



Canada Revenue  
Agency

Agence du revenu  
du Canada

# Enforcement Letter Qualitative Research

## Final Report

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

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

Canada 

# Enforcement Letter Qualitative Testing

## Final Report

Prepared for the Canada Revenue Agency by Sage Research Corporation

November 2019

The Canada Revenue Agency (CRA) commissioned Sage Research Corporation to conduct a qualitative public opinion research study on reactions to various letters and messaging intended to encourage filing by a person or business that has not filed a tax return. The CRA will use this research to review its policies, procedures, and communication to the non-filer target audience. Eight focus groups were conducted between August 22 and August 29, 2019, with two groups in each of Vancouver, Calgary, Toronto and Montreal. Four focus groups were conducted with individual non-filers for the 2017 tax year, and four focus groups with small business corporation non-filers for the 2017 tax year.

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## Executive Summary

The Canada Revenue Agency (CRA) commissioned Sage Research Corporation to conduct a qualitative public opinion research study regarding reactions to various letters intended to encourage filing by a person or business that has not filed a tax return. The CRA has found that its series of letters and notices sent to non-filers have different rates of compliance, and would like to get a better understanding of why first filing notices and subsequent follow-up rates differ.

One purpose of the research was to get feedback from non-filers on automated letter verses (TX-11, TX-14 and TX-14D notices) that are sent to non-filers to encourage filing compliance. The research also obtained feedback on some customized non-filer letters that might be sent by CRA agents, and on message concepts to encourage filing that might be used on social media and other venues.

The research objectives included exploring the following:

- Participant reactions to receiving correspondence from the CRA, and their understanding of filing requirements, and how the CRA might communicate these requirements to them outside of written correspondence,
- Participant reactions to various letters, regarding clarity, anything unclear or confusing, perceived impact of various elements in the letter on likelihood of filing, tone, suggestions for changes to automated letters (TX-11 “reminder” letter, and follow-up “request”/“demand” TX-14 and TX-14D letters) and select customized letters,
- Testing a variety of messaging that could help motivate compliance

The research will help the CRA understand why some individuals and small businesses do not respond to initial requests to file and how best to notify them to do so in a way that motivates voluntary (if late) compliance. The CRA will use this research to review its policies, procedures, and communication to non-filers. It will help to determine what changes can be made to increase the rate of compliance among non-filers in response to a letter before the CRA engages in more costly compliance activities.

Eight focus groups were conducted between August 22 and August 29, 2019, with two groups in each of Vancouver, Calgary, Toronto and Montreal. Four focus groups were conducted with Individual non-filers for the 2017 tax year, and four focus groups with Small Business corporation non-filers for the 2017 tax year.

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 represent 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 participants’ opinions and their reactions to the communication materials.

## ***Tax Filing: Knowledge and Opinions***

**Awareness of the tax return filing due date:** The majority of Small Business participants knew that Corporate tax returns are due six months after the fiscal year-end, and almost all Individual participants knew that the filing deadline for an Individual tax return is April 30.

**Perceived circumstances that do not require a tax return to be filed:** Almost all Small Business participants said they thought corporations always had to file a tax return. Among Individual participants there were mixed responses: some said they did not know if there were any circumstances when an individual is not required to file a tax return. Some participants stated they believed everyone is required to file, and some participants stated that no return is required if the person does not owe any tax amount.

**Perception of prevalence of late filing:** In both target groups, most participants felt late filing was quite to very common, essentially substantially overestimating the prevalence of late filing. It should be kept in mind that all of the participants were themselves late filers, suggesting they may have been projecting their own behaviour/experience onto the larger population.

**Circumstances resulting in a return not being filed on time:** Among Small Business participants, a frequent theme in participants' responses is that the business owner is busy and focused on the success of the business, with the result that the business may not be able to file the corporate return on time. In this rationale, the business has not deliberately decided to avoid filing for tax-related reasons; rather, the failure to file by the deadline is a result of lack of timely preparation. Some participants said new businesses may not understand what their tax filing obligations are, and/or what they need to do to be in position to file a return on time.

