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SELF-EMPLOYED TAXPAYER ATTITUDES ON PAYMENT OF DEBT AND COMPLIANCE - Final Report -

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Ce rapport est aussi disponible en français.

For further information:
Media Relations/Relations Médias
Canada Revenue Agency/Agence du revenu du Canada
4th Floor 555 MacKenzie Avenue/ 555 avenue MacKenzie 4e étage
Ottawa ON K1A 0L5
media.relations@cra-arc.gc.ca

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SUMMARY

In 2009, the Canada Revenue Agency (CRA) conducted public opinion qualitative research with taxpayers that resulted in a report titled *Attitudes Towards Payment of Debt and Compliance*. The target groups for that research consisted of (a) taxpayers who had been late making a payment at the tax filing deadline, (b) taxpayers who paid tax by instalments and had paid instalment interest, and (c) late filers. The research identified a number of factors related to knowledge and attitudes about payment of debt and compliance. Subsequent research by the CRA on people who are noncompliant with income tax payment at the time of their initial assessment has shown that taxpayers with self-employment income are at higher risk of creating a debt on filing, as well as a higher risk of overall noncompliance.

To update the 2009 study the Canada Revenue Agency (CRA) has identified a need to understand the factors that influence specifically self-employed taxpayer's payment and filing compliance and their impact on accounts receivable. Those self-employed people who have been late making a payment at the tax filing deadline or late filing their tax return are the focus of this study.

The research objectives included:

- Obtaining greater in-depth understanding of the self-employed with positive tax at risk (i.e. typically owe money when filing their tax return), and explore what qualitative factors influence whether an individual will be compliant or noncompliant with the requirements to file on time and to pay their tax liability to the Government.
- Exploring the role the CRA website played as a source of information about late payment or late filing.
- Determining the efficacy of penalties and interest as this relates to filing a T1 return and paying balances due, and to determine what other factors (communications, payment arrangements, etc.) could influence whether and when people pay the taxes they owe the Government.

This research will help the CRA better understand the motivations of self-employed taxpayers regarding their tax debts, and the impact of the CRA's collections-related information efforts on the awareness and impressions of self-employed taxpayers about these matters, thereby aiding the Agency in developing strategies and communications to help Canadians voluntarily comply with their tax obligations.

Eight focus groups were conducted between February 2 to 10, 2017, in Halifax, Montreal, Toronto and Calgary. All participants met the following qualifications: (a) identified themselves as self-employed, (b) owed a tax payment at tax return filing time more than once in the past five years, and (c) have been charged interest on overdue taxes. About half the participants had filed a tax return late and been charged a penalty as a result.

This research was qualitative in nature, not quantitative. As such, the results provide an indication of participants' views about the topics explored, but cannot be statistically generalized to the full population. Qualitative research does, however, produce a richness and depth of response not readily available through other methods of research. It is the insight and direction provided by qualitative research that makes it an appropriate tool for exploring the factors that influence self-employed taxpayers' payment and filing compliance.

KEY FINDINGS

- Main reasons for late filing are related to lack of money, lack of awareness, and/or amount of work involved/procrastination.
- Most of the time, late payments are due to lack of money.
- Many participants criticized the order of the two deadlines – one for payment (April 30) and another for filing (June 15).
- They consider the CRA's written communications to be clear.
- Majority of participants who called the CRA had a positive experience.
- Most of participants do not believe they can easily find the information that they need on the CRA website.

LATE PAYMENT

Virtually all participants identified the most common reason self-employed people might be late paying income tax as being lack of money at the payment deadline. Other significant factors for some include lack of awareness of the payment deadline, waiting for the Notice of Assessment (NOA) before paying, and the availability of late payment options. Overall, the main factors were:

Lack of money (#1 reason)

Not aware of the payment deadline date

Don't pay until receive the Notice of Assessment

Availability of late payment options

Lack of money: Participants indicated that the nature of self-employment is such that there is a risk that there is a lack of money at the payment deadline. The frequently mentioned reasons for this included:

- Income fluctuates due to lack of steady work
- Cash flow problems related to collecting receivables
- Unplanned high priority expenses – both personal and business
- Do not set aside enough money during the year to pay the tax bill

When participants talked about lack of money as a reason for paying income tax late, they did not literally mean there was “no money.” Rather, what they meant is that there are other expenses that have higher priority for payment than income tax, and after covering those other expenses there is not enough money to pay the income tax bill.

The following are types of expenses that may be given higher priority than income tax, listed in rough order of priority based on comments from participants:

1. *Basic living expenses*
2. *Costs to keep the business running*
3. *GST/HST remittances*
4. *Debt that charges a higher rate of interest*

Virtually all participants ranked income tax below basic living expenses. Some participants ranked income tax just below basic living expenses, but the majority ranked keeping the business running ahead of paying income tax. Some also ranked income tax below either GST/HST remittances or debt that charges a higher rate of interest.

Not aware of the income tax payment deadline: A minority of participants were aware that, for self-employed people, the income tax payment deadline is April 30, and the tax filing deadline is June 15. Most participants were unsure about the exact dates. Compared to the actual April 30 deadline, participants were more likely to guess or believe that the payment deadline is sometime in or around June. It seems that people tended to assume that – as is the case with regular personal tax returns – tax filing and tax payment are linked. There was some awareness that self-employed people can file their tax return in June, and this appears to lead to an assumption that the payment deadline is also in June.

Don't pay until receive the Notice of Assessment: Some participants mentioned they do not pay income tax owing until they receive their Notice of Assessment (NOA) from the CRA. However, if someone files close to April 30, or certainly if they file after April 30 – as self-employed people are allowed to do, the CRA would then treat it as late payment of income tax.

Availability of late payment options: The CRA allows people to set up a payment plan to pay taxes owing, together with any interest that accrues throughout the duration of the payment plan. Participant input indicated that late payment options can cause late payment in two different ways:

- If the taxpayer is not aware that there are late payment options and is unable to pay, they may avoid contacting the CRA because of fear of being pressured to pay the full amount right away
- If the taxpayer is aware of the option to set up a payment plan, they may find setting up a payment plan preferable to paying all at once – i.e. it enables dropping payment of income tax to a lower priority relative to payment of other, higher priority expenses.

REASONS FOR PAYING ON TIME

The fundamental value mentioned by participants for filing on time is that “paying your debts is the right thing to do.” They perceived themselves to be law-abiding, responsible citizens, and paying one’s debts is part of that.

In addition, participants cited both avoiding interest charges and future attention from the CRA as reasons for paying on time:

- *Avoiding interest charges:* Actual knowledge of the interest charged by the CRA was rather low. So, while “avoiding interest charges” is given as a reason for paying on time, this rationale is often not accompanied by a concrete understanding of what those charges are likely to be.
- *Avoiding future attention from the CRA:* This tended to be perceived as a stronger reason to pay income tax on time. It’s better not to pay interest, but once it’s paid the matter is done. However, failure to pay is perceived to potentially be used by the CRA to flag a business for closer attention in the future. This is perceived to be a more open-ended liability, and not something one can easily make go away.

When asked if they were aware of the financial consequences of late payment the first time they were late, some participants knew, but the majority said they did not know the specific consequences. They were aware there would be financial consequences, but they did not know the actual interest rate and most did not attempt to find out. Generally, if a person was going to do something to deal with not paying income tax, they were unlikely to research this on their own, and more likely to call the CRA directly to work out how to handle the situation.

LATE FILING

The main reasons participants gave for why a self-employed person might be late filing were:

Lack of money to pay the tax owing

Lack of awareness of the late filing penalty

Amount of work involved/Procrastination

Lack of money to pay the tax owing: This was a frequently cited reason for late filing. The person chooses not to file until they can pay the amount owing in order to avoid both internal stress (“out of sight, out of mind”) and the external stress of potentially receiving follow-up contact from the CRA to pay the amount owing.

Lack of awareness of the late filing penalty: Many participants were either not aware there is a late filing penalty, or assumed there is a penalty of some sort but were unable to provide details. When subsequently informed of the penalties for late filing and repeated late filing, participants were surprised at how large the penalties are.

Amount of work involved/Procrastination: Some participants said that doing the tax return takes a lot of time, particularly for self-employed people who cannot afford to pay someone to do it. It is also not an enjoyable activity, and this combined with the level of work required can result in putting off tax return preparation until it is too late to meet the filing deadline.

CRA WEBSITE

Only a small number of participants went to the CRA website to get information related to late payment or late filing. Most had not looked for this information on the CRA website.

The reasons given for not going to the CRA website for this purpose included:

- *They prefer to call the CRA to work out a payment plan:* Participants did not think they could do this on the CRA website, and as a result did not see value in going to the CRA website.
- *They perceive the CRA website to be difficult to navigate and understand:* This perception should be interpreted cautiously. Most participants did not actually try to get any information related to late payment or late filing from the website, so the negative attitude is based more on prior beliefs or some experience in the past than on specific experience with the current website on this topic.
- *They rely on accountant/bookkeeper for information*
- *Not worth the effort – “it is what it is”:* Some participants said they would have to pay whatever interest and penalties the CRA might charge, and there is nothing they can do about this. Given this, they did not feel that it was worth the effort to research what these amounts might be. They prefer to wait and see what the amount is, and then pay it if they can.

CRA COMMUNICATIONS

Written communications: Participants were asked for their recollection of the ease of understanding any written communications they received from the CRA associated with late payment. The specific letters cannot be identified with certainty, but mostly they appear to be reminder and/or statement of account letters that stated the amount owing.

Almost all participants said the letters were clear: it was clear that they were being told they had an amount owing, the amount they owed was clear, and often they said it showed the interest

charges. Most had no suggestions for changes to these letters, and overall it appears the letters communicate the key intended information.

Telephone communications: The majority of participants called the CRA to work out a payment arrangement. These participants said this was a positive experience (with the exception of complaints about busy signals and wait time). They were able to work out an acceptable payment arrangement, and they said the CRA agent was helpful and neither accusatory or threatening.

In the 2009 study, it was found that a majority of participants calling to make payment arrangements were satisfied with the experience. However, as noted in the report there were also some “who said it was a bit of a struggle either to find an agent willing to discuss alternative payment arrangements or to convince an agent to accept an alternative arrangement.” Our impression is that in this 2017 study participants’ comments on the telephone service were more consistently and strongly positive than in 2009. Because both the 2009 study and the current study are qualitative studies, it is not possible to say with certainty whether there has been a change in the telephone experience. However, the results do suggest a hypothesis that callers’ experiences have become even more positive since 2009.

REACTIONS TO DESCRIPTION OF INTEREST AND PENALTY CHARGES

Participants reviewed a handout that described the interest and penalties associated with late payment and late filing. There were strong reactions to the following components of the handout:

Difference between payment deadline and filing deadline

Late filing penalties

“5% compound daily interest”

Difference between payment deadline and filing deadline: Quite a few participants were surprised to learn from the handout that the payment deadline is April 30, and comes before the filing deadline of June 15. This reaction confirms that lack of awareness of the payment deadline is a cause of late payment.

Many participants criticized the order of the two deadlines, basically saying that it made no sense to them that one has to pay before one even knows how much one owes. This resulted in two alternative suggested changes – either make the filing and payment date the same, or reverse the two dates such that the filing deadline is April 30 and the payment deadline is June 15. The latter was the more frequent suggestion.

Late filing penalties: Most participants perceived the late filing penalty, and especially the repeated late filing penalty, to be large. Some participants were not previously aware there is a late filing penalty, and virtually none were aware there is a higher penalty for repeated late filing. While some participants said they knew or assumed there is some sort of penalty for filing late, they did not expect the penalty to be this large. Many participants said the impact of reading the handout was that they would be more careful to file by the deadline even if they are still unable to pay the amount owing.

“5% compound daily interest”: The perceived magnitude of this interest rate was polarized: either it was seen as a reasonable interest rate, or it was seen as a very high interest rate. The issue is a person’s understanding of the impact of “compound daily interest”: some had an accurate understanding, while others thought it meant an annual interest rate much higher than 5%.

LIMITATIONS AND ADVANTAGES OF QUALITATIVE RESEARCH

It is important to note that this research was qualitative in nature, not quantitative. As such, the results provide an indication of participants' views about the topics explored, but cannot be statistically generalized to the full population.

Qualitative research does, however, produce a richness and depth of response not readily available through other methods of research. It is the insight and direction provided by qualitative research that makes it an appropriate tool for exploring the topics included in this research.

TOTAL CONTRACT VALUE: \$59,999.61 (HST included)

I hereby certify as Senior Officer of Sage Research Corporation that the deliverables fully comply with the Government of Canada political neutrality requirements outlined in the *Communications Policy* of the Government of Canada and Procedures for Planning and Contracting Public Opinion Research. Specifically, the deliverables do not include information on electoral voting intentions, political party preferences, standings with the electorate or ratings of the performance of a political party or its leaders.



SOMMAIRE

En 2009, l'Agence du revenu du Canada (ARC) a mené une recherche qualitative sur l'opinion publique auprès des contribuables. Cette recherche a donné lieu à un rapport intitulé *Attitudes relatives au paiement des sommes dues et à la conformité*. Les groupes cibles de la recherche étaient constitués de : a) contribuables n'ayant pas effectué de paiement à la date d'échéance de production de leur déclaration de revenus; b) contribuables ayant versé de l'impôt par acomptes provisionnels et ayant versé des intérêts sur ces acomptes; et c) déclarants retardataires. La recherche a fait ressortir plusieurs facteurs liés aux connaissances et aux attitudes relatives au paiement des sommes dues et à la conformité. La recherche effectuée subséquemment par l'ARC sur les contribuables contrevenants ne payant pas leurs impôts lorsqu'ils reçoivent leur avis de cotisation initial démontre que les contribuables tirant un revenu d'un travail indépendant présentent un plus grand risque de créer une dette au moment de produire leur déclaration, ainsi qu'un plus grand risque de non-conformité en général.

Afin d'actualiser l'étude de 2009, l'ARC a déterminé le besoin de comprendre les facteurs qui influent spécifiquement sur la conformité des travailleurs indépendants en matière de paiement et de production, ainsi que les répercussions de ces facteurs sur les comptes débiteurs. L'étude de 2017 porte principalement sur les contribuables travailleurs indépendants n'ayant pas effectué de paiement à la date d'échéance de production de leur déclaration de revenus ou ayant produit leur déclaration en retard.

