results* table for the assessment. This is a three-line table showing (1) the result of the assessment for the current reporting period, (2) any prior balance amount, and (3) the total balance. The table is followed by text explaining the payment due date and treatment of any credits that may become available, and a reference to other sections of the *T2 NOA* to get more information.

Note that on the previous version, this table and the accompanying text is on first page.

Some participants felt this section added an unnecessary page to the document – which they perceived as a negative because overall they favoured reducing the number of pages. There were two types of suggestions to get rid of this page: (1) eliminate the *Results* table altogether on the grounds it was perceived to be redundant with the *Summary* on p.3, or (2) move it to the first page, similar to the previous version.

**French p.1 narrative statement *Pour éviter des intérêts, veuillez payer ce montant d'ici le 19 juillet 2015*: this is perceived to be misleading.** Some participants perceived the statement to be misleading because in this scenario interest has already been charged, and there is an arrears interest amount in the *Summary* on p.2. It was suggested that the p.1 narrative statement should be amended to refer to “additional interest.” In fact, the latter is used on the English version of the document, where it states, *To avoid additional interest charges, please pay by August 13, 2015.*

**No explanation of the *Arrears interest* line in the *Summary*:** Several ARs for business in Montreal said they wanted more information on the *Arrears interest* line. They said it is unclear whether it might be due from previous years or whether it might be instalment interest (the English *T2 NOA* tested had an *Instalment interest* line, but the French *T2 NOA* tested did not). They noticed that in the previous version, the *Explanation* section had a paragraph explaining the arrears interest – namely, *We have charged you arrears interest because you did not pay the amount owing by the due date.* They said this sentence should have been included in the *Explanation* section of the current version.

#### **Other issues:**

- **Make it easier to read rows in the *Summary* table:** Several participants suggested using graphic design to make it easier to link the row labels on the left-hand side of the table with the numbers on the right-hand side. The suggestions included shading alternate rows, or using dots to connect the left and right side.
- **Some of the paragraphs in the *Explanation of changes and other important information* are hard to understand:** The items singled out were:
  - The two paragraphs referring to changing a limited partnership loss: Note that the scenario given to participants did not give any background on this that the recipient of the notice would have known (such as the fact they had declared partnership losses), so it would be difficult for the research participants to evaluate these paragraphs. A few participants did

like the simpler wording of these items in the current version as compared to the previous version.

- Paragraph on instalment payments: Some participants said this paragraph is hard for businesses to understand (the ARs for business said they understood it). That said, it is important to include some explanation of the instalment interest. For reference, the paragraph is:

We charged instalment interest because one or more of your instalment payments were late or not enough. You had to make two payments of \$0.00 based on the reporting period ending December 31, 2012 and 10 payments of \$12,121.50 based on the reporting period ending December 31, 2013.

## **GST/HST Notice of Assessment – Business**

The *GST/HST Notice of Assessment* (NOA) was reviewed in two focus groups with business participants. The English and French versions can be found in the Appendix.

For both the English and French versions, the scenario involved an annual filer:

- English scenario: The company filed their GST/HST return late. As a result, they were charged arrears interest and a late filing penalty.
- French scenario: The company filed their return, and then filed an adjustment that amended both total sales and total GST/HST collected. Because of the adjustments there is an amount owing. There were no interest or penalties.

Note that the difference in the English and French scenarios resulted in a difference in the structure of the *Summary* table in the *GST/HST NOA*. The English table had a single column of numbers labeled (*\$*) *Amount*. The French table had two columns of numbers, labeled *Montant révisé (\$)* and *Ajustements (\$)*.

Most of the business participants found the current version to be easy to read and understand.

In the English business focus group, most of the participants preferred the previous version simply because it has fewer pages: the previous version has two pages (there was no remittance voucher in the version provided for testing), while the current version has six pages (including a remittance voucher). They preferred the previous version even though they preferred the fonts/design of the current version, and p.1 of the current version is perceived to more quickly convey that an amount is owing and how much is owing.

In the French business focus group, most preferred the current version. However, like the participants in the English focus group, they all liked the two-page length of the previous version, and they felt that the current version uses too many pages. Their reason for nonetheless preferring the current version was because of a very negative reaction to fonts and layout of the previous version: the text was perceived to be hard to read because of the font and because of text being “jammed together. Their preferred version would be the previous version (only two pages) using the font/layout design of the current version (cleaner looking and easier to read).