There were two circumstances mentioned in which a business deliberately decides not to file a tax return for tax-related reasons:

- The more common one was that the business owes tax, but does not have the money to pay the amount owed. Not filing a return can be perceived as a way of avoiding attracting the attention of the CRA.
- Another circumstance several mentioned is that the business does not have any outstanding tax owing at the filing deadline. The business owner may think that in this circumstance there is no penalty or interest associated with not filing, or that the amount would be small and therefore not a priority.

Among Individual participants, the two most common reasons mentioned for not filing by the deadline were:

- The person has outstanding tax owing, but does not have the money to pay.
- Preparing a tax return can be difficult or expensive.

**Other ways to communicate filing requirements:** Participants had difficulty coming up with ideas, but some suggestions included:

- Some Small Business participants said a mobile app could be useful. For example, one participant said the app could show the status of their CRA account, and give reminders on due dates.
- Some suggested providing courses or information on tax filing in schools or online courses.
- A few Individual participants suggested attaching some information about tax filing to T4 slips.

### ***CRA Envelope***

Letters sent by the CRA to individuals and businesses typically come in a brown envelope, with the Canada Revenue Agency identified as the sender. Participants were asked why a person or business receiving a letter from the CRA might not open it.

Among both Individual and Small Business participants, the primary reason mentioned for not opening the letter was avoidance of suspected stressful content. By not opening and reading the letter, psychological distress is reduced. A specific stressful scenario often mentioned was a recipient who knows they owe money to the CRA, but also knows they are unable to pay.

Participants were asked if they had any suggestions to address reluctance to open an envelope from the CRA. There were two sorts of suggestions for changes to the envelope: (1) to change the colour of envelope to a more “friendly” colour or to colour code envelopes based on the content, and (2) to write something on the outside of the envelope that is in some way pertinent to the contents. The benefits and challenges of these suggestions were further discussed.

### ***TX Letters***

Participants viewed and discussed three TX letters in the following order:

1. TX-11 “reminder” letter: Person or business has not filed a tax return, and receives this letter
2. TX-14 “request” letter: After receiving the TX-11 letter, the person or business has still not filed a tax return
3. TX-14D “demand” letter: The person or business had been charged a penalty for late filing in a previous year, and still has not filed after receiving the TX-11 letter

Individual participants were shown the T1 versions of these letters, and Small Business participants were shown the T2 versions.

Because of similarities in verses and structure, there are results that are common across some of the different letters and some that apply across the two target groups (Individuals and Small Business). Due to the similarities across letters, the summary below is organized by topic rather than by letter.

**Overall impact:** All of the TX letters clearly convey that they are about encouraging the recipient to file a tax return, however they differ in perceived likelihood of motivating filing:

- The TX-11 is perceived to have some likelihood to motivate filing, primarily as a result of the perceived “gentle” penalties and interest reminder.
- The TX-14 letter is perceived to be more likely to motivate filing than the TX-11 letter, because of the addition of a 30 day deadline for filing, and a statement that the CRA may assess the tax payable.
- The TX-14D letter was perceived by a majority of participants in both target groups to be more forceful than the TX-14 letter, particularly because of several uses of the word “demand” (“*demande formelle*” in French), and also the use of the word “must” in bold font. Some participants suggested the TX-14D letter replace the TX-14 letter.

**All TX letters – Penalties and interest:** This was perceived to be a motivating element. However, some participants commented that if the recipient thinks they do not owe any tax, the impact of the section can be considerably reduced. This is because the verse notes that penalties and interest are contingent on owing tax.

**All TX letters – Revise the order of the verses:** Quite a few participants in both target groups suggested the impact of all of the TX letters could be increased by revising the order of the verses. Basically, the suggestion was that the clarity and impact of the letters could be improved by focusing the first part of the letter on the purpose of the letter and the consequences of not filing, and putting the “information” portions of the letter after this. In the current letters, there are some “information” sections in between the statement of purpose and some statements of the consequences of not filing.