Les objectifs de la recherche inclus :

- Comprendre en profondeur les travailleurs indépendants qui présentent un risque en matière fiscale (c.-à-d. ceux qui, typiquement, doivent de l'argent au moment de produire leur déclaration de revenus) et explorer les facteurs qualitatifs qui influent sur le fait qu'un contribuable se conforme ou non aux exigences visant la production dans les délais prévus et le paiement de ses dettes fiscales au gouvernement.
- Explorer le rôle du site Web de l'ARC comme source d'information sur les retards de paiement ou de production.
- Déterminer l'efficacité des pénalités et des intérêts imposés quant à la production d'une déclaration T1 et au paiement des soldes dus, et établir quels autres facteurs (communications, ententes de paiement, etc.) pourraient influencer sur le fait que les contribuables paient ou non les impôts qu'ils doivent au gouvernement et le moment où ils le font.

Cette recherche aidera l'ARC à mieux comprendre les motivations des contribuables travailleurs indépendants par rapport à leurs dettes fiscales, et l'impact de ses efforts d'information et de sensibilisation auprès de ces contribuables en matière de recouvrement de dettes. L'ARC pourrait ainsi élaborer des stratégies et des modes de communication destinés à aider les Canadiens à s'acquitter volontairement de leurs obligations fiscales.

En tout, huit groupes de discussion se sont réunis entre les 2 et 10 février 2017, à Halifax, Montréal, Toronto et Calgary. Tous les participants possédaient les qualifications suivantes : a) ont déclaré être travailleurs indépendants; b) il leur était arrivé plus d'une fois au cours des derniers cinq ans de ne pas avoir effectué de paiement à la date d'échéance de production de leur déclaration de revenus; et c) avaient dû payer des intérêts sur les impôts en souffrance. Environ la moitié des

participants avaient déjà produit au moins une déclaration de revenus en retard et avaient dû, par conséquent, payer une pénalité.

La nature de la présente recherche est qualitative, plutôt que quantitative. Les résultats projettent ainsi une idée des vues des participants sur les sujets explorés, mais ne peuvent être généralisés statistiquement à l'ensemble de la population. Toutefois, la recherche qualitative offre une richesse et une profondeur d'information que les autres méthodes de recherche ne peuvent fournir. La compréhension et les pistes qu'elle offre en font un bon outil de recherche pour examiner les facteurs qui influent sur la conformité des contribuables travailleurs indépendants en matière de paiement et de production.

PRINCIPALES CONCLUSIONS

- Les retards de production sont principalement attribuables au manque d'argent, au manque de sensibilisation, et/ou à la quantité de travail nécessaire pour préparer la déclaration et au report systématique de cette tâche au lendemain.
- La plupart du temps, c'est le manque d'argent qui est à l'origine des retards.
- Plusieurs participants ont critiqué l'ordre des deux dates d'échéance, à savoir le 30 avril pour le paiement et le 15 juin pour la production de la déclaration.
- Ils jugent les communications écrites de l'ARC comme étant claires.
- La majorité des participants qui ont téléphoné à l'ARC ont eu une expérience positive.
- La plupart des participants ne croient pas pouvoir trouver facilement sur le site Web de l'ARC l'information dont ils ont besoin.

RETARDS DE PAIEMENT

Pratiquement tous les participants ont indiqué que le manque d'argent à la date d'échéance du paiement constituait la raison la plus courante des retards de paiement chez les contribuables travailleurs indépendants. Parmi les autres facteurs importants, certains ont cité la méconnaissance de la date d'échéance du paiement, l'attente de l'avis de cotisation (ADC) avant de payer et les options disponibles en cas de retard de paiement. Dans l'ensemble, voici quels étaient les principaux facteurs :

Manque d'argent (principale raison)

Méconnaissance de la date d'échéance du paiement

En attente de l'avis de cotisation avant d'effectuer le paiement

Options en cas de retard de paiement

Manque d'argent : Les participants ont indiqué que la nature du travail indépendant est telle qu'il existe un risque de manquer d'argent à la date d'échéance du paiement. Voici, entre autres, les raisons mentionnées le plus fréquemment :

- Fluctuations de revenus en raison du manque de travail régulier
- Problèmes de trésorerie liés au recouvrement des comptes débiteurs
- Dépenses imprévus de haute priorité – personnel et affaires
- Ne pas avoir réservé assez d'argent pendant l'année pour payer la facture d'impôt

Lorsque les participants ont parlé du manque d'argent comme motif de retard de paiement de l'impôt, ils n'ont pas voulu dire littéralement qu'il n'y avait « pas d'argent ». Ce qu'ils ont plutôt

voulu dire c'est qu'il existe des dépenses plus prioritaires à régler que l'impôt et qu'après avoir acquitté ces autres dépenses, il ne reste pas suffisamment d'argent pour payer la facture d'impôt.

Voici les types de dépenses qui pourraient se voir accorder une plus grande priorité que l'impôt présentés par ordre approximatif, basé sur les commentaires des participants :

5. *Frais de subsistance de base*
6. *Coûts d'exploitation de l'entreprise*
7. *Versements de TPS/TVH*
8. *Dettes à taux d'intérêt plus élevé*

Pratiquement tous les participants ont placé les impôts après les frais de subsistance de base. Certains d'entre eux les ont placés tout juste après les frais de subsistance, mais presque tous ont donné priorité à l'exploitation de l'entreprise plutôt qu'au paiement des impôts. D'autres ont placé les impôts après les remises de TPS/TVH ou les dettes à taux d'intérêt plus élevés.

Méconnaissance de la date d'échéance du paiement : Une minorité de participants était au courant que le 30 avril est la date d'échéance du paiement de l'impôt des travailleurs indépendants, et que le 15 juin est la date d'échéance de production de leur déclaration de revenus. La plupart des participants n'étaient pas certains des dates exactes. Comparativement à la date d'échéance actuelle du 30 avril, les participants étaient plus susceptibles d'estimer ou de croire que la date limite de paiement était en juin ou bien autour du mois de juin. Il semble que les participants avaient tendance à supposer que la production des déclarations et le paiement des impôts étaient liés, comme c'est le cas des déclarations de revenus des particuliers. Les participants étaient sensibilisés, dans une certaine mesure, au fait que les travailleurs indépendants peuvent produire leur déclaration de revenus en juin, et cela semblait les amener à supposer que la date limite du paiement était aussi en juin.

En attente de l'avis de cotisation avant d'effectuer le paiement : Certains participants ont mentionné ne pas payer les impôts qu'ils doivent avant d'avoir reçu leur avis de cotisation (ADC) de l'ARC. Toutefois, si une personne produit sa déclaration proche du 30 avril ou certainement si elle le fait après cette date – comme il est permis aux travailleurs indépendants de le faire – l'ARC traitera alors ce cas comme étant un retard de paiement d'impôt.

Options en cas de retard de paiement : L'ARC permet aux contribuables d'établir une entente de paiement pour régler une dette d'impôt et les intérêts courus pendant toute la durée de l'entente. Par leurs observations, les participants ont indiqué que les options en cas de retard de paiement peuvent en fait entraîner un retard de deux façons différentes, à savoir :

- Si le contribuable n'est pas au courant qu'il existe des options en cas de retard de paiement et qu'il est incapable de payer, il pourrait éviter de contacter l'ARC par crainte qu'elle ne fasse des pressions sur lui et l'oblige à payer le plein montant sur-le-champ.
- En revanche, si le contribuable sait qu'il lui est possible d'établir une entente de paiement, il pourrait préférer le faire plutôt que de devoir payer la somme d'un seul coup – c.-à-d. que le paiement de l'impôt peut alors constituer une priorité moindre par rapport au paiement d'autres dépenses de priorité plus élevée.

RAISONS DE PAYER À TEMPS

La valeur fondamentale mentionnée par les participants pour le dépôt à temps est que « payer vos dettes est la bonne chose à faire ». Ils se percevaient comme étant des citoyens responsables et respectueux de la loi, et payer ses dettes en faisait partie.

En outre, les participants ont mentionné deux autres raisons de payer à temps, c'est-à-dire éviter de payer des frais d'intérêt et d'attirer l'attention de l'ARC à l'avenir :

- *Éviter de payer des frais d'intérêt* : Les participants étaient très peu renseignés sur les frais d'intérêt imposés par l'ARC. Donc, bien que « vouloir éviter de payer des frais d'intérêt » est donné comme raison de payer à temps, souvent, cette justification n'est pas accompagnée d'une compréhension concrète de ce que ces frais risquent de représenter.
- *Éviter d'attirer l'attention de l'ARC à l'avenir* : Les participants avaient tendance à percevoir cette raison de payer leurs impôts à temps comme étant encore plus importante. Il vaut mieux ne pas payer de frais d'intérêt, mais une fois payés, la question est réglée. Toutefois, le défaut de paiement est perçu comme pouvant potentiellement être utilisé par l'ARC pour surveiller l'entreprise de plus près à l'avenir. Il s'agit plus, selon la perception des participants, d'une responsabilité financière illimitée et quelque chose qui ne se résout pas facilement.

Lorsqu'on leur a demandé s'ils étaient au courant des conséquences financières lors de leur premier retard de paiement, certains participants ont dit l'être, mais presque tous ont dit ne pas avoir été au courant des conséquences précises. Ils savaient qu'il y aurait des conséquences financières, mais ils ne connaissaient pas le taux d'intérêt et la plupart n'ont pas essayé de se renseigner à ce propos. En général, lorsqu'une personne envisageait de faire quelque chose à propos d'un non-paiement d'impôt, il était peu probable qu'elle effectue des recherches elle-même à ce sujet. Il était plus probable qu'elle téléphone à l'ARC directement pour discuter de la façon de gérer la situation.

RETARDS DE PRODUCTION

Voici les principales raisons que les participants ont données pour expliquer pourquoi un travailleur indépendant pourrait produire sa déclaration en retard :

Manque d'argent pour payer les impôts dus

Méconnaissance des pénalités pour production tardive

Quantité de travail nécessaire pour préparer la déclaration; report systématique de cette tâche au lendemain

Manque d'argent pour payer les impôts dus : Les participants ont souvent mentionné cette raison pour expliquer les retards de production. La personne choisit de ne pas produire sa déclaration jusqu'à ce qu'elle puisse payer la somme due afin d'éviter un stress personnel (« hors de vue, hors de l'esprit ») et le stress externe de la possibilité de recevoir un suivi de la part de l'ARC exigeant le paiement de la somme due.

Méconnaissance des pénalités pour production tardive : Plusieurs participants n'étaient pas au courant de l'existence d'une pénalité pour production tardive, ou bien ils présumaient qu'il en existait une sans toutefois pouvoir en fournir les détails. Après avoir été subséquemment informés des pénalités pour production tardive et production tardive récurrente, les participants ont été surpris de constater l'ampleur de ces pénalités.

Quantité de travail nécessaire pour préparer la déclaration; report systématique de cette tâche au lendemain : Certains participants ont dit que la préparation de la déclaration de revenus nécessite

beaucoup de temps, particulièrement chez les travailleurs indépendants qui n'ont pas les moyens de payer quelqu'un d'autre pour le faire. De plus, ce n'est pas une tâche agréable. Cette raison, combinée avec la quantité de travail qu'il faut pour préparer la déclaration, peut amener le contribuable à remettre cette tâche à plus tard, jusqu'à ce qu'il soit trop tard pour respecter l'échéance de production.

SITE WEB DE L'ARC

Seuls quelques participants ont consulté le site Web de l'ARC pour obtenir de l'information à propos des retards de paiement ou de production. La plupart n'avaient pas cherché cette information sur le site Web de l'ARC.

Voici les raisons données pour ne pas avoir consulté le site Web de l'ARC à ce sujet :

- *Ils préfèrent téléphoner à l'ARC pour établir une entente de paiement* : Les participants ne pensaient pas qu'ils pouvaient le faire sur le site Web de l'ARC et ne voyaient donc pas la pertinence de s'y rendre.
- *Ils estiment qu'il est difficile de naviguer sur le site Web de l'ARC et de le comprendre* : Cette perception doit être interprétée avec prudence. La plupart des participants n'ont pas essayé d'obtenir d'information sur les retards de paiement ou de production sur le site Web. Cette attitude négative est donc davantage fondée sur des perceptions ou des expériences antérieures, que sur des expériences précises avec le site Web actuel.
- *Ils se fient à un comptable ou à un aide-comptable pour obtenir de l'information*
- *Cela ne vaut pas l'effort – « C'est comme ça. On ne peut rien y changer. »* : Certains participants ont dit qu'ils devraient payer tous les frais d'intérêt et de pénalité imposés par l'ARC et qu'ils n'y pouvaient rien. Par conséquent, ils estimaient que cela ne valait pas la peine de s'efforcer de chercher ces montants. Ils ont dit préférer attendre pour connaître le montant, puis le payer s'ils en avaient les moyens.

COMMUNICATIONS PROVENANT DE L'ARC

Communications écrites : On a questionné les participants à propos de la facilité de compréhension des communications écrites provenant de l'ARC concernant les retards de paiement. Les types de lettres spécifiques ne peuvent pas être identifiées avec certitude, mais il semblait s'agir, pour la plupart, de rappels et de relevés de compte où figurait la somme due.

Presque tous les participants ont dit que le contenu des lettres était clair, c'est-à-dire qu'on les informait qu'ils devaient un montant, que le montant dû y était clairement énoncé et qu'il arrivait souvent que les frais d'intérêt y figurent également. La plupart des participants n'ont proposé aucun changement à ces lettres et, en général, il semble qu'elles ont communiqué les principales informations escomptées.

Communications téléphoniques : La majorité des participants ont téléphoné à l'ARC pour établir une entente de paiement. Ces participants ont dit que l'expérience avait été positive (à l'exception des plaintes concernant les tonalités d'occupation et les temps d'attente). Ils ont pu établir une entente de paiement acceptable et ont dit que l'agent de l'ARC les avait aidés sans les accuser ni les menacer.

Dans le cadre de l'étude de 2009, on a constaté que la majorité des participants ayant téléphoné à l'ARC pour établir une entente de paiement étaient satisfaits de leur expérience. Toutefois, comme le mentionne le rapport, certains participants « ont dit avoir eu un peu de difficulté à trouver un agent prêt à discuter d'autres arrangements de paiement ou à convaincre un agent d'accepter d'établir d'autres arrangements ». Nous avons l'impression que les commentaires des participants sur le service téléphonique étaient, de manière soutenue, encore plus positifs dans le cadre de cette étude de 2017, que dans le cadre de celle de 2009. L'étude de 2009 et celle-ci de 2017 sont de nature qualitative. Il n'est donc pas possible de déterminer avec certitude s'il y a eu un changement par rapport à l'expérience téléphonique. Toutefois, les résultats proposent comme hypothèse que les expériences des appelants sont devenues encore plus positives depuis 2009.

