Canada Revenue Agency Agence du revenu du Canada

Enhancing Digital Services for Corporations

Executive Summary

Prepared for Canada Revenue Agency

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Canada

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Prepared for Canada Revenue Agency by Quorus Consulting Group Inc.
March 2019

This public opinion research report presents the results of a series of focus groups conducted by Quorus Consulting Group Inc. on behalf of the Canada Revenue Agency. A total of 8 focus groups were conducted between January 14th and the 17th in four different cities across Canada.

Cette publication est aussi disponible en français sous le titre : Améliorer les services numériques pour les sociétés

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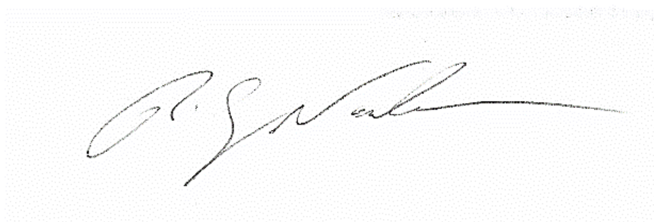

Rick Nadeau, President
Quorus Consulting Group Inc.

Executive Summary

Research Purpose and Objectives

The Canada Revenue Agency (CRA) is constantly looking to improve or enhance its digital service offerings. For corporations, or ‘T2’ users, these digital services are delivered primarily through third-party T2 tax preparation software, or through the CRA’s secure online portals: My Business Account (MyBA) and Represent a Client (RAC). Digital services offered through these two vehicles were therefore chosen as the focus of this research.

T2 tax preparation software is central to most T2 Corporation Income Tax return filing. Internal CRA data reveals that the majority of T2 returns are prepared and filed using software. T2 tax preparers have indicated their preferred way of interacting with the CRA is through T2 tax preparation software packages. Consequently, the CRA is working to develop new or enhanced features that would allow software vendors to add new services within their products that improve the user’s experience. In October 2017, the CRA introduced the Attach-a-Doc and the T2 Auto-fill features to certified tax preparation software, and more recently Pre-filing Validation was introduced.

Furthermore, a number of other features and services reside on the MyBA/RAC portal. These include current and historical data displays and an email notification service. New features and services are being considered for development, such as a progress tracker and an activity history log.

The findings from this project will address two specific research needs:

1) Help the CRA improve and enhance services it offers through T2 tax preparation software; and

2) Help the CRA improve and enhance T2 services offered through MyBA/RAC.

Methodology

The research methodology consisted of eight traditional, in-facility focus groups with business owners and intermediaries. The groups were held between January 14th and January 17th, 2019, in four different locations across the country: Halifax, NS, Kitchener-Waterloo, ON, Edmonton, AB, and Quebec City, QC. A total of five sessions were conducted with intermediaries (both sessions in Quebec City were with intermediaries) and three sessions comprised of business owners. Each session lasted two hours, participants received a $150 honorarium and the recruitment process sought a good representation of industry types and sizes among business owners and a mix of company sizes among intermediaries. All focus groups were moderated by Rick Nadeau, one of Quorus' bilingual senior researchers on the Government of Canada Standing Offer.

Qualitative Research Disclaimer

Qualitative research seeks to develop insight and direction rather than quantitatively projectable measures. The purpose is not to generate "statistics" but to hear the full range of opinions on a topic, understand the language participants use, gauge degrees of passion and engagement and to leverage the power of the group to inspire ideas. Participants are encouraged to voice their opinions, irrespective of whether or not that view is shared by others.

Due to the sample size, the special recruitment methods used, and the study objectives themselves, it is clearly understood that the work under discussion is exploratory in nature. The findings are not, nor were they intended to be, projectable to a larger population.

Specifically, it is inappropriate to suggest or to infer that few (or many) real world users would behave in one way simply because few (or many) participants behaved in this way during the sessions. This kind of projection is strictly the prerogative of quantitative research.

Research Key Findings

T2 Tax Preparation Software Services

CRA digital services offered through T2 tax preparation software were presented to intermediaries: T2 Auto-fill, Attach-a-Doc and Pre-filing Validation.

T2 Auto-fill

There was limited awareness of and interest in the T2 Auto-fill feature. The appeal of this new feature is low primarily because intermediaries prefer using their carry-forward data rather than "importing" data from the CRA which, in their opinion, may or may not be accurate or updated.

Intermediaries felt this feature would, however, be helpful for situations where they are preparing a T2 return for a new client. They also believed that the Auto-fill feature could be useful for certain schedules (e.g. schedule 8), some of which are considered tedious to complete manually.

Few seemed to believe that capital dividend account (CDA) data would be available via this feature seeing as they currently need to request that information from the CRA and that it takes many months to obtain it. If the Auto-fill feature could genuinely generate up-to-date CDA data, intermediaries would certainly become more interested in the feature.

Overall Appeal of the T2 Auto-fill Feature: Limited

Attach-a-Doc

There was also limited awareness of and interest in the Attach-a-Doc feature. Feedback showed that both business owners and intermediaries avoid submitting documents unless they are specifically requested by the CRA.

The discussion was broadened to obtain feedback on the "Submit Documents" feature in the MyBA/RAC portal. This feature is well known and has been used by many owners and intermediaries. Most past users consider the feature important and easy to use.

- Although few have encountered any challenges in terms of the number of documents they can upload or the size of the files, some do feel there should not be any constraints at all.

Overall Appeal of the Attach-a-Doc Feature: Limited
Overall Appeal of the Submit Documents Feature: High

Pre-filing Validation

Intermediaries did not seem to believe that there is genuine value in a Pre-filing Validation feature in their tax preparation software. Most of the benefits that the service would seem to offer are not addressing any real challenges faced by intermediaries:

- The three pieces of critical information being validated are very rarely wrong.
- In the rare instance where this information is wrong, it is easily corrected.
- Filings rarely happen at the last minute.