## Perceived Positive Aspects of the Current Version

**Title is clear – know right away what this is:** The title was somewhat different on the English and French versions, but in both cases there was a positive reaction to the wording:

- English: The title is *Notice of assessment for goods and services tax/harmonized sales tax (GST/HST)*. Participants preferred this over the title used on the previous version because that document uses *(re)assessment* rather than *assessment* – i.e. *Notice re(assessment) – Goods and services tax/harmonized sales tax (GST/HST)*. The use of *re(assessment)* was perceived to be ambiguous – is this an assessment or a reassessment?
- French: The title is *Avis de nouvelle cotisation concernant la taxe sur les produits et services/taxe de vente harmonisée (TPS/TVH)*. Participants liked the use of *nouvelle* because it indicates that the CRA is responding to the adjustments filed by the company.
- **P.1 combination of the narrative text and Account summary:** Participants said that the combination of these two makes it clear that an amount is owing, and how much is owing.

For reference, the following is the English version of these two components of p.1:

The narrative text:

This notice explains the results of our assessment of your GST/HST return(s).

The *Account summary*:

### **Account summary**

Previous payments may not appear if they have not been processed. If you have already paid the balance owing, please ignore this request

**Total balance:**           \$348.31

- **French Summary table:** Although this is a somewhat more complex table than that in the English version, several participants commented that it is easy to understand.

## Perceived Issues with the Current Version

**The document is too long.** Almost all participants felt the current version is too many pages. For this reason, most of the English participants preferred the shorter previous version, and the French participants would prefer the previous version if it used the font/design of the current version. This is despite the positive perception of the first page of the current version in terms of quickly and clearly communicating that the company owes money and how much is owed. Some participants suggested the *More information* section in the current version could be condensed so as to reduce the overall length of the document.

**In the Account summary, the phrase Total balance is ambiguous:** Several participants said that the phrase *Total balance*, by itself, is ambiguous as it could be either an amount owed by the company or a refund amount. Because of the narrative summary on p.1 it is clear that in this case the *Total balance* is an amount owing, but a few participants suggested it would be better to say something like “balance due.”

#### Other issues:

- **How are interest and penalties calculated:** A few participants suggested adding an explanation of how the arrears interest and the late filing penalty are calculated.
- **No payment due date:** A few participants suggested there should be a payment due date, before which interest would not be charged.

### PD7A Statement of Account for Current Source Deductions – Business

The *PD7A* was reviewed in four focus groups – two with business, and two with ARs for business. The English and French versions can be found in the Appendix.

The scenarios were:

- English scenario: The company was late in remitting source deductions for a particular month. As a result, there was an interest charge and a late remitting penalty.
- French scenario: The company noticed an outstanding arrears amount on their last *PD7A*, and paid it immediately. As result, the *PD7A* reviewed by participants indicated there is no amount owing.

The majority of participants said the current version is not easy to understand, although as with the other correspondence they did like the font/design of the current version. This difficulty with understanding extended to the ARs for business – some said they themselves understood the document although they did not think their business clients would understand it, and some said they had difficulty themselves quickly understanding some aspects of the current version.

A large majority of business participants and all of the ARs for business preferred the previous version over the current version. The main reason was that the first page of the previous version is perceived to give key information – in particular whether there is an amount owing – in a clearer fashion than is the case with the first page of the current version. That is, the previous version is perceived to execute the first-page approach more effectively than the current version. Participants also like that the previous version is shorter (four pages) than the current version (six pages).

#### Perceived Positive Aspects of the Current Version

**P.1 title and first paragraph clearly say what the document is about:** The title together with the first paragraph underneath the title is perceived to clearly convey what the document is. For reference, these are:

**Statement of account for current source deductions**

This is your statement of account for current source deductions for [Business Name].  
See the “Account summary” section for details.

The current version is perceived to be better than the previous version on these two particular components of the first page, as the title in the current version is more prominent (design), and the previous version does not have the statement describing what the document is (clarity).

**P.2 Account summary layout:** The majority of participants had some difficulty understanding the *Account summary* table, and most preferred the approach to summarizing the account information used in the previous version. That said, there were a few participants who felt that the vertical table design used in the current version was a more natural way of summarizing numeric data than the horizontal table approach used in the previous version. Some participants made suggestions for changing the labelling of the *Account summary* to clarify what is being shown, and perhaps more would like the *Account summary* if such changes were made.

### **Perceived Issues with the Current Version**

**P.1 does not state whether or how much the company owes, and is confusing on whether an amount is owing.** Many participants preferred the previous version in terms of clarity and communication of required action. They disliked that the first page of the current version does not clearly state whether or how much the company owes. There are three aspects to this negative perception – the *Remittance account balance* box at the bottom of the page, the arrears amount is not stated, and the narrative text under the title.

#### “Remittance account balance”

For reference, the following is the *Remittance account balance* in the current English version. Note that this approximately replicates the spacing and relative font sizes:

### **Remittance account balance**

This is your total year to date deductions at source.