RÉACTIONS À LA DESCRIPTION DES FRAIS D'INTÉRÊT ET DE PÉNALITÉ

Les participants ont pris connaissance d'un document décrivant les frais d'intérêt et de pénalité liés aux retards de paiement et de production. Les participants ont fortement réagi aux éléments suivants du document :

Différence entre la date d'échéance du paiement et la date d'échéance de production

Pénalités pour production tardive

« 5 % d'intérêts composés quotidiennement »

Différence entre la date d'échéance du paiement et la date d'échéance de production : Plusieurs participants ont été étonnés d'apprendre en parcourant le document que la date d'échéance de paiement est le 30 avril et qu'elle précède la date d'échéance de production, à savoir le 15 juin. Cette réaction confirme que la méconnaissance de la date d'échéance de paiement est une cause de retard de paiement.

Beaucoup de participants ont critiqué l'ordre des deux dates d'échéance, disant essentiellement qu'à leur avis, cela n'avait aucun sens qu'un contribuable doive payer avant même de savoir combien il doit. On a donc proposé deux solutions de rechange, à savoir utiliser la même date pour la production et le paiement, ou intervertir les deux dates, pour que la date d'échéance de production soit le 30 avril et la date d'échéance de paiement le 15 juin. C'est la deuxième suggestion que les participants ont le plus souvent proposée.

Pénalités pour production tardive : La plupart des participants estimaient que la pénalité pour production tardive était trop lourde – surtout la pénalité pour production tardive récurrente. Certains participants n'étaient pas au courant qu'il existait une pénalité pour production tardive et presque personne n'était au courant qu'il existait une pénalité plus élevée pour production tardive récurrente. Certains participants ont dit savoir ou présumer qu'il existait une pénalité quelconque pour production tardive, mais ils ne s'attendaient pas à ce qu'elle soit aussi lourde. Plusieurs participants ont dit qu'après avoir lu le document, ils allaient faire plus attention et produire leur déclaration dans les délais, et ce, même s'ils sont dans l'impossibilité de payer la somme due.

« 5 % d'intérêts composés quotidiennement » : La perception de l'ampleur de ce taux d'intérêt était polarisée, à savoir qu'il était raisonnable ou qu'il était très élevé. Il s'agissait d'une question de compréhension chez les participants de l'impact de « l'intérêt composé quotidiennement », c'est-à-dire que certains participants comprenaient correctement, tandis que d'autres croyaient que cela représentait un taux d'intérêt annuel beaucoup plus élevé que 5 %.

LIMITES ET AVANTAGES DE LA RECHERCHE QUALITATIVE

Il est important de noter que cette recherche était de nature qualitative et non quantitative. En tant que tel, les résultats indiquent les opinions des participants sur les sujets explorés, mais on ne peut tirer de conclusion du point de vue statistique pour l'ensemble de la population.

Cependant, la recherche qualitative produit une richesse et une profondeur des réponses qui ne sont pas facilement disponibles au moyen d'autres méthodes de recherche. Les aperçus et l'orientation fournis par la recherche qualitative en font un outil approprié pour explorer les sujets discutés dans cette recherche.

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DETAILED FINDINGS

LATE PAYMENT

As context for the discussion of reasons for late payment of income tax, participants were asked how common they guess late payment to be among self-employed people, with the response options being *Not very common*, *Somewhat common*, and *Quite common*. Only a few participants said *Not very common*, whereas the rest were about equally split between *Quite common* and *Somewhat common*.

This indicates that these participants – all of whom had been late with some tax payments in the past five years – do not see their own behavior as unusual. Rather, in their view, the nature of being self-employed is such that it is relatively common to sometimes not pay income tax owing at the deadline. They do not see themselves as “people who don’t pay their taxes.” Rather, they see themselves as legitimate small businesses which – because of nature of running a small business – can sometimes end up not paying tax by the deadline. In this context, and as evident in comments throughout the discussions, they feel the CRA should be aware of the difficulties self-employed people can face in making tax payments, and that the CRA should work with them to deal with late payment.

Virtually all participants identified the most common reason self-employed people might be late paying income tax as being lack of money at the payment deadline. Other significant factors for some include lack of awareness of the payment deadline, waiting for the Notice of Assessment (NOA) before paying, and the availability of late payment options. There are additional factors as well – the following lists all the factors discussed:

Lack of money (#1 reason)

Not aware of the payment deadline date

Don’t pay until receive the Notice of Assessment

Availability of late payment options

Casual attitude towards paying on time

Negative attitude towards how government spends tax dollars

Lack of Money

The number one reason participants gave for late payment was lack of money at the payment deadline. Participants believed that this stems from the nature of self-employment and the challenges of running a small business.

Income fluctuates due to lack of steady work: Many participants mentioned that a self-employed person may not have regular earnings. Income can fluctuate based on the flow of work. There can be busy periods and slow periods, and it may not always be possible to predict when these will occur. If tax time comes during a slow time, there may not be enough money on hand to pay the tax bill.

Several participants highlighted that their business is seasonal, and for them the slow time hits around tax payment time.

Cash flow problems related to collecting receivables: Quite a few participants said this can be an issue: the businessperson may have sufficient income in their receivables to pay the tax bill, but late payment of those receivables can jeopardize being able to make a tax payment.

Maybe you've invoiced clients and you haven't gotten payment from them. So you've allocated money to go to income tax but you actually haven't received the money for it.

Your payments are due, you planned to make your payments, but a large customer...oh, he missed a cheque run. You didn't get that \$30,000 cheque. How am I going to make that payment? You don't make that payment until that money does come in, and then you make it. So, a lot of it is beyond your control just for straight cash flow reasons.

Unplanned high priority expenses: For self-employed people these can include not only unplanned business expenses, but also unplanned large personal expenses (e.g. car repair, furnace repair, divorce, etc.). Several mentioned that medical problems can cause significant loss of income for a self-employed person, because if they cannot work the business may suffer.

Do not set aside enough money during the year to pay the tax bill: Some participants said that failure to keep close track of income can contribute to not setting aside enough money. In this regard, several suggested that financial management may not always be something a self-employed person is good at: they are good at what their business does, but they may not have the financial knowledge or motivation to ensure enough money is set aside for income tax.

A few participants suggested that if a self-employed person has a particularly good year, they may underestimate the tax owing because of lack of prior experience with how much tax would be owed on a higher amount.

A few participants stated that a person new to self-employment may not fully understand or appreciate how much their tax bill will be, particularly if they have previously worked as an employee with tax deducted at source:

I'll say especially young people or people who are new to being self-employed. I know a few guys who worked as hardwood installers, started their own hardwood business and were just like "sweet, free, so much money". They were just used to having their tax taken off their paycheque and you just keep the rest. And all of a sudden they were making twice as much money and spending it all at the bar on the weekend. And then the end of the year comes and now you owe \$25,000 and you don't have it.

Difficult to borrow money to pay income taxes: Several participants said they did not believe banks would lend money for the purpose of paying an income tax bill.

Where income tax ranks in priority of payment

When participants talked about lack of money as a reason for paying income tax late, they did not literally mean there was "no money." Rather, what they meant is that there are other expenses that have higher priority for payment than income tax, and after covering those other expenses there is not enough money to pay the income tax bill.

The following are types of expenses that may be given higher priority than income tax, listed in rough order of priority based on comments from participants:

1. *Basic living expenses*
2. *Costs to keep the business running*
3. *GST/HST remittances*
4. *Debt that charges a higher rate of interest*

There were individual differences in the order of priorities, and individual differences in where income tax fits in this list of priorities. It appeared that virtually all participants ranked income tax below basic living expenses. Some participants ranked income tax just below basic living expenses, but the majority ranked keeping the business running ahead of paying income tax. Some also ranked income tax below either GST/HST remittances or debt that charges a higher rate of interest. The following comments on each of the above types of expenses.

Basic living expenses: Virtually all participants ranked covering basic living expenses ahead of paying income tax. As one participant put it, “food, family and shelter” come first.

Costs to keep the business running: The majority of participants ranked keeping their business running ahead of paying an income tax bill. The basic reason given is that if the business is not generating income, they will never be able to pay the tax bill.

I would always pay [the CRA], but they're not going to get first blood. I would be paying my line of credit. I've got 60 employees, and they have to get paid first and foremost. I mean, the business is a going concern. So, the oil supplier's got to get paid. The people first and foremost have to get paid. And then in the pecking order, I'd say [the CRA is] probably about fourth or fifth.

If you can't buy the product to provide to the customer, they can't pay you to pay the government. So you've got to make sure you can pay for your product, pay for the building that you're providing your service in, and the government's a couple notches down that ladder.

The types of business operation costs participants mentioned included:

- Employee wages
- Rent
- Suppliers

If you don't have goods to buy from your suppliers because you're not paying them, you're not going to pay the government because you're not selling anything.

I think the CRA is more forgiving for late payment than a lot of your suppliers would be. If your suppliers cut you off, you've got no business. You get a bad rating out there and you're not going to be able to get anything unless you start paying cash, but at least with Revenue Canada if you're making some payment, you know, they're not going to come and close you down unless it's really severe.

- Subcontractors

In my case, I hire a lot of subcontractors, and they get paid before Revenue Canada does. I'm sorry, an individual who's working for me for a couple of days on a job gets their money before Revenue Canada. Revenue Canada can wait.

- Insurance
- Essential equipment

GST/HST remittances: Some participants commented that they give higher priority to making GST/HST remittances than to paying income tax. (Note that for a quarterly GST/HST filer, the payment deadline for the first quarter is April 30, which is the same as the income tax payment deadline.) These participants perceive the negative consequences of not remitting GST/HST on time as being more severe than not paying income tax on time:

HST is a trust, you must do it no question, but income tax is like having a big [credit card] bill.

The GST's not really your money, right, you're just collecting it for the government, so technically it's a very high penalty.

Because I'm collecting money for the federal government and then have to remit it, they can create a whole lot of problems for me if I don't follow the rules. On the income tax side, if I don't follow the rules, all I do is end up paying penalties.

I will not play around with HST. I'll play around with income tax.

Debt that charges a higher rate of interest: This was mentioned as a higher priority by some participants, and they particularly noted that they perceived credit card debt to have a much higher rate of interest than the interest the CRA charges on income tax arrears. To these participants, it was "simple math" to give higher priority to paying off the higher interest debt.

I think if I'm right the CRA charges like 5% interest on overdue accounts versus say if you have money on a credit card it's going to be like 22% or whatnot. So I'm thinking from a cash flow perspective if I only have enough to pay one of these two bills, well I'm for sure going to pay the one that's going to charge me 22%. 5% is not a bad rate on a loan, so I just think it's a loan from the CRA that I'm paying back.

To me, it's just a simple math thing because I'm only going to get X amount of dollars that are coming in, and if I owe [a credit card] 5,000 bucks, and they're charging me 18.5 or 22.5 percent, and I owe Revenue Canada 5,000 bucks, and they're going to charge me 2.5 or 5 percent, guess who's getting paid first?

Not Aware of the Income Tax Payment Deadline

A minority of participants were aware that, for self-employed people, the income tax payment deadline is April 30, and the tax filing deadline is June 15. Most participants were unsure about the exact dates. Compared to the actual April 30 deadline, participants were more likely to guess or believe that the payment deadline is sometime in or around June. With regard to the latter, the range of dates mentioned included: end of May, "June", June 1, June 15, June 30, and "July."

What appears to be going on is that people tended to assume that – as is the case with regular personal tax returns – tax filing and tax payment are linked. There was some awareness that self-employed people can file their tax return in June, and this appears to lead to an assumption that the payment deadline is also in June. This interpretation was confirmed by how quite a few participants reacted to the information about interest and penalties shown and discussed at the end of each focus group: they were surprised to see that the filing and payment deadlines are not the same, and even more surprised that the payment deadline comes before the filing deadline.

Another indication of this misunderstanding of dates is that some participants suggested that late filing can in turn result in late payment. However, for self-employed people, the payment deadline (April 30) will have passed before someone can be late filing their income tax return (June 15 deadline).

Don't Pay Until Receive the Notice of Assessment

Some participants mentioned they do not pay income tax owing until they receive their Notice of Assessment (NOA) from the CRA. However, if someone files close to April 30, or certainly if they file after April 30 – as self-employed people are allowed to do, the CRA would then treat it as late payment of income tax.

These participants want to know with certainty what the CRA says they owe, and only pay once they know that amount.

Because they may sit there and say well, your auto was off this year, or your phone was high or whatever. So I guess it is a confirmation for most people, okay, it's like a final bill, that's what I owe.

It's the peace of mind, once they go this is what you owe and you pay it, you go "phew, I'm done."

What if you end up paying too much money and then you get your statement and your assessment, it says oh, you didn't have to pay X amount. Who knows how long it will take to get a credit back? So it's better that you wait.

Some participants linked waiting for the NOA to not being fully confident in the tax return, basically because they're not fully confident in the expertise of who they can afford to hire to do their taxes.

I use [a tax preparer] but I wait for the assessment because I don't completely trust [that tax preparer], you know what I mean?

It's just something a little bit more official. You can pick up like any tax guy off the street, everybody's doing taxes. Like, you know, everybody will take a six-week tax course and do tax. He could be wrong, he could have messed up my taxes. I kind of feel like it's going to get reviewed by people with authority. I want to go by something that's coming from an authoritative figure as opposed to the tax guy that I don't know.

As self-employed small business people, if we're going to hire somebody, an accountant or whoever to do our books, we're not hiring [a big accounting firm]. We can't afford the pros. So in some respects the pro is the government. I don't trust them either, but if they say you owe this and you can just get them out of there by paying that and then you're done.

Availability of Late Payment Options

The CRA allows people to set up a payment plan to pay taxes owing, together with any interest that accrues throughout the duration of the payment plan. Late payment options can cause late payment in two ways: (1) the taxpayer is not aware that there are late payment options, and (2) the taxpayer is aware of the option to set up a payment plan and finds that preferable to paying all at once.