**All TX letters, but particularly TX-11 – Should offer help:** Many participants in both target groups suggested the TX-11 letter should offer help to the recipient. As currently worded, the letter is not perceived to offer help. The premise behind the suggestion is the view that often the reason for not filing is circumstantial, and not based on the determination to avoid filing. In terms of the type of help a recipient might want, help working out how to pay an amount owing was often mentioned, and some talked about difficulty with preparing a tax return. The overall suggestion was for the letter to convey that the CRA will work with and help the recipient to address their reasons for not filing. This suggestion was also made to some extent for the TX-14 and TX-14D letters, but participants also noted that these subsequent letters should have a “tougher” tone.

**All TX letters – Clarify *Call us at*:** Some participants in both target groups said the CRA’s intent behind saying *Call us at* is unclear: the comment was, “why would I call?” Some also said it is confusing as to whether or not this is a command to the recipient – i.e. that they must call. Participants suggested this be revised to clarify why or under what circumstances a recipient would call the CRA.

**T1 TX-11 & TX-14 – Filing a tax return is key to getting your benefits and credits:** Almost none of the participants in the Individuals focus groups spontaneously mentioned this as encouraging a person to file. Part of the issue is that the reference to *benefits and credits* may be too abstract, as some participants suggested that the impact could be increased by giving examples. A few participants were skeptical that a person getting the TX-11 would actually receive benefits, because of an assumption they were sent the letter because they owe tax, and/or the amount owing might be greater than any benefits or credits they may be entitled to.

**T2 TX letters - *Our online services make it faster and easier to handle your company's tax matters:***

Several participants said they thought this is essentially an over-promise, and can make preparing a tax return seem easier and faster than it really is. The concern was that this could lead a business facing a filing deadline to put off doing the preparation until it is too late to meet the deadline.

**TX-14 & TX-14D – Impact of a second letter:** Quite a few participants in both target groups said the fact the CRA has sent a second letter requesting filing is impactful and conveys to the recipient that the CRA is serious about wanting the person or business to file a return. In this regard, it was often suggested that the letter should explicitly state that it is a “second letter”, because (a) some may have forgotten the first TX-11 letter by the time they receive the TX-14 letter, and (b) as noted, “second letter” conveys that the CRA is serious.

**TX-14 & TX-14D – *Send your return...within 30 days:*** Many participants in both target groups perceived the addition of this verse to be impactful for motivating the recipient to file a return. It is a more definitive statement that the CRA wants the recipient to send in a return compared to what is the TX-11 letter, and giving a time frame can convey a sense of urgency and seriousness.

There were some issues with the verse:

- Some participants said the way the letter is structured, it is not clear what the consequences are of not filing within 30 days. The suggestion to revise the order of the verses could help address this issue.
- A few participants suggested giving an actual date, and most participants who subsequently reviewed a customized letter that gave a specific due date said this was more effective than saying 30 days. The perceived issue with 30 days is that there is a vagueness as to precisely when the return is due: the starting point for the 30 days is open to interpretation, and it is up to the recipient to then work out the due date.

**TX-14 & TX-14D – *we can assess your tax payable under subsection 152(7) of the Income Tax Act:***

Reaction to this verse was mixed in both target groups, because some understood it while some others were unsure how to interpret it. Among those who felt they understood it, their understanding was that the CRA would calculate an amount owing and would require the person or business to pay it – or, as some participants put it, the CRA would “send you a bill.” Many perceived this to be serious and felt it would motivate filing. However, some were unsure how to interpret the verse. The issue focused on the use of the English word “*assess*.” Note that the French version uses the word “*établir*”, and that word was better understood. The ambiguity associated with “*assess*” is understanding of what comes next: is it “a bill”, or instead is it an amount that the CRA would first discuss with the filer. This perceived ambiguity reduced the overall impact of the verse. Participants suggested revising the text to use plain language to make clear what will happen if the CRA assesses the tax payable.

**TX-14D – Suggestion to state the person or business has been late before:** Some participants suggested the letter could be more impactful if it stated that the person or business has been late filing a return in the past and paid a penalty as a result. It was suggested this could add to impact by making the letter appear more personalized to the recipient.