**2016 current balance:        \$8,034.32**

Quite a few participants said they were confused over whether this is saying that the company owes \$8,034.32. The ARs for business understood it, but they said their business clients would be confused by this and several said they have had clients call them to ask whether the amount in this box is money they owe.

One of the problems here is that the word “balance” is ambiguous – it can mean an amount owing, and indeed it appears that in a letter from the CRA, there is a tendency for people to assume that a “balance” is going to be an amount owing. Several participants suggested increasing the font size of the sentence, *This is your total year to date deductions at source*, might help, as they think people are unlikely to read it given the small size of the font. That said, this may not fully mitigate the confusion over the meaning of “balance.”

The other problem is that it appears that many participants have a conceptual difficulty with quickly relating payroll source deductions to a “remittance account balance.” In this regard, the language used on the previous version is perceived by most to be much clearer. For reference, the following is the table that appears at the top of the English previous version:

| Balances on last statement |                       | Current balances     |                     |
|----------------------------|-----------------------|----------------------|---------------------|
| Amount paid for 2016       | Assessed amount owing | Amount paid for 2016 | Assess amount owing |
| 5,872.04Cr                 | 1,074.73Dr            | 8,034.32Cr           | 1,247.14Dr          |

Instead of using the phrase *2016 current balance*, the previous version uses *Amount paid for 2016*. The latter was perceived to be much clearer, and people know right away this is what they have paid and not money they owe to the CRA.

Note that the previous version does not use the phrase “remittance account balance” – nor the phrase “arrears account balance” on p.2 of the current version, which means that business people familiar with the previous version would not have learned this way of thinking about payroll source deductions from their earlier experience.

#### Arrears amount is not stated on p.1

When participants understood that the *2016 current balance* is not an amount owing, virtually all said the first page should state whether an amount is owing, and if so how much. This is very important information that they want to know clearly and right away when looking at the document.

The current version only gives information on the amount owing on p.2, in the *Account summary table*, and – when there is a non-zero amount owing – in the first paragraph under *Explanation of changes and other important information* (in the French scenario, there was no amount owing, and there is no paragraph stating that no amount is owed). Participants said that they should not have to go to the second page to find out this information.

#### Narrative text under the title

The first paragraph under the title is fine, and says what the document is.

The problem participants had was with the other two paragraphs – namely, that these give general information rather than information specific to the recipient. For reference the two paragraphs are:

As a monthly remitter, you have to send us your remittance by the 15<sup>th</sup> of the month after the month you pay employees.

For more information about making your next remittance, go to [cra.gc.ca/payroll](http://cra.gc.ca/payroll) and select “Remitting payroll deductions”. If you will not be making a remittance, select “Remitting payroll deductions”, and select “Not making a remittance”.

What participants said they want to see on the first page is a statement of what, if anything, they owe. Given that this is about payroll source deductions, there could also be statement about payments to date.

Again, the table at the top of the previous version was perceived to be more informative: it clearly states what is owed, and it clearly states the amount of source deductions the company has paid to date.

**P.2 Account summary table, Remittance account balances, is confusing for some:** There were two issues here: *Remittance account balances* section of the table, and confusion over the definitions of debit (DR) and credit (CR).

#### “Remittance account balances” section of the table

The confusion and uncertainty noted above for the *Remittance account balance* box on p.1 carried over for some participants to the *Remittance account balances* section of the *Account summary*. There was still confusion over whether this is showing an amount owing or an amount paid. This confusion persisted even though above the table there is a sentence that says: *The “Remittance*

*account balances*” total below includes paid and unpaid amounts for 2016. Either some participants did not read the sentence, or they did not understand it. Some of the business participants said they would call the CRA to see if they owed the amount shown in the *Remittance account balances*.

Several participants suggested using, or at least adding, more descriptive labels such as those used in the previous version (*Amount paid for 2016*), and avoiding the term “balance.”

Note that there was no difficulty understanding that the *Arrears account balances* section of the *Account summary* table is showing money the business owes to the CRA. That said, some nonetheless suggested using more descriptive language such as that used in the previous version (*Assessed amount owing*).

#### Definitions of debit (DR) and credit (CR)

As noted elsewhere, participants – both individual taxpayers and business – generally say they have difficulty understanding how to interpret debits and credits in CRA documents. This was even more the case for the *PD7A* because of the definitions provided. For reference, these were:

##### **Definitions**

For remittance account balances, a **debit** (DR) decreases your balance and a **credit** (CR) increases your balance. For arrears account balances, a **debit** (DR) increases your amount owing and a **credit** (CR) decreases you amount owing.

Many participants said this is confusing for business, because there are two different definitions and as one participant put it they appear to mean “opposite things” depending on the context. It does not help that as suggested earlier some participants have difficulty quickly understanding the concepts of “remittance account balances” and “arrears account balances” in the context of payroll source deductions. Basically, the definitions provided appeared to do little to improve understanding of the *Account summary* table.