Not aware of late payment options: Some participants said that lack of awareness that a payment plan can be worked out with the CRA can result in late payment: the taxpayer is concerned that the

CRA will require immediate payment in full, and so they avoid dealing with the situation until such time as they can pay in full. One way this manifests is in filing the tax return late: the taxpayer does not file their tax return because they do not have enough money to pay the tax bill at the tax filing deadline.

The majority of participants, however, either knew or assumed that one can work out a payment plan with the CRA. So, lack of awareness of late payment options can be a factor for some people who are late for the first time, but does not otherwise appear to be a major factor in late payment for those who have already experienced being late.

Prefer to pay over time rather than all at once: This relates directly to the earlier discussion that “lack of money” to pay income taxes does not mean “no money”, but rather that income tax may not be the self-employed person’s highest priority expense. The availability of the option to work out a schedule of payments enables dropping income tax to a lower priority over other, higher priority expenses. This is particularly the case if the taxpayer knows or assumes that the CRA will not charge a really high (e.g. credit card level) interest rate. This is illustrated in one of the participant verbatims given earlier, which is repeated here:

I think if I’m right the CRA charges like 5% interest on overdue accounts versus say if you have money on a credit card it’s going to be like 22% or whatnot. So I’m thinking from a cash flow perspective if I only have enough to pay one of these two bills, well I’m for sure going to pay the one that’s going to charge me 22%. 5% is not a bad rate on a loan, so I just think it’s a loan from the CRA that I’m paying back.

Basically, the payment options can enable viewing tax debt as analogous to a loan, or to credit, and people are used to the concept of making payments that include principal and interest.

If the [tax owing] lump sum is \$1,500 and the monthly payment is \$250, I’ll pay the \$250 and a little bit of interest versus you want how much from me in one lump sum? I’m not saying it would make more sense because financially, if you pay it off first you’re not paying the interest and that’s always better. But we now live in a world where everything is a bi-weekly payment or a monthly payment or a weekly payment.

Casual Attitude Towards Paying on Time

A small number of participants had what could be called a casual attitude towards paying their tax bill, in that they did not appear to view this as particularly important or anything to worry about:

I’ve been at this for 25 years, and I still don’t know when I’m supposed to pay my taxes, and I don’t really care to be honest. If I’m going to pay a little penalty or whatever I’ll get them done when I get them done.

I don’t think about it. Like I’d go skiing before I paid the tax man this weekend if I owed them two hundred bucks, you know? Because they get their money no matter what, so, you know, you pay a couple hundred dollar fine or whatever and it’s just you move on, right?

It should be emphasized this was not a common attitude, and most participants took tax debt seriously.

Negative Attitude Towards How Government Spends Tax Dollars

A few participants, but only a few, said a negative attitude towards how government spends tax dollars can contribute to paying late.

It's their attitude because they don't feel that government is efficient or they're wasting my money or whatever. So I'm going to keep the money as long as I possibly can so I get the interest because they're so inefficient. I'm not going to give them any money until I absolutely have to.

REASONS FOR PAYING ON TIME

In addition to asking participants why self-employed people might sometimes be late paying income tax, participants were also asked why they would pay on time.

The fundamental value mentioned by participants for filing on time is that “paying your debts is the right thing to do.” They perceived themselves to be law-abiding, responsible citizens, and paying one’s debts is part of that. Note that a few participants went further and said that paying taxes specifically is the right thing to do because of the public services funded by taxes. The latter was not, however, voiced by most participants.

Participants also said that they “feel better” once that tax debt is paid – it reduces stress, and they do not have to worry about the matter.

Participants cited both avoiding interest charges and avoiding future attention from the CRA as reasons for paying on time:

- *Avoiding interest charges:* As discussed below, actual knowledge of the interest charged by the CRA was rather low. So, while “avoiding interest charges” is given as a reason for paying on time, this rationale is often not accompanied by a concrete understanding of what those charges are likely to be.
- *Avoiding future attention from the CRA:* This tended to be perceived as a stronger reason to pay income tax on time. It’s better not to pay interest, but once it’s paid the matter is done. However, failure to pay is perceived to potentially be used by the CRA to flag a business for closer attention in the future. This is perceived to be a more open-ended liability, and not something one can easily make go away.

You don't fear being late, you fear them showing up.

I'm actually less afraid of the interest than I am of getting on the list.

Knowledge of the Financial Consequences of Late Payment

When asked if they knew the financial consequences of late payment the first time they were late, some participants knew, but the majority said they did not know the specific consequences. They knew there would be financial consequences, but they did not know the actual interest rate and most did not attempt to find out. Two different sorts of reasons were given for this apparent lack of curiosity:

- *Fatalism*: The financial consequences will be whatever they will be, and the amount will have to be paid. The idea is that the person would have paid if they could, but since they couldn't even if they knew the financial consequences, there was not much perceived value in finding out the specific consequences.

I'll just pay it. [Finding out consequences] will take more time out of everything I have to do. So I don't know and I just pay it, and whenever it gets paid, it gets paid.

I didn't know, but it doesn't matter because whatever it is, I'll just pay it.

- *Optimism that the CRA will not charge a lot*: Some participants assumed that the financial consequences would not be large either because they did not think the CRA would charge a really high interest rate, or because they expected to pay the balance fairly quickly before charges could mount up.

I assumed the government wasn't going to be like, oh, we're charging you 48% interest, you know. You assume it's going to be fairly reasonable.

Our impression was that if a person was going to do something to deal with not paying income tax, they were unlikely to research this on their own, and more likely to proceed directly to calling the CRA to work out how to handle the situation. This is consistent with the fact, as discussed later (*CRA Website*, p. 23), that most participants did not go to the CRA website to research the consequences of late payment or late filing.

Participants were asked how the interest they were actually charged compared to their expectations.

- Some participants did not really answer the question – probably because they had no expectations.
- Some participants said the amount was higher than they expected. It should be noted that without knowing an individual's specific situation, it is hard to evaluate this perception. About half the participants in the focus groups had filed late as well as paid late, so the financial consequences included a late filing penalty as well as late payment interest. Some participants may not have distinguished between these two different financial consequences.
- The majority of the balance of participants were split between perceiving the interest charged as "about what they expected" or "less than they expected." The following are examples of the latter type of perception:

I felt like I won a lottery. I paid a lot less than I expected.

I didn't have a clue [what the consequences would be], but was relieved that it wasn't as bad as I thought it was going to be.

I was late, but I was able to pay within the year. And for some reason, I just had it in my head...I think you hear horror stories. It's like, "If you're late with your income tax, they're going to do this, that, the other thing, and oh, boy!" And then it was just like, "Really? Is that all I had to pay?" It wasn't as bad.

Paying less interest than expected can lead to feeling more relaxed about paying late in the future, as illustrated by the following:

I remember looking at that and thinking oh, okay, thank goodness it wasn't that bad. You think maybe there's a lot more people that don't pay because they look at that and go, eh,

right, like if I don't pay this and I just take care of all the [other things I have to pay]... I started to think well maybe that's why a lot of people don't pay their taxes when they should.

LATE FILING

About half the participants in the focus groups had filed an income tax return late in the past five years and paid a penalty as a result. The main reasons they gave for why a self-employed person might be late filing were:

Lack of money to pay the tax owing

Lack of awareness of the late filing penalty

Amount of work involved/Procrastination

Late receipts

Lack of Money to Pay the Tax Owing

Quite a few participants said that a reason why someone might file their tax return late is that they do not have enough money to pay the tax owing. In this sense, late payment can be said to cause late filing. In this scenario, they said person may wait until they have enough money to pay the tax owing in full, and then file the tax return at the same time.

Participants said that by not filing, the person can reduce the stress of not having enough money to pay the tax owing. There are both internal and external aspects to this stress reduction:

- *Internal – “out of sight, out of mind”*: By not filing, the person can put the paperwork away and not constantly dwell upon how they are going to pay the amount owing.

You know that you owe so you're stressing out over that, so you just kind of bury it for a while.

It's kind of like an ostrich thing, just stick your head in the sand and not think about it.

If you don't know what you owe, then it's not preying on your mind.

- *External – CRA won't contact you*: By not filing, the CRA will not know the person owes money, and therefore will not be contacting the person about paying.

If I don't file, they're not going to know what I owe.

A few participants took this further, and said they believed that to file and not pay is more of a problem with the CRA than to file late and pay at that time:

There's a feeling that if I don't file the tax return, it's kind of like, okay, I might slip under there. And when I have the money, I'll file it and pay it and pay the penalty. There's a belief system, whether it's right or not, that it's probably better than filing it on time and not paying. Then [the latter] you get on a list. And when you're on that famous list, it seems like you can't get off that list.

As noted earlier (see p. 18), some participants said that lack of awareness that a payment plan can be worked out with the CRA can result in not paying a tax amount owing -- the taxpayer is concerned that the CRA will require immediate payment in full, and so they avoid dealing with the situation until such time as they can pay in full. One way this manifests is in filing the tax return late

-- the taxpayer does not file their tax return because they do not have enough money to pay the tax bill at the tax filing deadline.

[Reason for filing late:] People don't know if [the CRA] will work with us. Will they work with us? There's just this black hole of fear and uncertainty.

Lack of Awareness of the Late Filing Penalty

In the final part of each focus group discussion, participants were given a handout that included a description of the penalties for late filing and for repeated late filing. As discussed later (see p. 27), these penalties got a lot of attention from the participants in the groups. For some, the existence of the penalties was new information, and for many the perceived large magnitude of the penalties (particularly for repeated late filing) was new information. Many said the impact of this information was that it is important to file the tax return even if one cannot pay the tax owing at that time.

The following is an example of a comment from a participant, made prior to seeing the handout, who was not aware there is late filing penalty:

Why file if I don't have the money? I don't think you get charged any differently. There's no difference in penalty if you file it now or file it in a month or two months.

Amount of Work Involved/Procrastination

Some participants said that doing the tax return takes a lot of time, particularly for self-employed people who cannot afford to pay someone to do it. It is also not an enjoyable activity, and this combined with the level of work required can result in putting off tax return preparation until it is too late to meet the filing deadline.

You're busy all day, the last thing you want to do is taxes. Do I want to go to bed or do I want to look at my taxes? I think I'll go to bed.

Late Receipts

Several participants said one may not have all of the receipts and other supporting documentation ready in time for the filing deadline. Note that for self-employed people the tax filing deadline is June 15, so they actually have more time to get receipts together than do regular tax filers (deadline of April 30).

CRA WEBSITE

Participants were asked whether they had gone to the CRA website to get information related to late payment or late filing. Only a small number of participants had gone to the CRA website for this purpose. Most had not looked for this information on the CRA website.

Participants gave several reasons why they had not looked for information on the CRA website, with the two most common being that they preferred to call the CRA, and that they perceived the CRA website to be difficult to navigate and understand:

Prefer to call the CRA

Perceive the CRA website to be difficult to navigate and understand

Rely on accountant/bookkeeper for information
Not worth the effort: “it is what it is”

Prefer to Call the CRA

Quite a few participants had called the CRA to deal with their late payment situation and work out a payment plan. They did not think they could do this on the CRA website, and as a result did not see value in going to the CRA website. They thought that the website would not give them late payment options, or that the information would be too general and not useful for their particular circumstances. They believed that the best way to address their personal situation and come up with a definitive solution was to talk with a CRA agent.

Perceive the CRA Website to be Difficult to Navigate and Understand

Most participants had a rather negative perception of the ease of use of the CRA website. They perceived it as difficult to navigate, and as sometimes difficult to understand.

It’s a mess of a website. Everything’s just jammed all on one page. It’s hard to find your way around the website, even if you know it.

You click on one thing, and it brings you to another page, and then you click on that, and you’re just going pages and pages and pages just to find one little bit of information that you’re looking for.

I was looking something about GST and it was so confusing, like even trying to find a phone number they’re so confusing.

I just keep going round and round and I can’t get to the right page.

These comments on the usability and value of the website for getting information related to late payment or filing should be interpreted cautiously. Most participants did not actually try to get any such information from the website, so the negative attitude is based more on prior beliefs or some experience in the past than on specific experience with the current website on this topic. There were not enough participants who actually tried to use the website to draw any conclusions about usability or value.

One participant suggested the CRA provide an app for business owners that would facilitate easier access to information relevant to business owners.

Rely on Accountant/Bookkeeper for Information

Some participants said if they want information related to late payment or filing, they prefer to go to their accountant or bookkeeper rather than look for the information themselves.

Not Worth the Effort: “It is what it is”

Some participants said they would have to pay whatever interest and penalties the CRA might charge, and there is not anything they can do about this. Given this, they did not feel that it was worth the effort to research what these amounts might be. They prefer to wait and see what the amount is, and then pay it if they can.

Why didn't I go check out the interest rate? Because it's not important. I'm going to get the amount. I know it's not like credit card charges. I don't know the exact number, but whatever it is I've got to pay it. It is what it is.

CRA COMMUNICATIONS

Written Communications

Participants were asked for their recollection of the ease of understanding any written communications they received associated with late payment. The specific letters cannot be identified with certainty, but mostly they appear to be reminder and/or statement of account letters that stated the amount owing.

Almost all participants said the letters were clear: it was clear that they were being told they had an amount owing, the amount they owed was clear, and often they said it showed the interest charges. Most had no suggestions for changes to these letters, and overall there does not appear to be a need to make changes.

I find that when I owe them a balance that it's very clear. When it comes in, I have a statement: "You owe this much; please pay us." And then I send them a little bit more. And then the next month, I get another statement says, "You owe this much," and then minus the payment. So, from that point of view, what I'm getting in the mail from them...I know exactly what's going on.

A few participants said they had difficulty understanding the letters, but they were very much in the minority. The following is an example of a participant who said they had difficulty understanding the letters:

I got the robot letters. I didn't understand them. They said how much I owed, and there'd be lines of the interest, interest, interest, interest, blah, blah, blah. Eventually I just got an accountant, and I started passing all the paper to him. You understand that I can't even read this without crying. I literally didn't understand what these things said. It might have been saying thanks for trying to pay. It might have been a nice letter, I don't know.

There were some suggestions involving written communications, each typically made by one participant:

- Provide information about late payment and filing in the information a business receives when it registers for the GST/HST. The idea here was that self-employed people starting a business may be more at risk of paying late due to not understanding their tax obligations. Registration for the GST/HST could be a channel for getting the information to them.
- Send general information about late payment/filing interest and penalties to people who have been late more than once, as a reminder of the consequences.
- A participant who used one of the CRA's online secure services (it was either *My Account* or *My Business Account*) suggested the letters should also be delivered through these secure online services (they were not sure if this is done now, but did not recall seeing anything like this on their account).