## ***Customized Non-Filer Letters***

Learning from the customized non-filer letters includes:

- The fact that the letter is personalized can make it impactful. These letters are signed by a Non-Filer Officer, whereas the TX letters are perceived to have a more impersonal signature by the Commissioner of Revenue. There were suggestions to include information about the recipient where possible to further personalize the letter.
- The letters give a specific due date for the return. As noted earlier, this was perceived to be more effective than giving a “30 day” deadline as is done in the TX letters.
- Some participants said that because the letters do not state anything new about the consequences of not filing that were not in the TX-14/TX-14D letters, they were skeptical whether the letter would have much impact.
- With regard to verse on assessing tax payable that appears in some of the customized letters, several participants suggested the individual receiving the letter might actually prefer that the CRA do this assessment, if the reason they have not filed is due to difficulty doing the return or to the cost of paying a tax preparer.
- As was the case for the TX letters, some participants said the letter should include language offering to help the recipient.
- One of the letters refers to the recipient’s status as a director of the corporation. Most participants believed this letter would be effective because it invokes a personal responsibility – and liability – on the part of the recipient in their role as a director of the corporation.

## ***Messaging***

Both positive and negative message concepts were presented to the group for their feedback. Overall, there was no single concept that was predominantly favoured in either the Individual or Small Business focus groups. In this context, some participants commented that different messages are going to appeal to different people, or be appropriate to different contexts.

While preferences were quite diverse, there were some overall trends:

- There was a tendency to prefer the positively framed messages over more negatively framed messages.
- In terms of themes
  - Messages offering help with filing tended to be the most positively perceived overall. This is consistent with the feedback on the TX letters, particularly the TX-11 letter, where participants suggested adding language indicating that the CRA will provide help to non-filers.
  - The other theme that tended to be positively perceived was messages about how taxes support programs. Although, some participants commented that some people or businesses may be focused on their own financial situation, and not care very much about the broader benefits to society of paying taxes.

- Stating both a problem associated with not filing and a positive statement tended to be seen as effective. The problem part states or implies something negative about not filing, while the positive part provides an offer of help or states a benefit to filing (e.g. taxes support social programs). The following are two of the message concepts that illustrate this approach:

The longer you wait to file, the worse your penalties and interest can get. We can help you get back on track.

Be on the right side of the law and avoid paying penalties and interest. When you file your return and pay your taxes on time, you contribute to your community.

**Contract value:** \$73,127.50 including HST

### **Political Neutrality Certification**

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, and standings with the electorate or ratings of the performance of a political party or its leaders.



Rick Robson  
Vice-President  
Sage Research Corporation

## Tax Filing: Knowledge and Opinions

At the beginning of the discussion, participants were asked about the tax return filing due date, whether some individuals or corporations are not required to file a return, their perception of how common late filing is, and circumstances that can result in a tax return not being filed on time. The purpose of this discussion was in part to get some basic information, and importantly as a warm-up to help participants get in the mindset of a late filer as preparation for reviewing the various non-filer letters.

Also summarized in this section is a brief discussion on other means beside letters that the CRA might use to communicate filing requirements that occurred at the end of some of the group sessions.

### Tax Return Filing Due Date

**Small Business:** The majority of Small Business participants knew that Corporate tax returns are due six months after the fiscal year-end. Other responses included:

- Three months after the fiscal year end; note that this is actually the deadline for payment of any taxes owing, whereas the filing deadline is six months after the fiscal year end
- Don't know – the accountant handles filing
- For start-ups, one year from the start of the corporation

**Individuals:** Almost all participants knew that the filing deadline is April 30/the end of April.

### Perceived Circumstances That do Not Require a Tax Return to be Filed

**Small Business:** Almost all participants said they thought corporations always had to file a tax return, and were not aware of any specific circumstances in which a corporation is not required to file a tax return. A few said they thought a corporation that has not made any money might not be required to file a return.

**Individuals:** There were mixed responses: some said they did not know if there were any circumstances when an individual is not required to file a tax return. Some participants stated they believed everyone is required to file, and some participants stated that no return is required if the person does not owe any tax amount (this includes several who said people with low incomes do not need to file).

### Perception of Prevalence of Late Filing

In both target groups, most participants felt late filing was quite to very common, essentially substantially overestimating the prevalence of late filing. It should be kept in mind that all of the participants were themselves late filers, suggesting they may have been projecting their own behaviour/experience onto the larger population.