**The document is too long.** The main reason many participants preferred the previous version over the current version was because they felt the first page of the previous version was more informative and clear. However, another thing they liked about the previous version (three pages) is that it is shorter than the current version (six pages).

#### **Other issues:**

- **Page number format:** The page number format used in the current version is “Page X”. A few participants suggested changing the format to “Page X of Y” in order to make it easier to keep track of a multi-page document. Note the latter format is used on other current version correspondence such as the *T2 NOA* and the *GST/HST NOA*.
- **P.2, second paragraph, sentence starting with *For more information*.** In its entirety, the second paragraph in the *Account summary* is:

The “Remittance account balances” total below includes paid and unpaid amounts for 2016. For more information on withholding requirements and calculating your deduction and remittance amounts, go to [cra.gc.ca/payroll](http://cra.gc.ca/payroll).

A few participants suggested moving the second sentence to the *More information* section on p.3, because (a) it is general information, and (b) removing it might increase the prominence of the first sentence – which is relevant to interpreting the *Account summary* table.

- **P.1, second paragraph, French version use of the word *auteur*:** The first part of the sentence is, *Étant donné que vous êtes un auteur de versements mensuels...* Some participants said *auteur* is not an appropriate word in this context – they are not an “author” of their monthly payments. One participant suggested changing this to, “Puisque vous faites des versements mensuels”.
- **Meaning of “current” in “current source deductions”:** Several participants they did not know what the word “current” is referring to, and suggested maybe the word should be dropped.

# METHODOLOGY

## Number and Locations of Focus Groups

Ten focus groups were conducted May 4 to 11, 2017, as follows.

|  | Total     | Halifax  | Montreal (Fr) | Toronto  | Vancouver |
|--|-----------|----------|---------------|----------|-----------|
| Individual taxpayers                                       | 3         | 1        | 1             |          | 1         |
| Authorized representatives for individuals.                | 2         |          | 1             |          | 1         |
| Authorized representatives for business (small and medium) | 2         |          | 1             | 1        |           |
| Small/medium business owners                               | 3         | 1        | 1             | 1        |           |
| <b>Total</b>   | <b>10</b> | <b>2</b> | <b>4</b>      | <b>2</b> | <b>2</b>  |

There were eight to nine participants in each focus group, for a total of 84 participants.

## Participant Qualifications

All individual and business participants had called the CRA telephone enquiries line in the past two years.

All participants met the following restrictions on previous participation in qualitative research sessions: (a) not attended a qualitative research session within the past six months, and (b) not attended five or more qualitative research sessions in the past five years.

None of the participants were employed in the following industries: marketing research, media, advertising agency or graphic design firm, public relations, federal government, a provincial or local government department related to taxes or finance.

The following were additional qualifications for each of the three target groups.

### Individual Taxpayers

The key qualifications were:

- Filed a personal income tax return last year and expect to file a personal income tax return for the current tax year
- Contacted the Canada Revenue Agency by telephone in the past two years

Other participant qualifications include:

- 18 years of age or older, with a mix of different ages
- Mix of women and men
- Mix on web usage: the majority had used a secure CRA online service, some had not used a secure online service but had visited the CRA website in the past year, and some had done neither

- In the past year have personally used online banking or purchased a product or service online
- Not employed in accounting, bookkeeping or tax preparation

### **Authorized representatives for individuals**

Authorized representatives were professionals such as accountants or others who provide tax preparation services.

The key qualifications were:

- Accountants and tax preparation businesses that do tax preparation for individuals
- Are an authorized representative for some clients who are individual taxpayers

### **Authorized representatives for small/medium businesses**

The key qualifications are:

- Accountants and tax preparation businesses that do tax preparation for small/medium businesses, with small/medium businesses defined as businesses employing less than 100 people
- Are an authorized representative for some clients who are small/medium business owners

### **Small/medium business owners**

Small/medium business were defined as those with fewer than 100 employees. The majority had two to 19 employees, while some were single-person businesses and some had 20 to 99 employees.

The key qualifications were:

- The senior person in the company who is either most directly responsible for tax-related decisions for the company or shares the responsibility with someone else in the company
- Filed a tax return last year reporting business income, and expect to file a tax return reporting business income for the current tax year
- Contacted the Canada Revenue Agency by telephone in the past two years
- Mix on web usage: the majority had used a secure CRA online service, some had not used a secure online service but had visited the CRA website in the past year, and some had done neither
- Mix of business sectors in each group
- The business is not involved in accounting, bookkeeping or tax preparation

### **Participant Honorarium**

- Individual Taxpayers: \$125
- Authorized Representatives: \$200
- Small/Medium Business: \$250