Telephone Communications

The majority of participants called the CRA to work out a payment arrangement. These participants said this was a positive experience (leaving aside complaints about busy signals and wait time). They were able to work out an acceptable payment arrangement, and they said the CRA agent was helpful and was not accusatory or threatening. A few who had called multiple times over the years said they had a few negative experiences, but emphasized that this was not the norm. Overall, participants were able to accomplish what they wanted to accomplish – i.e. arrange a payment plan – and they found it to be a positive and straightforward process.

They never say, oh, you're in big trouble, nothing like that. They always give you alternatives.

If you want options to pay – I mean we all know the interest is there – but they'll still say what can you do, okay, like they're very friendly, very helpful.

Sometimes I get really not nice people, but most of the time they're very helpful, no complaints about that.

The very first time I realized that I owed them money and several thousand dollars, I called them and said, "Look, I know I owe you the money. So, can we arrange something?" And they arranged the payment schedule with me. It worked out great.

I wanted to avoid them coming after me. So, I went to them, and I said, "Look, I know I've got this problem, and can we work something out." Because I said, "I can't pay this all at once." It was like 6,000 dollars or something. "How much can you pay, and how...?" I said, "I can give you \$2,000 now and 1,000 dollars a month for the rest." "Okay, no problem."

I find everyone there very helpful, actually.

In the 2009 study, it was found that a majority of participants calling to make payment arrangements were satisfied with the experience. However, as noted in the report there were also some “who said it was a bit of a struggle either to find an agent willing to discuss alternative payment arrangements or to convince an agent to accept an alternative arrangement” (p. 37 of the 2009 report). Our impression is that in this 2017 study participants’ comments on the telephone service were more consistently and strongly positive than in 2009. Because both the 2009 study and the current study are qualitative studies, it is not possible to say with certainty whether there has been a change in the telephone experience. However, the results do suggest a hypothesis that callers’ experiences have become even more positive since 2009.

Some participants commented that while their experience was positive when they initiated the call to the CRA, they said their experience was more negative when the CRA initiated the call – negative presumably in the sense that the agents were more insistent upon getting payment.

If they call you, usually you have to fight to get that payment arrangement.

One participant suggested – to the agreement of others in the session – that it would be nice if the CRA assigned a case manager to self-employed taxpayers. The idea is that this person would come to know the taxpayer’s business and circumstances, which could further improve working out things such as payment schedules.

I deal with several federal government agencies. In every one of those other situations, I have an account manager that I go to. Why don't I have an account manager at CRA? As a small business person, I should have an account manager who at least can work with me.

REACTIONS TO DESCRIPTION OF INTEREST AND PENALTY CHARGES

As the final component of each focus group discussion, participants were given a handout describing the interest and penalties associated with late payment and late filing, and asked for their reactions.

Information about interest and penalties for personal income tax

Interest

If you have a balance owing for income tax, the compound daily interest is **5%** starting May 1, on **any unpaid amounts owing**. This includes any balance owing if your return is reassessed. In addition, there are also interest charges on the penalties starting the day after your return is due. The rate of interest charged can change every three months.

Late-filing penalty

If you owe tax for 2016 and do not file your return for 2016 on time, you will be charged a late-filing penalty. The penalty is **5%** of your 2016 balance owing, **plus 1%** of your balance owing for each full month your return is late, to a maximum of **12 months**.

If you are charged a late-filing penalty on your return for 2013, 2014, or 2015 your late-filing penalty for 2016 may be **10%** of your 2016 balance owing, **plus 2%** of your 2016 balance owing for each full month your return is late, to a maximum of **20 months**.

Even if you cannot pay your full balance owing on or before April 30, 2017, you can avoid the late-filing penalty by filing your return on time.

Individual income tax (self-employment)

Type of interest and penalty	When it applies	Amount charged
Failure to pay on time	Payment due date (April 30)	5% compound daily interest
Failure to file	Filing-due date (June 15)	5% on balance plus 1% on amount for each full month late
Repeated failure to file on time	Filing-due date (June 15)	10% on balance owing, plus 2% on balance owing for each full month late

Participants had strong reactions to the information in the handout. There were three components that attracted a lot of attention:

Difference between payment deadline and filing deadline

Late filing penalties

“5% compound daily interest”

Difference between Payment Deadline and Filing Deadline

For self-employed people, the payment deadline is April 30, and the filing deadline is June 15. As discussed earlier in the *Late Payment* section (*Not Aware of the Payment Deadline*, p. 17), only a minority of participants were aware the payment deadline is April 30. The rest were unsure of the date, but tended to think it was sometime in or around June – i.e. the payment deadline is connected to the filing deadline.

Quite a few participants were surprised to learn from the handout that the payment deadline is April 30. This confirms that lack of awareness of the payment deadline is one cause of late payment.

That's where a lot of confusion happens. I think so many people think the filing date and the payment date are the same. Because when I first went out on my own, I was all worried about, hey, April 30th, and they're saying, "Don't worry about it: you've got until June because you're self-employed."

When I was an employee and was only doing personal income tax, it was you file them April 30th, and you paid on April 30th. And then suddenly, there was this delay [in the filing date], and I had just thought, well, you file and pay at the same time, right?

Many participants criticized the order of the two deadlines, basically saying that it made no sense to them that one has to pay before one even knows how much one owes. This resulted in two alternative suggested changes – either make the filing and payment date the same, or reverse the two dates such that the filing deadline is April 30 and the payment deadline is June 15. The latter was the more frequent suggestion.

Late Filing Penalties

Most participants perceived the late filing penalty, and especially the repeated late filing penalty, to be large. Some participants were not previously aware there is a late filing penalty, and virtually none were aware there is a higher penalty for repeated late filing. While some participants said they knew or assumed there is some sort of penalty for filing late, they did not expect the penalty to be this large.

Many participants said the impact of reading the handout was that they would be more careful to file by the deadline even if they are still unable to pay the amount owing.

I'll never file late after looking at this. It's just not worth it because then it does add up to being almost like a credit card interest rate.

"5% compound daily interest"

The handout states that the interest charged on a balance owing is "5% compound daily interest." The perceived magnitude of this interest rate was polarized: either it was seen as a reasonable interest rate, or it was seen as a very high interest rate. The issue is a person's understanding of the impact of "compound daily interest":

- Some participants understood that compounding the interest daily will not have a huge impact on the amount of interest charged¹. These participants perceived this to be a reasonable

¹ For reference, 5% compounded daily corresponds to a simple annual interest rate of about 5.1%.

interest rate. Some were surprised that it is this low – which led one participant to say that they might be less concerned about paying on time in the future:

I think I'd be more lax in paying it now that I know the interest is not that much and it doesn't give any timeline or any other future penalties for being late, it's just interest.

- Some participants who evidently did not understand how compound daily interest is calculated perceived this to be a very high interest rate – for example, does that mean 5% is charged every day?

Just the words "compound daily interest" sound like a bad thing. It sounds like a lot of money to me.

It's high, it's enough to just go, you know what, I'm going to try and get this paid.

When you see this 5 percent compounded daily, that's almost like what the loan shark charges you.

It scares you right away, saying, "Oh, five percent every day?"

5% daily interest. So 5% of what you owe is applied every single day? Like wouldn't that quickly like double and triple and quadruple?

This would motivate these participants to be more diligent in paying on time, but the motivation would be based on a misunderstanding of the interest rate.

A Participant Suggestion: Give examples

Quite a few participants said the handout was rather difficult to understand. Our impression is that actually they did have a reasonably good understanding (leaving aside "compound daily interest"), but the problem was they could not translate these descriptions into concrete dollar amounts. Some participants suggested, to the agreement of others, that on a handout like this or on the website, it would be very helpful to give several examples of what the interest and/or penalty amounts would be. The examples would give some different amounts owing and some different time periods for payment. This would allow people to see concretely how the various percentages impact amount owing.

In two of the focus groups the moderator asked whether they would like an online calculator on the CRA website, and participants said they would like this. The problem, though, would be how to get people to the website, given as discussed earlier that few went to the website in connection with late payment or late filing.

A few participants commented that examples might make people less likely to pay on time if the interest amounts don't look very high in the examples. This is something that should be considered should a decision be made to give examples.

APPENDIX

METHODOLOGY

Number and Locations of Focus Groups

Eight focus groups were conducted February 2 to 10, 2017, with two groups in each of Halifax, Montreal (French), Toronto and Calgary. Participant qualifications were the same for all of the focus groups.

There were six to nine participants in each focus group, for a total of 64 participants.

Participant Qualifications

All participants met the following key qualifications:

- Identified themselves as self-employed

The relevant questions in the screener were Q.4a and Q.4b: *Q.4a – Do you plan to report income from self-employment for the 2016 income tax year?; Q.4b – And do you plan to report income from self-employment for the 2017 income tax year?*

To qualify, people had to answer “yes” to both questions. Note that some participants stated in the focus groups that they had incorporated their business. They still met all the other qualifications, and viewed themselves as “self-employed”, and so were able to provide input on all the research objectives.

- Have owed tax payments of \$50 or more at income tax return filing time more than once in the past five years
- Made at least one late payment of tax owing in the past five years and were charged interest as a result

There was a quota that at least two recruits per focus group had filed a tax return late in the past five years and been charged a penalty as a result.

Additional qualifications included:

- Not attended a qualitative session in the past six months, and not attended five or more sessions in the past five years
- Never attended a qualitative session on a tax-related topic

The target was to recruit a mix of participants on gender and age, but no quotas were set because of the low incidence of the target group.

With regard to the final composition of the focus groups:

- Approximately one-third women and two-thirds men; this is the same ratio found by Industry Canada for self-employed people (https://www.ic.gc.ca/eic/site/061.nsf/eng/h_02711.html)
- The majority of participants were 35 to 54 years of age
- About half the participants had filed a tax return late and been charged a penalty as a result

Participant Honorarium

Participants were paid an honorarium of \$150.

SCREENING QUESTIONNAIRE

Self-Employed Taxpayer Attitudes on Payment of Debt and Compliance - Screening Questionnaire -

Hello, I'm _____ of Research House, a marketing research company. We are organizing a research project on behalf of the Government of Canada, and specifically for the Canada Revenue Agency. I'd like to ask you some questions to see if you would be interested in possibly taking part in this study.

Would you prefer that I continue in English or in French? Préférez-vous continuer en français ou en anglais? **[If prefers French, either switch to the French screener and continue, or say the following and then hang up and arrange French-language call-back]** Nous vous rappellerons pour mener cette entrevue de recherche en français. Merci. Au revoir.

In this project, we would like to talk to people who are self-employed and invite them to participate in a focus group. This involves individuals sitting down with several others like themselves and giving ideas and opinions. We are having a few of these sessions, and would be interested in having you participate. The discussion will be on people's opinions about procedures and rules related to income tax payment.

Your participation is voluntary. All information collected, used and/or disclosed will be used for research purposes only and administered according to the requirements of the Privacy Act. The full name of participants will not be provided to the government or any third party. May I continue?

Yes 1
No 2 **Thank and end the interview**

Are you currently self-employed?

Yes 1
No 2 **Thank and end the interview**

I need to ask you a few questions to see if you fit the profile of the type of people we are looking for in this research. This will take about 4-5 minutes.

Note to recruiter: When terminating a call with someone, say: *Thank you for your cooperation. We already have enough participants who have a similar profile to yours, so we are unable to invite you to participate.*

0) **Record gender:**

Male 1
Female 2 **Recruit at least 3 of each gender**

1) First of all, do you, or does anyone in your household, work for..? (Read list)

	<u>No</u>	<u>Yes</u>
A marketing research firm	()	()
A magazine or newspaper	()	()
The federal government	()	()
The provincial or local government (check which department; if a tax/revenue or finance ministry, record as “yes”)	()	()
An accounting or bookkeeping company or department	()	()
A company that does tax returns for other people or businesses	()	()
A law firm that specializes in tax	()	()
A firm providing financial planning services	()	()
A radio or television station	()	()
An advertising agency or graphic design firm	()	()
A public relations company	()	()

If “yes” to any, thank and end the interview

2) And generally speaking what is your occupation -- that is, the type of work you do and the industry you work in?

(Type of work) (Check against exclusions in Q.1)	(Type of industry)
---	---------------------------

Recruit a mix of different industries in each city

3) We would like to talk to people in different age groups. Into which one of the following groups should I place you? (Read list)

- | | | |
|---------------|---|------------------------------------|
| 18 or under | 1 | Thank and end the interview |
| 19 - 34 | 2 | |
| 35 - 44 | 3 | |
| 45 - 54 | 4 | Recruit a mix |
| 55 – or older | 5 | |

4a) As I mentioned earlier, this research is on people’s opinions about procedures and rules related to income tax payment. Do you plan to report income from self-employment for the 2016 income tax year?

- | | | |
|-----|---|------------------------------------|
| Yes | 1 | |
| No | 2 | Thank and end the interview |

4b) And do you plan to report income from self-employment for the 2017 income tax year?

- Yes 1
 No 2 **Thank and end the interview**

5) About how long have you been self-employed? (Read list)

- Less than 2 years 1 **Thank and end the interview**
 2 to 3 years 2
 4 to 5 years 3
 More than 5 years 4

6) I would now like to ask you some questions about what usually happens when you file your income tax return each year. When filing their income tax return, some people owe a tax payment at that time. This can happen, for example, if they receive income during the year from which little or no tax has been withheld. On your last income tax return, was it calculated that you owed a tax payment?

- Yes 1
 No 2 **Thank and end the interview**

7) And have you owed tax payments at income tax return filing time more than once over the past (insert # of years from Q. 5; if “More than 5 years” then insert “5 years”), or not?

- Yes 1
 No 2 **Thank and end the interview**

8) In the past (insert # of years from Q. 5; if “More than 5 years” then insert “5 years”), when you have owed a tax payment at tax return filing time, did you owe less than \$50, or did you owe \$50 or more?

- Less than \$50 1 **Thank and end the interview**
 \$50 or more 2

9) In this research project on tax payment, we are interested in getting thoughts and opinions from tax payers who were not able or did not pay their tax balances for various reasons, including people who have sometimes been charged interest on the tax they owe the government. In the past (insert # of years from Q. 5; if “More than 5 years” then insert “5 years”), have you ever been charged interest on overdue taxes owing at tax filing time?