Participants were also asked how common it is for individuals or businesses not to file at all when a return is required. Most said they believed this is much less common than late filing, although some noted that it may be up to several years before a return is filed. Their view was that in most cases, albeit not all, the CRA will eventually ensure a return is filed.

### **Circumstances Resulting in a Return not Being Filed On Time**

**Small Business:** A frequent theme in participants' responses is that the business owner is busy and focused on the success of the business, with the result that the business may not be able to file the corporate return on time. In this rationale, the business has not deliberately decided to avoid filing for tax-related reasons; rather, the failure to file by the deadline is a result of lack of timely preparation. Various comments on what is behind this lack of preparation included:

- Fall behind on record keeping and/or filing preparations because focused on the business; related to this, running the business is a full-time job which leaves little time for dealing with tax-related matters
- Dealing with tax matters is lower priority than building the business
- The business is too small to have an employee designated to handle tax-related matters
- By the time the business gets the tax materials to the accountant, the accountant is too busy to complete the return by the filing deadline

Some participants said new businesses may not understand what their tax filing obligations are, and/or what they need to do to be in position to file a return on time. In this context, a few participants suggested that there be some sort of course or information targeted to new businesses to educate them on tax filing requirements.

Several said a small business may not be able to afford to pay someone to prepare their tax return. As a result, they may be late filing because of difficulty completing the return on their own.

There were two circumstances mentioned in which a business deliberately decides not to file a tax return for tax-related reasons:

- The more common one was that the business owes tax, but does not have the money to pay the amount owed. The lack of money to pay could be due to lack of planning, lack of knowledge of what the tax owing might be, or the business is not making money. Not filing a return can be perceived as a way of avoiding attracting the attention of the CRA.
- Another circumstance several mentioned is that the business does not have any outstanding tax owing at the filing deadline. The business owner may think that in this circumstance there is no penalty or interest associated with not filing, or that the amount would be small and therefore not a priority.

**Individuals:** The two most common reasons mentioned for not filing by the deadline were:

- The person has outstanding tax owing, but does not have the money to pay. Not filing is perceived as a way to avoid attracting the attention of the CRA, and thereby to put off the need to deal with the situation.
- Preparing a tax return can be difficult. Comments associated with this included:

- A person may not be able to afford to pay a professional tax preparer.
- Preparing a return can be particularly difficult for someone who is not able to use tax preparation software or an online tax preparation service.
- Changes to the tax return forms can cause confusion.

In this context, several participants observed that they were not taught about this subject in school, and suggested that how to complete a tax return should be taught in schools.

## Other Ways to Communicate Filing Requirements

At the end of some of the focus groups, participants were asked if there are any ways other than letters that the CRA could communicate tax filing requirements to individuals or businesses. This discussion was brief due to time constraints, and participants had difficulty coming up with suggestions. Some suggestions included:

- Some Small Business participants said a mobile app could be useful. For example, one participant said the app could show the status of their CRA account, and give reminders on due dates.
- Several Small Business participants said they would prefer “email” rather than written correspondence, because they primarily use electronic communications in their business. An objection to this was concern was over the possibility of fraudulent emails purporting to be from the CRA. A participant noted, though, that the CRA provides email via its secure website (My Business Account).
- Some suggested, as noted earlier, providing courses or information on tax filing. For example, teaching this in schools, providing an online course, or partnering with financial institutions to provide tax filing information.
- A few Individual participants suggested attaching some information about tax filing to T4 slips.

## CRA Envelope

Letters sent by the CRA to individuals and businesses typically come in a brown envelope, with the Canada Revenue Agency identified as the sender. Participants were asked why a person or business receiving a letter from the CRA might not open it.

Among both Individual and Small Business participants, the widely mentioned reason was avoiding having to deal with suspected stressful content (some observed that if it is obvious the letter contains a cheque, the letter will be opened). By not opening and reading the letter, psychological stress is reduced. Several went so far as to suggest the recipient can pretend that they did not get the letter since they do not open it. A specific stressful scenario often mentioned was a recipient who knows they owe money to the CRA, but also knows they are unable to pay.

Several Small Business participants said they regularly receive various letters from the CRA, many of which are routine. In this context, receiving a letter from the CRA is not stressful, and such letters may be put aside to be dealt with at some later time.

