



Canada Revenue  
Agency

Agence du revenu  
du Canada

# ***Taxpayer Attitudinal Segmentation Research 2018/2019***

## **Executive Summary**

### **Prepared for Canada Revenue Agency**

Supplier Name: Phoenix SPI  
Contract Number: 46558-195043-001\_CY  
Contract Value: \$159,253.05 (including HST)  
Award Date: 2018-12-20  
Delivery Date: 2019-08-13

Registration Number: POR 079-18

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## **Executive Summary**

Prepared for the Canada Revenue Agency  
Supplier name: Phoenix Strategic Perspectives Inc.  
August 2019

This public opinion research report presents the results of a 16-minute telephone survey of 3,001 Canadians 18 years of age and older conducted between January 15 and February 8, 2019.

Cette publication est aussi disponible en français sous le titre : Segmentation des contribuables sur l'observation fiscale de 2018/2019.

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**Catalogue number:**  
**Rv4-134/2019E-PDF**

**International Standard Book Number (ISBN):**  
**978-0-660-31882-0**

**Related Publication (Registration Number: POR 079-18):**

Catalogue number Rv4-134/2019F-PDF (Executive summary, French)

ISBN: 978-0-660-31883-7

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## Executive Summary

Canada Revenue Agency (CRA) is planning to develop new communications and marketing initiatives with the goal of improving voluntary tax compliance among Canadians. To support these initiatives, CRA commissioned Phoenix Strategic Perspectives Inc. (Phoenix SPI) to conduct a 16-minute random digit dialling (RDD) telephone survey with 3,001 Canadians 18 years of age and older between January 15 and February 8, 2019. Based on a sample of this size, the overall findings can be considered accurate to within  $\pm 2.1\%$ , 19 times out of 20 (adjusted to account for sample stratification). This research was first conducted in 2010-2011. The purpose of year's research was to assess how, if at all, Canadians' attitudes and behaviour towards tax compliance have changed over time. CRA intends to use the research findings to help develop communications and marketing initiatives aimed at improving voluntary tax compliance.

Key findings of the research include:

- *Canadians' general views on the fairness of taxes are more positive in 2019 than they were in 2011.* Fewer Canadians believe that they pay more than their fair share of taxes (55%; compared to 61% in 2011) and that Canadians pay too much in taxes (54%; compared 58%). In addition, this year, more Canadians agreed that the taxes they are required to pay are fair (45%) than in 2011 (34%).
- *Wealthy Canadians and businesses are not seen to be paying their fair share of taxes.* Smaller, and similar-sized, proportions believe that wealthy Canadians (28%) and corporations (27%) pay their fair share of taxes.
- *Most Canadians continue to take their tax responsibilities seriously.* Nearly nine in 10 (88%) agreed that paying taxes is a responsibility that should be willingly accepted by all Canadians and 85% agreed that it is their responsibility to pay their fair share of taxes.
- *Seven in 10 Canadians do not think it's OK to be paid in cash to avoid paying taxes.* Among those who think accepting cash payments to avoid paying taxes is OK at least some of the time, one in four put threshold for at less than \$1,000 unclaimed income.
- *Canadians view tax cheating as criminal and unacceptable, regardless of the amount.* Strong majorities disagreed that it is OK for them to not declare income received under the table on their tax return (76%), that tax cheating is not a real crime (78%), and that a small amount of tax cheating is not so bad (81%).
- *Most recognize at least some of the impacts of tax cheating.* Respondents were most likely to agree that if they cheat on their taxes there will be less money for government services (76%) and that taxes help governments do worthwhile things (70%).
- *Government-focused rationalizations about tax cheating continue to resonate.* Consistent with the findings from 2011, the rationalizations that focus on perceived government deficiencies resonated more than the other potential reasons for why it might be acceptable to cheat.
- *Shame and impact on reputation main concern for Canadians.* Large majorities of Canadians would feel ashamed to get caught cheating on taxes (83%) and think that if a company got caught tax cheating, it would have an impact on its reputation (80%). Opinion was divided as to whether most people who cheat on their taxes will eventually be caught.

- *Canadians' values and behaviours continue to be a good fit with the segments developed in 2011.*
  - Of the six segments, the two largest segments—*law abiders* and *altruistic compliers*—continue to represent almost half the population and are low-risk in terms of their propensity to cheat on their taxes. In communications terms, there is likely very little need to “preach to the converted” and target these segments with compliance messages.
  - Only a relatively small proportion of Canadians (*outlaws* at 13%) is very likely to cheat on taxes. Their attitudes and behaviours suggest that they can be expected to be resistant to messaging that attempts to change attitudes or behaviours vis-à-vis tax compliance.
  - The three middle segments continue to be of the greatest interest for targeted communications and interventions. *Rationalizers*, *underground economists*, and *over-taxed opportunists* are more of a risk to cheat on their taxes than *law abiders* and *altruistic compliers*, but their attitudes and values are not as firmly entrenched as *outlaws*.

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The contract value was \$159,253.05 (including HST).

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