- Yes 1
 No 2 **Thank and end the interview**

10) And in the past (insert # of years from Q. 5; if “More than 5 years” then insert “5 years”) have you ever been charged a penalty for filing your tax return after the deadline?

- Yes 1 **Recruit at least 2**
 No 2

I have just a few more questions to ask you.

11) Have you ever participated in an in-depth research interview or a focus group involving a small group of people where people were asked to discuss different topics?

- Yes 1
 No 2 **Go to Q.13**

12a) What topics have you ever discussed?

(If tax-related, thank participant for their time and end the interview)

12b) And when was the last time you attended an interview or discussion group?

- 6 months ago or less 1 **Thank and end the interview**
OR more than 6 months ago 2

12c) In the past 5 years, how many in-depth research interviews or discussion groups have you attended? Would you say less than 5 in total, or would you say 5 or more?

- Less than 5 1
 5 or more 2 **Thank and end the interview**

Let me tell you some more about this study to see if you would like to take part.

13) As I mentioned earlier, the research involves taking part in a focus group discussion. In the group discussion, you may be asked to fill in some short questionnaires and to voice your opinions in front of others. Do you feel comfortable doing this?

- Yes 1
 No 2 **Thank and end the interview**

Terminate if person gives a reason such as verbal ability, sight, hearing, or related to reading/writing ability, or if they think they may have difficulty expressing their thoughts.

Participants in the discussion group will be asked to turn off any electronic devices during the discussion. Would you be willing to do so?

- Yes 1
 No 2 **Thank and end the interview**

There may be someone from the Canada Revenue Agency who has been involved in this project observing the session. However, they will not take part in the discussion in any way, and they will not be given your name. The observers are there to obtain first-hand information to assist the research. Is this acceptable to you?

- Yes 1
 No 2 **Thank and end the interview**

The session will be audio-recorded. These recordings are used to help with analyzing the findings and writing the report. Your name will not appear in the research report. Is this acceptable to you?

- Yes 1
 No 2 **Thank and end the interview**

INVITATION

The focus groups will be held on **[insert date]**, either at **[6:00 or 8:00]**. Would you be available to attend?

- Yes 1
 No 2 **Thank and end the interview**

Thank you. We would like to invite you to participate in one of our focus groups. The discussion will last 2 hours, and refreshments will be provided. Following your participation in the focus group, you will be paid \$150.

Would you be willing to attend?

- Yes 1
 No 2 **Thank and end the interview**

The discussion group will be held at:

City/Date:	Location:	Time:
<i>Toronto Feb. 2</i>		6:00 – 8:00 pm 8:00 – 10:00 pm
<i>Halifax Feb. 7</i>		6:00 – 8:00 pm 8:00 – 10:00 pm
<i>Montreal Feb. 8</i>		6:00 – 8:00 pm 8:00 – 10:00 pm
<i>Calgary Feb. 9</i>		6:00 pm – 8:00 pm 8:00 pm – 10:00 pm

We ask that you arrive 15 minutes early, to make sure we can start on time. If you use glasses to read, please remember to bring them with you.

As we are only inviting a small number of people to attend, your participation is very important to us. If for some reason you are unable to attend, please call so that we can get someone to replace you. You can reach us at **[Insert Research House phone #]**. Please ask for **[Insert Research House contact name]**. Please note that you may not send someone else in your place if you are unable to attend.

Before coming to the group discussion, you might find it helpful to review any correspondence you have had with the Canada Revenue Agency with regard to tax payments. You don't have to do this, and you will not be asked for any personal detail in the discussion. But, you might find it helpful as there will be a general discussion of people's opinions about procedures and rules related to income tax payment.

Someone from our company will call you back within two or three days to confirm these arrangements. To do that, we need to have your contact information.

Name: _____

Evening phone: _____ **Day time phone:** _____

Email address: _____

Thank you very much!

Recruited by: _____

Confirmed by: _____

Note to recruiter: Should a participant require more explanation of the purpose of the research, please use the following:

This is a research project on tax payment, and we are interested in getting thoughts and opinions from tax payers who were not able or did not pay their tax balances for various reasons. The Canada Revenue Agency would like to get a better understanding of all the different reasons why this can occur. The results will be used in developing strategies to help Canadians voluntarily comply with their tax obligations.

In the research discussion, you will not be asked any of the specifics of your own tax situation, nor will your personal identity be given to the Canada Revenue Agency. Rather, there will be a more general discussion of people's opinions about the procedures and rules related to income tax payment.

Note to recruiter: Should a participant require validation that this is a legitimate research project, please refer them to:

*Karl St-Pierre
Research Officer
Public Affairs Branch
Canada Revenue Agency
613-957-3513*

Attitudes des contribuables travailleurs indépendants relatives au paiement des sommes dues et à la conformité - Questionnaire de sélection -

Bonjour, je m'appelle _____ de Research House, une compagnie d'études de marché. Nous organisons un projet de recherche pour le compte du gouvernement du Canada et, tout particulièrement, l'Agence du revenu du Canada. J'aimerais vous poser quelques questions pour voir si vous seriez intéressé à participer possiblement à cette étude.

Préférez-vous continuer en français ou en anglais? Would you prefer that I continue in English or in French? [Si la personne préfère parler anglais, utilisez le questionnaire anglais et continuez, ou dites ce qui suit, puis raccrochez et faites rappeler un collègue qui pourra poursuivre la conversation en anglais :] We will call you back to continue this interview in English. Thank you. Goodbye.

Dans le cadre de ce projet, nous aimerions parler à des travailleurs indépendants et les inviter à participer à un groupe de discussion. Il s'agit d'une rencontre entre plusieurs travailleurs indépendants qui font part de leurs idées et opinions. Nous organisons actuellement quelques-unes de ces séances et aimerions que vous y participiez. La discussion portera sur les opinions des gens au sujet des procédures et des règlements se rapportant au paiement de l'impôt sur le revenu.

Votre participation est volontaire. Tous les renseignements recueillis, utilisés et(ou) divulgués seront utilisés à des fins de recherche seulement et ils seront administrés conformément aux exigences de la *Loi sur la protection des renseignements personnels*. Le nom complet des participants ne sera pas transmis au gouvernement ni à aucun autre tiers. Puis-je continuer?

- Oui 1
Non 2 **Remerciez et terminez l'interview**

Travaillez-vous actuellement à votre propre compte?

- Oui 1
Non 2 **Remerciez et terminez l'interview**

Je dois vous poser quelques questions pour voir si vous correspondez au type de personne que nous recherchons pour cette recherche. Cela prendra environ 4 ou 5 minutes.

Note à l'intention du recruteur : lorsque vous mettez fin à un appel avec quelqu'un, dites : *Merci de votre coopération. Nous avons déjà un nombre suffisant de participants dont le profil est semblable au vôtre. Donc, il nous est impossible de vous inviter à participer.*

0) **Inscrivez le sexe :**

- Homme 1 **Recrutez au moins 3 répondants
de chaque sexe**
Femme 2

- 1) Tout d'abord, est-ce que vous ou toute autre personne dans votre ménage travaillez dans un des domaines suivants? **(Lisez la liste)**

	<u>Non</u>	<u>Oui</u>	
une firme d'études de marché	()	()	
une revue ou un journal	()	()	
le gouvernement fédéral	()	()	
un gouvernement provincial ou municipal (vérifiez quel ministère; s'il s'agit du ministère de l'impôt/du revenu ou des finances, inscrivez « oui »)	()	()	
une société ou un service de comptabilité ou de tenue de livres	()	()	Si « oui » à un, remerciez et terminez
une entreprise qui prépare les déclarations de revenus pour d'autres personnes ou d'autres entreprises	()	()	
un cabinet d'avocats qui se spécialise dans l'imposition	()	()	
une firme offrant des services de planification financière	()	()	
une station de radio ou de télévision	()	()	
une agence de publicité ou une firme de graphisme	()	()	
une société de relations publiques	()	()	

- 2) Et généralement parlant, quelle est votre profession – c'est-à-dire le type de travail que vous faites et le type d'industrie où vous travaillez?

(Type de travail)	(Type d'industrie)
(Vérifiez pour vous assurer de respecter les exclusions à la Q.1)	
Recrutez un mélange de différentes industries dans chaque ville	

- 3) Nous aimerions parler à des personnes de différents groupes d'âges. Dans quel groupe d'âges, parmi les suivants, devrais-je vous placer? **(Lisez la liste)**

18 ans ou moins	1	Remerciez et terminez l'interview
19 - 34	2	
35 - 44	3	
45 - 54	4	Recrutez un mélange
55 ans ou plus	5	

- 4a) Comme je l'ai mentionné plus tôt, cette recherche porte sur les opinions des gens au sujet des procédures et des règlements se rapportant au paiement de l'impôt sur le revenu. Envisagez-vous de déclarer le revenu tiré d'un travail indépendant pour l'année d'imposition 2016?

Oui 1

Non 2 **Remerciez et terminez l'interview**

- 4b) Et envisagez-vous de déclarer le revenu tiré d'un travail indépendant pour l'année d'imposition 2017?

Oui 1

Non 2 **Remerciez et terminez l'interview**

- 5) Depuis combien de temps environ êtes-vous travailleur indépendant? (**Lisez la liste**)

Moins de 2 ans 1 **Remerciez et terminez l'interview**

2 à 3 ans 2

4 à 5 ans 3

Plus de 5 ans 4

- 6) J'aimerais maintenant vous poser quelques questions sur ce qui se passe habituellement lorsque vous produisez votre déclaration de revenus chaque année. Lorsqu'elles produisent leurs déclarations de revenus, certaines personnes doivent effectuer un paiement d'impôt à ce moment-là. Cette situation peut se produire si, par exemple, elles reçoivent un revenu pendant l'année au cours de laquelle peu ou pas d'impôt a été retenu. Sur votre dernière déclaration de revenus, était-il indiqué que vous deviez payer de l'impôt?

Oui 1

Non 2 **Remerciez et terminez l'interview**

- 7) Vous est-il arrivé de devoir payer de l'impôt lors de la période de déclaration de revenus plus qu'une fois au cours des derniers (**insérez le nombre d'années indiqué à la Q.5; si « Plus de 5 ans », alors insérez « 5 ans »**), ou non?

Oui 1

Non 2 **Remerciez et terminez l'interview**

- 8) Au cours des derniers (**insérez le nombre d'années indiqué à la Q.5; si « Plus de 5 ans », alors insérez « 5 ans »**), lorsqu'il vous est arrivé de devoir payer de l'impôt lors de la période de déclaration de revenus, deviez-vous moins de 50 \$ ou deviez-vous 50 \$ ou plus?

Moins de 50 \$ 1 **Remerciez et terminez l'interview**

50 \$ ou plus 2

- 9) Dans le cadre de ce projet de recherche sur le paiement de l'impôt, nous voulons connaître les opinions et les points de vue des contribuables qui n'ont pu être en mesure de payer, ou qui n'ont pas payé, leurs soldes d'impôt pour diverses raisons, y compris les personnes à qui on a parfois imposé des intérêts sur l'impôt qu'elles doivent au gouvernement. Au cours des derniers (**insérez le nombre d'années indiqué à la Q.5; si « Plus de 5 ans », alors insérez « 5 ans »**), vous a-t-on déjà imposé des intérêts sur de l'impôt en souffrance que vous deviez lors de la période de déclaration de revenus?

Oui 1
Non 2 **Remerciez et terminez l'interview**

- 10) Et au cours des derniers (**insérez le nombre d'années indiqué à la Q.5; si « Plus de 5 ans », alors insérez « 5 ans »**), vous a-t-on déjà imposé une pénalité pour avoir produit votre déclaration de revenus après la date limite?

Oui 1 **Recrutez au moins 2 répondants**
Non 2

Il ne reste que quelques questions à vous poser.

- 11) Avez-vous déjà participé à une interview de recherche détaillée ou à un groupe de discussion composé d'un petit nombre de personnes à qui on demande de discuter de sujets variés?

Oui 1
Non 2 **Allez à la Q.13**

- 12a) De quels sujets avez-vous discuté?

(S'il s'agit de sujets liés à l'impôt, remerciez le participant de son temps et terminez l'interview)

- 12b) Et à quand remonte la dernière fois où vous avez participé à une interview ou un groupe de discussion?

6 mois ou moins 1 **Remerciez et terminez l'interview**
OU plus de 6 mois 2

- 12c) Au cours des cinq dernières années, à combien d'interviews de recherche détaillées ou de groupes de discussion avez-vous participé? Diriez-vous à moins de 5 au total, ou à 5 et plus?

Moins de 5 1
5 ou plus 2 **Remerciez et terminez l'interview**

J'aimerais vous en dire plus sur cette étude et voir si vous aimeriez y participer.

- 13) Comme je l'ai mentionné plus tôt, cette étude nécessite la participation à un groupe de discussion. Au cours de la séance, il se pourrait que l'on vous demande de répondre à de brefs questionnaires et d'exprimer vos opinions en présence d'autres personnes. Vous sentez-vous à l'aise de le faire?

Oui 1
Non 2 **Remerciez et terminez l'interview**

Terminez si la personne donne comme raison un problème de communication verbale, de la vue, de l'ouïe, de langue écrite ou parlée, ou si elle croit qu'elle pourrait avoir de la difficulté à exprimer ses pensées.

On demandera aux participants du groupe d'éteindre tous les dispositifs électroniques durant la discussion. Accepteriez-vous de le faire?

Oui 1
Non 2 **Remerciez et terminez l'interview**

Il se peut que des représentants de l'Agence du revenu du Canada impliqués dans ce projet observent la séance. Toutefois, ces représentants ne participeront en aucune façon à la discussion et votre nom ne leur sera pas transmis. Les observateurs sont présents afin de recueillir des informations de première main à l'appui de cette étude. Cela vous est-il acceptable?

Oui 1
Non 2 **Remerciez et terminez l'interview**

La séance du groupe de discussion sera enregistrée. Ces enregistrements sont utilisés pour aider à analyser les constatations suite à l'étude et à rédiger le rapport. Votre nom ne figurera pas dans le rapport. Cela vous est-il acceptable?