Participants were asked if they had any suggestions to address reluctance to open an envelope from the CRA. There were two sorts of suggestions for changes to the envelope:

- Change the colour of the envelope. One suggestion was to change to a more “friendly” colour. Another suggestion was to use different colours for different types of communication, such that the colour by itself would convey some information about the nature of the content.
- Write something on the outside of the envelope that is in some way pertinent to the contents. Examples mentioned included: “reminder”, “urgent”, “important”, “confirmation”, “response required”, “for your information.”

Some participants voiced objections to the suggestions:

- Changing the colour of the envelope would at best only work for a short while, until people learn to associate the new colour with the CRA.
- Changing the colour of the envelope will not have an impact because the envelope will still identify the CRA as the sender.
- Colour coding envelopes based on content, or writing on the outside of the envelope, could compromise the recipient’s privacy.

Some participants said they did not think any change should be made to the envelope: any envelope will identify the CRA as the sender; the brown envelope is recognizable; the paper stock looks inexpensive and appears to be made from recycled paper.

## TX-11 Letter

Participants viewed and discussed three TX letters in the following order:

4. TX-11: Person or business has not filed a tax return, and receives this letter
5. TX-14: After receiving the TX-11 letter, the person or business has still not filed a tax return
6. TX-14D: The person or business had been charged a penalty for late filing in a previous year, and still has not filed after receiving the TX-11 letter<sup>1</sup>

Because of similarities in verses and structure, there are results that are common across some of the different letters and some that apply across the two target groups (Individuals and Small Business). The approach taken here is to discuss, for each TX letter, the results for both target groups. In the results for the TX-11 letters, results for sections that also appear in the TX-14/14D letters are described in the TX-11 section. Note that this includes comments on these sections that may have been made in the context of the TX14/14D letters, but still apply to the TX-11 letter.

For reference, the following are the T1 TX-11 letter (Individuals) and the T2 TX-11 letter (Small Business). Note that the address block and signature block are not shown; the full letter can be found in the Appendix.

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<sup>1</sup> In the first two focus groups, TX-14D was mistakenly presented as a third letter.

## **T1 TX-11 Letter (Individuals)**

Subject: Reminder to file an income tax and benefit return

We are writing to you because we have not received your income tax and benefit return for the tax year shown above.

Filing a tax return is key to getting your benefits and credits. Also, you must file a tax return if you owe tax. For more information, you can refer to the "Before you start" section of the General Income Tax and Benefit Guide each tax year, under "Do you have to file a return?"

For filing options and online services, such as NETFILE and My Account, go to [canada.ca/cra-get-online](http://canada.ca/cra-get-online).

If you are filing a paper return, mail it to:

Jonquière TC, T5018 Statement of Contract Payments  
P.O. Box 1300 LCD Jonquière  
Jonquière QC G7S 0L5

Call us at:

Calls from Canada and the United States: 1-800-959-8281

Calls from any other location: 613-940-8495

Please note that if you owe tax and do not file your return on time, we will:

- Apply a penalty to your late-filed return; and
- Charge interest on all amounts owing, starting the day after your return was due

Interest is compounded daily, and the penalty may increase if a penalty was also applied within the three previous tax years.

## **T2 TX-11 Letter (Small Business)**

Subject: Reminder to file a corporation income tax return

We are writing to you because we have not received your corporation's income tax return for the tax year shown above.

Corporations must file a return every tax year up to the date of dissolution, even if they are inactive or have no tax payable, unless they are a registered charity.

For tax years ending after 2009, corporations with gross revenues over \$1 million must file their returns electronically using commercial software that we certified or we will apply a penalty. For more information, go to [canada.ca/corporation-internet](http://canada.ca/corporation-internet)

If you are filing a paper return, mail it to:

Jonquière TC, T5018 Statement of Contract Payments  
P.O. Box 1300 LCD Jonquière  
Jonquière QC G7S 0L5

Call us at:

Calls from Canada and the United States: 1-800-959-5525

Calls from any other location: 613-940-8497

Please note that if your corporation owes tax and does not file a return on time, we will:

- Apply a penalty to your late-filed return; and
- Charge interest on all amounts owing, starting the day after your return was due

Interest is compounded daily, and the penalty may increase if a penalty was also applied within the three previous tax years.