When exploring the potential for a feature that would improve the management of non-critical errors, very few intermediaries were interested in receiving *more* diagnostics from their tax preparation software. Interest in a 'pre-file' service with the CRA was also quite limited, mostly on the grounds that intermediaries do not want to transfer data or information to the CRA unless it is requested or required while some did not want the CRA to have data that is not "finalized."

Overall Appeal of the Pre-Filing Validation Feature: Limited

MyBA and RAC Services

The discussions then focused on features and services already available in the MyBA/RAC portals.

Current and Historical T2 Data in MyBA/RAC

Nearly all business owners and intermediaries were aware that they can access current and historical data through their portal. This feature is regularly used and highly valued by intermediaries. Even though it is not used regularly by business owners, it is nonetheless valued. Both segments also considered this feature easy to use.

The most noteworthy improvement that both segments identified was increasing the number of years for which data is available to seven years. Although available for any corporation that has requested a balance verification in the past, intermediaries were skeptical that CDA data is available in the portal. Should this data be available, it would be considered highly valuable.

Overall Appeal of Current and Historical Data: High

Email Notifications

Awareness of this feature was high among intermediaries and low to moderate among business owners. Overall, few participants were registered and few seemed interested in signing up. The main barriers among business owners included:

- Concerns that an email from the CRA would get lost among the many emails they already receive.

- Not being able to distinguish between legitimate CRA emails and scams.
- Preferring paper copies of everything coming from the CRA.
- The attention-grabbing impact of the "brown envelope."

Some business owners would like the option of receiving *both* an email and a hard copy in the mail. Some business owners also liked the idea of receiving paper notifications while their accountant received an email. This scenario was however less appealing to intermediaries.

Intermediaries tended to fall into one of two camps when it comes to notifications. Some believed that their clients need to take some ownership of their relationship with the CRA and therefore be the primary recipient of all correspondence. Others believed that they have some responsibility for managing their client's relationship and interactions with the CRA and should be kept informed of any communication coming from the CRA.

The following ideas would seem to have some traction when it comes to notifications:

- A few business owners liked the idea of receiving notifications via a mobile app and/or as a text message.
- Correspondence and documents should get uploaded to the portal irrespective of whether the business owner is registered for email notifications.
- Some would like to customize how they are notified depending on the topic or issue since some of these tend to be more urgent than others.

Overall Appeal of Email Notifications: Moderate (if customization is enabled)

Tools and Features Under Development or Under Consideration

A series of tools and features under development or under consideration by the CRA was then presented to focus group participants.

Progress Tracker

Both business owners and intermediaries were interested in tracking the progress of items, especially the ones that would typically involve uncertainty in the CRA's turnaround time and items that would typically require them to call the CRA for updates. Intermediaries believe this sort of tool would better equip them to answer enquiries from their clients. Both owners and intermediaries expected this sort of tool to reduce the amount of time they spend on the phone with the CRA trying to obtain information or status updates.

The most common types of items users would want to track include: a formal dispute, notice of objection or appeal; an audit; a reassessment, and, a request for information or an enquiry. The most common milestones participants would like to see in the tracker are:

- Received

- Assigned (ideally providing a CRA contact name and contact information)
- Expected completion
- Additional information requested / awaiting response from the taxpayer
- Delays
- Completed

Participants explained that the value of this sort of tool would be seriously curtailed if it was not accurate or if some of the information was too broad.

Consistent with earlier feedback received around the email notification service, business owners and intermediaries would like to customize how they are notified when milestones are reached.

Overall Appeal of the Progress Tracker: High

Notice of Assessment Accelerated Delivery for Online Mail Registrants

This feature has very limited appeal for two main reasons. Firstly, very few participants genuinely value receiving the Notice of Assessment (NOA) the next business day – in fact, nearly all participants are pleased with the current turnaround time on returns. Secondly, the added requirement to be an online mail registrant was considered an irritant. Participants could not understand why they could not have their electronic NOA posted in the portal even if they were not signed up for online mail delivery.

Overall Appeal of NOA Accelerated Delivery for Online Mail Registrants: Limited

Activity History

Although most business owners trust their accountants and internal representatives, many believe having a track record of their activity represents a sound business practice. They would appreciate as much activity history detail as possible through this feature.

A general discussion on an activity log was held with intermediaries, many of whom would appreciate a log of the documents they have uploaded to the CRA along with their confirmation numbers. The current requirement to print and/or download a PDF as proof of activity is considered inconvenient.

Overall Appeal of Activity History: Moderate

Feedback on Access Limitations

Intermediaries are not inconvenienced by having their RAC session time out after 18 minutes of inactivity or having to log in for every new or different Business Number (BN) they want to access through the portal. From their perspective, these security measures are justified and in line with many other security measures taken by other institutions (e.g. bank websites).

Overall Thoughts About New Features and Services

The portal is currently well viewed by users. On a scale from 0 to 10, where 10 means they are extremely satisfied, most business owners score the portal at around a 7 while ratings among intermediaries were primarily 7s and 8s with very few giving scores below 7.

If the CRA were to introduce the various digital enhancements, including some of the suggestions proposed throughout the sessions, most believe their satisfaction rating would increase by at least 1 full point.

The features that would have the most meaningful impact on their satisfaction would be:

- The progress tracker,
- Current and historical data, especially if it included 7 years of data and,
- A customizable notification system that would allow users to also determine if they can receive both paper and email notifications in specific situations.

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