Oui 1
Non 2 **Remerciez et terminez l'interview**

INVITATION

Les groupes de discussion se tiendront le [insérez la date], à [18 heures, ou à 20 heures]. Seriez-vous disponible pour y participer?

Oui 1
Non 2 **Remerciez et terminez l'interview**

Merci! Nous voulons vous inviter à participer à l'un de nos groupes de discussion. La discussion durera deux heures et des rafraîchissements seront servis. Suite à votre participation aux groupes de discussion, vous recevrez 150 \$.

Seriez-vous disposé(e) à participer?

- Oui 1
 Non 2 **Remerciez et terminez l'interview**

Le groupe de discussion aura lieu à:

Ville / Date :	Endroit :	Heure:
Toronto : 2 février		18 à 20 heures 20 à 22 heures
Halifax : 7 février		18 à 20 heures 20 à 22 heures
Montréal : 8 février		18 à 20 heures 20 à 22 heures
Calgary : 9 février		18 à 20 heures 20 à 22 heures

Nous vous demandons d'arriver 15 minutes plus tôt, afin de nous assurer de commencer à temps. Si vous avez besoin de lunettes pour lire, n'oubliez pas de les apporter. De plus, chaque participant du groupe de discussion doit apporter une pièce d'identité.

Puisque nous invitons un petit nombre de personnes à la discussion de groupe, votre participation est très importante pour nous. Si, pour une quelconque raison, vous ne pouvez pas y assister, veuillez téléphoner pour que nous puissions demander à une autre personne de vous remplacer. Vous pouvez communiquer avec nous au **[inscrire le n° de téléphone de Research House]**. Demandez à parler à **[inscrire le nom de la personne-ressource chez Research House]**. Veuillez noter que vous ne pouvez pas envoyer quelqu'un d'autre à votre place si vous êtes dans l'impossibilité de participer.

Avant de vous présenter au groupe de discussion, vous pourriez trouver utile de lire toute la correspondance que vous avez échangée avec l'Agence du revenu du Canada concernant les paiements d'impôt ou les acomptes provisionnels. Vous n'êtes pas obligé de le faire et nous ne vous demanderons aucun détail personnel lors de la discussion. Toutefois, cela pourrait s'avérer utile pour vous, puisqu'il y aura une discussion générale sur les opinions des gens au sujet des procédures et des règlements se rapportant au paiement de l'impôt sur le revenu.

Une personne de notre entreprise vous téléphonera d'ici deux ou trois jours pour confirmer ces détails. Nous avons donc besoin de vos coordonnées.

Nom : _____

Numéro de téléphone (soir) : _____ Numéro de téléphone (jour) : _____

Adresse de courriel : _____

Merci beaucoup !

Recruté par : _____

Confirmé par : _____

Note à l'intention du recruteur : si un participant a besoin de plus amples explications concernant le but de la recherche, veuillez lui mentionner ce qui suit :

Il s'agit d'un projet de recherche sur le paiement de l'impôt, et nous sommes intéressés à connaître les opinions et les points de vue des contribuables qui n'ont pas été en mesure de payer, ou qui n'ont pas payé, leurs soldes d'impôt pour diverses raisons. L'Agence du revenu du Canada aimerait pouvoir mieux comprendre toutes les différentes raisons expliquant pourquoi cette situation peut se produire. Les résultats seront utilisés dans l'élaboration de stratégies visant à aider les Canadiens et Canadiennes à se conformer volontairement à leurs obligations de paiement d'impôt.

Au cours de la discussion de recherche, nous ne vous poserons aucune question sur les détails particuliers de votre propre situation fiscale et votre identité personnelle ne sera pas divulguée à l'Agence du revenu du Canada. Il y aura plutôt une discussion plus générale sur les opinions des gens au sujet des procédures et des règlements se rapportant au paiement de l'impôt sur le revenu.

Note à l'intention du recruteur : si un participant exige une validation qu'il s'agit bien d'un projet de recherche légitime, veuillez lui recommander de communiquer avec :

*Karl St-Pierre
Agent recherche
Division des affaires publiques
Agence du revenu du Canada
613-957-3513*

DISCUSSION GUIDE

Self-Employed Taxpayer Attitudes on Payment of Debt and Compliance

1) Introduction (10 minutes)

- a) **Introduce self, and explain purpose of research:** This research is being sponsored by the Government of Canada, and specifically by the Canada Revenue Agency (CRA).

In general terms, the discussion will be on your thoughts and opinions about rules and procedures related to income tax payment. We are interested in people's attitudes towards owing money in general and towards owing income tax in particular. We are also interested in the situation in which someone is late in making an income tax payment, and perhaps also late in filing their income tax return. I'm interested in why this can occur, in how a person might feel about being late, and in what people know and think about what happens if they are late making an income tax payment or don't make the payment at all.

I want to be clear that we are not talking about tax cheating tonight. By tax cheating I mean deliberately hiding income so as to never pay any tax at all on that income. Rather, our focus tonight is on the situation of simply being late making an income tax payment, and perhaps also being late filing the associated income tax return.

One thing that all of you have in common is that at some point in the past 5 years or so you have been late for one reason or another with an income tax payment, so all of you have some understanding of how this can occur, and probably some opinions about how the CRA handles this situation. We are not going to ask you about the specifics of your situation, but rather will ask more general questions about what you know and what your opinions are. Another thing that you all have in common is that you are self-employed, so you're all involved in a business.

- b) **Review group discussion procedures:**

- Role of moderator
- There are no right or wrong answers; just want everyone to participate and offer your own views, and to feel free to agree or disagree with others in the group
- Confidentiality: neither your name nor the name of your business will appear in the report
- Recording: The session is being audio-recorded. The recording is for my use only to help in preparing the report on this research, and will not be provided to the Canada Revenue Agency.
- Presence of observers from the CRA – they are not given your name or the name of your business; they are here to observe the moderator and to increase their general understanding of the topics we are discussing tonight
- Description of facilities (washrooms, front desk for incentives)
- Please turn off cell phones and any other devices
- Discussion to last 2 hours

- c) **Any questions?**

- d) **Participant self-introductions:** First name, what sort of work do you do as a self-employed person

2) Warm-up: General attitudes towards taxation levels (15 minutes)

- a) To help you start thinking about income taxes and tax payment, please take a few minutes to complete this questionnaire (pass out and review questionnaire; explain that for Q.1 they will not be asked for their personal opinion, but rather will be asked for each point of view on why some people feel that way)
- b) My main focus will be on Questions 2 and 3 on the questionnaire, but briefly I'd like to talk about your views on Question 1:
 - Why do you think some people feel the public pays too much federal income tax compared to the services provided by the federal government?
 - Why do you think some other people feel the amount of federal income tax the public pays is appropriate given the services provided by the federal government?

3) Circumstances/reasons for late payment or filing (30 minutes)

- a) Do vote on Q.2 -- how common it is to pay late (no discussion)
- b) After a tax year has ended, what is your understanding of the date by which self-employed people such as yourself are supposed to pay any income taxes owing for that tax year?
- c) With regard to self-employed people who are late making an income tax payment or those who don't pay at all, how do you think most tend to feel about this? Do you think it is a big deal, or not really? Do you see it as similar to carrying other forms of debt such as carrying a balance on your credit card, or do you see it as different from other forms of debt? And more generally, how do you feel about owing money?
- d) Discuss Q.3: With regard to self-employed people who are late making an income tax payment or those who don't pay at all, what are all the different circumstances and reasons you can think of for why this might sometimes happen?

(As circumstances/reasons are mentioned, probe for: Perception of how common it is, and any ideas for how the situation could be addressed by the CRA so that the person avoids late payment/filing or minimizes the degree of lateness)

If not mentioned, probe:

-- Lack of money to make the payment

Follow-up: Where does paying an income tax amount owing rank compared to other expenses and debts a self-employed person may have? What priority does it have compared to other priorities?

-- Not aware of the possibility for payment arrangements

-- Lack of awareness of payment deadline

-- Too complicated to figure out what is owing

-- Procrastination, i.e. leave the process of completing and filing a return until too late to meet the deadline

-- Deliberate choice not to pay, even though the person may have the means to pay

Follow-up probes (but, limit discussion so as not to adversely influence the tone of the group):

“Lots of other people don’t pay, so why should I”

Attitudes towards the tax system -- e.g. fairness; level of taxation

Attitudes towards government -- e.g. how tax dollars are spent

- Sometimes self-employed people who owe income tax at tax filing time do not file their tax return by the deadline. Rather, they are late both with paying the tax and filing the return. Why do you think sometimes people are also late with filing their tax return?

4) Reasons for paying or filing on time (20 minutes)

We have talked about why self-employed people sometimes might be late paying their income tax. Now let’s look at the other side. What are the reasons why people pay or file on time?

If not mentioned, probe:

- Basic desire to follow the rules, or civic duty (probe carefully so as not to offend)
- Try to avoid closer attention by the CRA now or in the future
- Avoid embarrassment in the event other people find out you paid late
- Avoid the consequences of being late (*note to moderator: be sure to ask the following in all groups*)

How knowledgeable were you of the possible consequences, such as interest and penalties, when you ended up being late with an income tax payment?

From what sources (if any) had you learned about possible interest and penalties?

Was the information helpful? If so, in what way? How could it have been made more useful?

What role did possible interest or penalties play in your thinking at the time?

If you ended up getting charged interest or a penalty, was it about what you expected it might be, or not? If not, was it less than you expected, or more?

5) Information about late payment or filing (25 minutes)

I would like you to think back to the actions of the CRA in connection with your being late in making a tax payment or filing a tax return.

- Were communications from the CRA . . .
 - Clear?
 - Timely?
 - Appropriate in tone?
 - Responsive to any information or requests provided by you?
- Was it sufficiently clear what the interest or penalty charges were? How did you learn what these charges were?
- Were you provided with sufficient information on what to do and on any options you might have had (e.g. payment arrangements)?

- What are your sources of information about filing deadlines, tax debt payment, or interest or penalties?
- Have you ever used the CRA Web site to try to get information about filing deadlines, tax debt payment, or interest or penalties?

If no: Any particular reason why not?

If yes: Was it useful/clear? What information did you find useful?

Was it easy to find what you were looking for, or not really?

Do you have any suggestions for improving the Web site in terms of providing these types of information?

- Do you have any suggestions for how the CRA might change its communications with self-employed people who are late in paying or in filing their tax return? (probe as necessary to understand the purpose of each suggested change -- e.g. to be more sensitive/respectful, to be more effective in conveying information, to be more effective in collections, etc.)

Is there anything the CRA could have done differently to help you deal with the late payment more quickly or to avoid the late payment altogether?

Do you have any suggestions for how the CRA might get more self-employed people to **file** their income tax return on time? Do you have any suggestions for how the CRA might make it easier for people to **pay**?

6) Reaction to interest and penalty charges (15 minutes)

Here is information from the CRA Web site on interest and penalty charges (pass out description).

Did you know this at the time you were late with paying or filing? If no, would you have done anything differently at the time had you known this?

Subjectively speaking, how significant do you think these charges will look to people? How significant do they appear relative to other financial obligations and debts people may have?

7) Wrap-up (5 minutes)

Do you have any other suggestions for things the CRA could do to reduce the likelihood of late payment? For decreasing the length of time that people owe the CRA money?

Do you have any other suggestions for things the CRA could do to reduce the likelihood of late filing of the income tax return?

Thank participants for their input.

QUESTIONNAIRE

- 1) Some people feel that the amount of federal income tax the public pays is appropriate given the services provided by the government. Other people feel the public pays too much federal income tax compared to the services provided by the government.

Which of these two points of view is closest to your own?

The amount of federal income tax paid is appropriate 1
given the services provided by the government

The public pays too much federal income tax relative to the 2
services provided by the government

Why do you feel this way? What, if anything, have you seen or heard that contributes to this view?

- 2) Among self-employed people who still have tax owing at income tax filing time, how common do you guess it is that these people are late making the tax payment? (that is, they pay at some point after the due date)

Quite common 1

Somewhat common 2

Not very common 3

- 3) With regard to self-employed people who are late making an income tax payment, what are all the different circumstances or reasons you can think of for why this might sometimes happen?

Information about interest and penalties for personal income tax

Interest

If you have a balance owing for income tax, the compound daily interest is **5%** starting May 1, on **any unpaid amounts owing**. This includes any balance owing if your return is reassessed. In addition, there are also interest charges on the penalties starting the day after your return is due. The rate of interest charged can change every three months.

Late-filing penalty

If you owe tax for 2016 and do not file your return for 2016 on time, you will be charged a late-filing penalty. The penalty is **5%** of your 2016 balance owing, **plus 1%** of your balance owing for each full month your return is late, to a maximum of **12 months**.

If you are charged a late-filing penalty on your return for 2013, 2014, or 2015 your late-filing penalty for 2016 may be **10%** of your 2016 balance owing, **plus 2%** of your 2016 balance owing for each full month your return is late, to a maximum of **20 months**.

Even if you cannot pay your full balance owing on or before April 30, 2017, you can avoid the late-filing penalty by filing your return on time.

Individual income tax (self-employment)

Type of interest and penalty	When it applies	Amount charged
Failure to pay on time	Payment due date (April 30)	5% compound daily interest
Failure to file	Filing-due date (June 15)	5% on balance plus 1% on amount for each full month late
Repeated failure to file on time	Filing-due date (June 15)	10% on balance owing, plus 2% on balance owing for each full month late

Attitudes des contribuables travailleurs indépendants relatives au paiement des sommes dues et à la conformité

1) Introduction (10 minutes)

- a) **Présentez-vous et expliquez le but de la recherche** : Cette recherche est parrainée par le gouvernement du Canada et, plus précisément, par l'Agence du revenu du Canada (ARC).

La discussion portera en général sur vos impressions et opinions sur les règles et procédures en matière de paiement d'impôt sur le revenu. Nous nous intéressons aux attitudes des gens face aux dettes en général et, en particulier, aux dettes d'impôt sur le revenu. Nous nous intéressons également à la situation où une personne effectue un paiement d'impôt en retard en plus peut-être également de sa déclaration de revenus. Ce qui m'intéresse c'est pourquoi cela peut se produire, ce que la personne peut ressentir lorsqu'elle est en retard et ce que savent et pensent les gens des répercussions en cas de retard de paiement d'impôt ou de non-paiement.