Our online services make it faster and easier to handle your company's tax matters. Go to [canada.ca/taxes-business-online](http://canada.ca/taxes-business-online) to file and pay, as well as to get detailed information about your tax accounts.

If you need more information or forms to file your return, go to [canada.ca/taxes-business-online](http://canada.ca/taxes-business-online) or call 1-800-959-5525.

**Overall impact:** The TX-11 letters clearly convey that they are about encouraging the recipient to file a tax return. This is accomplished by the *Subject* line and the first paragraph.

Participants perceived the letter to have some likelihood of encouraging the recipient to file, albeit not as much impact as the TX-14/14D letters. Beyond the fact of receiving a letter from the CRA, the one element that some felt would motivate filing was the section on penalties and interest (see further discussion below).

The most common reason suggested by participants as to why a recipient might not file after receiving the TX-11 letter was a situation where they owe tax but do not have the money to pay the amount owing. Other reasons mentioned by smaller number of participants included:

- The letter does not straight out tell the recipient to file a return.
- The recipient assumes there will be a follow-up/second letter, and decides to wait for that letter before doing anything.
- The recipient thinks they do not owe any tax. Because the letter states that penalties and interest are contingent on owing tax, this reduces the perceived urgency of responding.
- Cannot afford to pay a tax preparer to do the return, and doing it on their own is perceived to be difficult.

**Penalties and interest:** As noted above, the penalties and interest section was the one specific element in the TX-11 letter that participants said could motivate someone to file (this section is also in the TX-14 and TX14-D letters). However, as also noted, some participants commented that if the recipient thinks they do not owe any tax, the impact of the section can be considerably reduced. In each target group, a small number of participants suggested giving more concrete information, such as an example of penalties and interest, the amount of the penalty, or the interest rate. However, one participant commented that if these specific amounts do not look large to the recipient, this could reduce perceived urgency to file.

A few Small Business participants suggested the letter should state when the tax return was due, as context for the penalties and interest.

**T1 TX-11 & TX14 – *Filing a tax return is key to getting your benefits and credits:*** Almost none of the participants in the Individuals focus groups spontaneously mentioned this as encouraging a person to file. Part of the issue is that the reference to *benefits and credits* may be too abstract, as some participants suggested that the impact could be increased by giving examples. A few participants were skeptical that a person getting the TX-11 would actually receive benefits, because of an assumption they were sent the letter because they owe tax, and/or the amount owing might be greater than any benefits or credits they may be entitled to.

**Participant suggestion – *Revise the order of the verses:*** Quite a few participants in both target groups suggested the impact of all of the TX letters could be increased by revising the order of the verses (note that the general order of verses is substantially the same across the TX-11, TX-14 and TX-14D letters). Some described the current ordering as, for example, “disjointed”, “goes all over, goes back and forth”, “out of order”, “jumbled.”



Basically, the suggestion was that the clarity and impact of the letters could be improved by focusing the first part of the letter on the purpose of the letter – i.e. file a return – and the consequences of not filing, and putting the “information” portions of the letter after this.

In the case of the TX-11 letter, this would mean moving the penalties and interest section nearer to the beginning of the letter.

**Participant suggestion – Should offer help:** Many participants in both target groups suggested the TX-11 letter should offer help to the recipient. As currently worded, the letter is not perceived to offer help (this includes the *Call us at* section, which is discussed below). In this context, some commented that people can be afraid to call the CRA because of a fear that the CRA agent will apply more pressure. In this regard, some commented that their own experiences in calling the CRA were positive and that the CRA agent was helpful (leaving aside complaints about difficulty getting through to the CRA on the telephone), but noted others may not realize that CRA agents will try to work with the caller.

The premise behind the suggestions that the letter offer help is the view that often the reason for not filing is circumstantial, and not based on the determination to avoid filing. In terms of the type of help a recipient might want, help working out how to pay an amount owing was often mentioned, and some talked about difficulty with preparing a tax return. The overall suggestion was for the letter to convey that the CRA will work with and help the recipient to address their reasons for not filing.