Je veux qu'il soit clair que nous ne sommes pas ici ce soir pour discuter de fraude fiscale. Par fraude fiscale, j'entends consciemment dissimuler un revenu de façon à ne jamais devoir payer d'impôt, quel qu'il soit, sur ce revenu. Nous nous concentrerons plutôt ce soir sur la situation où une personne effectue un paiement d'impôt en retard en plus peut-être également de la déclaration de revenus qui s'y rapporte.

Vous avez tous un point en commun : Il vous est tous arrivé d'effectuer à un certain moment donné durant les cinq dernières années environ un paiement d'impôt en retard. Vous comprenez donc tous comment cela peut se produire et avez probablement certaines opinions sur la façon dont l'ARC gère la situation. Nous n'allons pas vous interroger sur les détails de votre situation personnelle. Nous allons plutôt vous poser des questions d'ordre plus général et solliciter vos opinions. Vous avez tous une chose en commun, c'est-à-dire que vous êtes tous travailleurs indépendants et prenez donc part à l'exploitation d'une entreprise.

- b) **Passez en revue les consignes relatives à la discussion de groupe** :

- Rôle du modérateur
- Il n'y a ni bonnes ni mauvaises réponses; je veux seulement que vous participiez et que vous donniez vos propres opinions, et n'hésitez pas à être d'accord ou en désaccord avec les autres participants au groupe
- Confidentialité : ni votre nom ni la raison sociale de votre entreprise ne figureront dans le rapport
- Enregistrement : la séance est enregistrée sur bande sonore. Moi seul(e) utiliserai l'enregistrement pour m'aider à préparer le rapport sur cette recherche, qui ne sera pas remis à l'Agence du revenu du Canada.
- La présence d'observateurs de l'ARC : votre nom ne leur est pas divulgué ni celui de votre entreprise; ils sont ici pour observer le modérateur et pour acquérir une certaine compréhension des sujets dont nous discuterons ici ce soir.
- Description des installations (toilettes, réception pour la distribution des incitatifs).

- Veuillez éteindre vos téléphones cellulaires et tous autres appareils.
- La discussion durera deux heures.

c) **Vous avez des questions?**

- d) **Les participants se présentent** : prénom; le genre de travail que vous faites en tant que travailleur indépendant.

2) Préparation : Les attitudes en général à l'égard des taux d'imposition (15 minutes)

- a) Pour aider à vous mettre dans le contexte de l'impôt sur le revenu et des paiements d'impôt, prenez quelques minutes et remplissez le questionnaire que voici. (Distribuez-le et passez-le en revue. Expliquez aux personnes qu'elles n'auront pas besoin de fournir leur opinion personnelle à la Q.1 comme telle, mais qu'on leur demandera plutôt de dire pourquoi, selon elles, dans chaque cas cité dans la Q.1, certaines personnes pensent ainsi.)
- b) Je vais mettre l'accent sur les questions 2 et 3 du questionnaire, mais j'aimerais discuter brièvement avec vous de la question 1 :
- À votre avis, pourquoi certaines personnes croient-elles que le public paie trop d'impôt fédéral sur le revenu par rapport aux services qu'offre le gouvernement fédéral?
 - À votre avis, pourquoi certaines autres personnes croient-elles que le montant d'impôt fédéral sur le revenu que paie le public est approprié par rapport aux services qu'offre le gouvernement fédéral?

3) Circonstances/raisons du retard de paiement ou de production de la déclaration (30 minutes)

- a) Demandez un vote sur la Q.2 -- Dans quelle mesure les retards de paiements sont-ils chose courante (pas de discussion)
- b) À la fin d'une année d'imposition, quelle est, selon vous, la date à laquelle les travailleurs indépendants tels que vous sont censés payer l'impôt qu'ils doivent pour l'année en question?
- c) Dans le cas des travailleurs indépendants effectuant un paiement d'impôt en retard ou ceux qui ne paient pas du tout, selon vous, qu'est-ce que la plupart d'entre eux ont tendance à penser à cet égard? Pour ces personnes, est-ce grave ou pas vraiment selon vous? Selon vous, est-ce semblable à d'autres formes de dettes comme, par exemple, le solde d'une carte de crédit ou croyez-vous qu'il s'agit d'une dette différente des autres? Et plus généralement, que pensez-vous du fait de devoir de l'argent?
- d) Discussion de la Q.3 : Dans le cas des travailleurs indépendants effectuant un paiement d'impôt en retard ou ceux qui ne paient pas du tout, quelles sont les diverses circonstances ou raisons pour lesquelles vous croyez que cela peut parfois se produire?
(À mesure que sont mentionnées les circonstances ou les raisons, approfondissez : Perception de la mesure dans laquelle il s'agit d'une chose courante et idées sur la façon dont l'ARC pourrait gérer la situation pour que la personne évite les retards de paiements et/ou de production des déclarations ou diminue la durée de ces retards)

Si ces éléments ne sont mentionnés, approfondissez :

- Manque d'argent pour effectuer le paiement
Suivi : Où se situe le paiement d'une dette d'impôt sur le revenu par rapport aux autres dépenses et dettes qu'un ménage constitué de travailleurs indépendants peut avoir? Quelle priorité ce paiement a-t-il par rapport aux autres priorités?
- Pas au courant des possibilités d'ententes de paiements
- Méconnaissance de l'échéance du paiement
- Calcul du montant à payer trop compliqué
- Report à plus tard, c'est-à-dire attendre pour remplir et produire une déclaration jusqu'à ce qu'il soit trop tard pour en respecter la date d'échéance
- Choisir délibérément de ne pas payer, même si on a les moyens
Posez des questions d'approfondissement ou de suivi (mais veillez à limiter la discussion de façon à ne pas influencer négativement le ton de la rencontre) :

« Bien des gens ne paient pas; pourquoi le devrais-je? »

Attitudes à l'égard du système d'imposition -- p. ex., équité, taux d'imposition

Attitudes à l'égard du gouvernement -- p. ex., la façon dont sont dépensés les impôts

Il arrive parfois que les travailleurs indépendants qui doivent de l'impôt au moment de la production des déclarations de revenus ne produisent pas la leur à temps. Ils sont donc en retard à deux égards, à savoir le paiement d'impôt et la production de leur déclaration de revenus. Pourquoi croyez-vous qu'il arrive aussi parfois que les gens produisent leur déclaration de revenus en retard?

4) Raisons pour lesquelles le paiement d'impôt et la production des déclarations de revenus se font dans les délais prescrits (20 minutes)

Nous avons parlé des raisons pour lesquelles les travailleurs indépendants effectuent parfois leur paiement d'impôt en retard. Considérons maintenant l'envers de la médaille. Pour quelles raisons les gens effectuent-ils leur paiement d'impôt ou produisent-ils leur déclaration de revenus à temps?

Si ces éléments ne sont mentionnés, approfondissez :

- Désir foncier de respecter les règles, devoir civique (approfondissez avec diplomatie pour ne pas offusquer)
- Pour essayer d'éviter d'attirer de plus près l'attention de l'ARC actuellement et à l'avenir
- Pour éviter tout embarras au cas où les autres découvriraient que vous n'avez pas payé à temps
- Éviter les conséquences d'être en retard (*à l'attention du modérateur : assurez-vous de poser les questions suivantes à tous les groupes*)

Lorsqu'il vous est arrivé d'effectuer un paiement d'impôt en retard, dans quelle mesure étiez-vous au courant des conséquences possibles, telles que de devoir payer des intérêts ou d'encourir une pénalité?

Où (s'il y a lieu) aviez-vous appris l'existence de ces intérêts et de cette pénalité?

L'information a-t-elle été utile? Dans l'affirmative, de quelle manière? Comment aurait-elle pu être plus utile?

Sur le moment, comment ces intérêts ou cette pénalité ont-ils influencé votre façon de penser?

Si vous avez dû en bout de ligne payer des intérêts ou encourir une pénalité, était-ce à peu près ce à quoi vous vous attendiez ou non? Dans la négative, était-ce moins ou plus élevé que ce à quoi vous vous attendiez?

5) Information à l'égard du retard de paiement d'impôt ou de production des déclarations de revenus (25 minutes)

Je voudrais que vous repensiez aux mesures de l'ARC par rapport à votre retard de paiement d'impôt ou de production de déclaration de revenus.

- Les communications provenant de l'ARC :
 - Étaient-elles claires?
 - Étaient-elles pertinentes?
 - Leur ton était-il approprié?
 - Répondaient-elles à l'information ou aux requêtes que vous lui aviez fait parvenir?
- Les renseignements fournis sur les frais d'intérêts ou de pénalité étaient-ils suffisants? Comment avez-vous appris en quoi consistaient ces frais?
- Vous a-t-on fourni suffisamment d'information sur ce que vous deviez faire et sur les options qui s'offraient peut-être à vous? (p. ex., ententes de paiements)?
- Quelles sont vos sources d'information concernant les dates limites de production des déclarations, le paiement des dettes d'impôt, les intérêts ou les pénalités?
- Vous est-il déjà arrivé d'utiliser le site Web de l'ARC pour essayer d'obtenir de l'information à propos des dates limites de production des déclarations, des montants des paiements d'impôt, des intérêts ou de la pénalité?

Si « non » : Y a-t-il une raison particulière pour ne pas l'avoir utilisé?

Dans l'affirmative : L'avez-vous trouvé utile/clair? Quelle information avez-vous trouvée utile?

Vous a-t-il été facile de trouver ce que vous cherchiez, ou pas vraiment?

Avez-vous des suggestions afin d'améliorer le site Web sur la façon de fournir ces types d'information?

- Avez-vous des suggestions sur la façon dont l'ARC pourrait modifier ses communications à l'endroit des travailleurs indépendants qui effectuent leurs paiements d'impôt ou qui produisent leur déclaration de revenus en retard? (Approfondissez autant que nécessaire pour comprendre le but de chaque suggestion de modification -- p. ex., faire preuve de plus

de délicatesse/respect; communiquer l'information de façon plus efficace; effectuer le recouvrement de façon plus efficace, etc.)

L'ARC aurait-elle pu agir autrement pour vous aider à gérer le retard plus rapidement ou pour l'éviter complètement?

Avez-vous des suggestions à faire sur la façon dont l'ARC pourrait s'y prendre afin que plus de travailleurs indépendants **produisent** leur déclaration de revenus à temps? Avez-vous des suggestions à faire à l'ARC pour faire en sorte que les gens puissent plus facilement **effectuer leurs paiements**?

6) Réaction à l'égard des frais d'intérêts et de pénalité (15 minutes)

Voici de l'information provenant du site Web de l'ARC sur les frais d'intérêts et de pénalité (distribuez le document).

Le saviez-vous au moment où le retard du paiement d'impôt ou de production de la déclaration de revenus s'est produit? Dans la négative, si vous l'aviez su, auriez-vous agi autrement?

Subjectivement parlant, dans quelle mesure, selon vous, les gens perçoivent-ils ces frais comme étant élevés? Quelle est leur importance par rapport aux autres obligations financières et dettes que les gens peuvent avoir?

7) Clôture (5 minutes)

Avez-vous d'autres suggestions sur ce que pourrait faire l'ARC pour diminuer le risque de retards des paiements? Pour réduire la durée pendant laquelle les gens lui doivent de l'argent?

Avez-vous d'autres suggestions sur ce que pourrait faire l'ARC pour diminuer le risque de retards de production de déclarations de revenus?

Remerciez les participants de leur apport à la discussion.

QUESTIONNAIRE

- 1) Certaines personnes sont d'avis que le montant d'impôt fédéral sur le revenu que le public paie est approprié par rapport aux services offerts par le gouvernement. D'autres, en revanche, croient que le public en paie trop par rapport aux services offerts par le gouvernement.

Lequel de ces deux points de vue se rapproche le plus du vôtre?

Le montant d'impôt fédéral sur le revenu est approprié par rapport aux services offerts par le gouvernement 1

Le public paie trop d'impôt fédéral sur le revenu par rapport aux services offerts par le gouvernement 2

Qu'est-ce qui vous fait penser ainsi? Qu'avez-vous vu ou entendu, le cas échéant, qui contribue à ce point de vue?

- 2) Parmi les travailleurs indépendants qui doivent encore de l'impôt quand arrive la période de production des déclarations de revenus, dans quelle mesure croyez-vous qu'il est chose courante pour ces personnes d'effectuer en retard leur paiement d'impôt? (c'est-à-dire de payer à un certain moment après la date d'échéance du paiement)

Chose assez courante 1

Chose plutôt courante 2

Chose pas très courante 3

- 3) Dans le cas des travailleurs indépendants qui effectuent un paiement en retard, quelles sont les diverses circonstances ou raisons pour lesquelles vous croyez que cela peut parfois se produire?

Information sur l'intérêt et les pénalités liés à l'impôt sur le revenu des particuliers

Intérêt

Si vous avez un solde pour l'impôt sur le revenu, l'intérêt quotidien composé est de **5%** débutant le 1^{er} mai sur **tout montant impayé dû**. Ceci inclus tout solde dû si votre déclaration est réévaluée. En plus, il y a aussi des intérêts sur les pénalités débutant lorsque votre déclaration est due. Le taux d'intérêt chargé peut changer tous les trois mois.

Pénalité pour production tardive

Si vous devez de l'impôt pour 2016 et ne produisez pas votre déclaration de 2016 à temps, vous devrez payer une pénalité pour production tardive. La pénalité est de **5%** du solde dû pour 2016, **plus 1%** du solde dû pour chaque mois complet où votre déclaration est en retard jusqu'à un maximum de **12 mois**.

Si vous devez payer une pénalité pour production tardive sur vos déclarations pour 2013, 2014 ou 2015, votre pénalité pour 2016 peut être de **10%** de votre solde dû pour 2016, **plus 2%** de votre solde dû en 2016 pour chaque mois complet où votre déclaration est due, jusqu'à un maximum de **20 mois**.

Même si vous ne pouvez pas payer votre solde dû avant le 30 avril 2017, vous pouvez éviter la pénalité pour production tardive en produisant votre déclaration à temps.

Impôt sur le revenu des particuliers (travail indépendant)

Genre d'intérêt et pénalité	S'applique quand	Montant facturé
Défaut de payer à temps	Date limite de paiement (30 avril)	5% intérêt quotidien composé.
Défaut de produire	Date limite de production (15 juin)	5% des montants dus, plus 1% du solde dû pour chaque mois complet en retard.
Défaut répété de produire à temps	Date limite de production (15 juin)	10% du montant dû, plus 2% du solde dû pour chaque mois complet en retard.