**Participant suggestion – Clarify *Call us at* (all TX letters):** Some participants in both target groups said the CRA’s intent behind saying *Call us at* is unclear: the comment was, “why would I call?” Some also said it is confusing as to whether or not this is a command to the recipient – i.e. that they must call. With regard to the latter, several wondered whether this is a command to call directed to those who file a paper return, since the section on filing a paper return immediately precedes *Call us at*.

Participants suggested this be revised to clarify why or under what circumstances a recipient would call the CRA.

Some also commented that the same phone number is given twice in the letter, once in the *Call us at* section and again in the last paragraph, and suggested eliminating this repetition of the phone number.

**T1 TX-11 & TX-14 – For more information, you can refer to the “Before you start” section of the General Income Tax and Benefit Guide for each tax year, under “Do you have to file a tax return”:** Several participants essentially wondered “what is the General Income Tax and Benefit Guide?”, as they had never seen it or heard of it. The implication is that it might be helpful to indicate where the Guide can be accessed.

**T2 TX-11, TX-14 & TX-14D – unless they are a registered charity:** Several participants said the CRA should know whether or not the letter is going to a registered charity, and suggested this reference to a charity be dropped.

**T2 TX-11, TX-14 & TX-14D – For tax years ending after 2009, corporations with gross revenues over \$1 million must file their returns electronically...:** Some participants wondered about whether this paragraph needs to be included in the letter. Basically, their point was that a business earning over \$1 million in gross revenues very likely is using an accountant for tax preparation, and the accountant would know that the return has to be filed electronically.

**T2 TX-11, TX-14 & TX-14D – Our online services make it faster and easier to handle your company's tax matters:** Several participants said they thought this is essentially an over-promise, and can make preparing a tax return seem easier and faster than it really is. The concern was that this could lead a business facing a filing deadline to put off doing the preparation until it is too late to meet the deadline.

## TX-14 Letter

Note that participant issues and suggestions flagged in the above discussion of TX-11 as being relevant to TX-14 are not repeated here. This section includes results common to both the TX-14 and TX-14D letters.

For reference, the following are the T1 TX-14 letter (Individuals) and the T2 TX-14 letter (Small Business). Note that the address block and signature block are not shown; the full letter can be found in the Appendix.

### **T1 TX-14 Letter (Individuals)**

Subject: Request to file an income tax and benefit return

We are writing to you because we have not received your income tax and benefit return for the tax year shown above.

Filing a tax return is key to getting your benefits and credits. Also, you must file a tax return if you owe tax. For more information, you can refer to the "Before you start" section of the General Income Tax and Benefit Guide each tax year, under "Do you have to file a return?"

Complete and send your return to the Canada Revenue Agency within 30 days of this request. For filing options and online services, such as NETFILE and My Account, go to [canada.ca/cra-get-online](http://canada.ca/cra-get-online).

If you are filing a paper return, mail it to:

Jonquière TC, T5018 Statement of Contract Payments  
P.O. Box 1300 LCD Jonquière  
Jonquière QC G7S 0L5

Call us at:

Calls from Canada and the United States: 1-800-959-8281

Calls from any other location: 613-940-8495

If you do not file your return, we can assess your tax payable under subsection 152(7) of the Income Tax Act.

Please note that if you owe tax and do not file your return on time, we will:

- Apply a penalty to your late-filed return; and
- Charge interest on all amounts owing, starting the day after your return was due

Interest is compounded daily, and the penalty may increase if a penalty was also applied within the three previous tax years.

If you need more information or forms to file your return, go to [canada.ca/taxes-individuals](http://canada.ca/taxes-individuals) or call 1-800-959-8281.

## **T2 TX-14 Letter (Small Business)**

Subject: Request to file a corporation income tax return

We are writing to you because we have not received your corporation's income tax return for the tax year shown above.

Corporations must file a return every tax year up to the date of dissolution, even if they are inactive or have no tax payable, unless they are a registered charity.

For tax years ending after 2009, corporations with gross revenues over \$1 million must file their returns electronically using commercial software that we certified or we will apply a penalty. For more information, go to [canada.ca/corporation-internet](http://canada.ca/corporation-internet).

Fill out and send your return to the Canada Revenue Agency within 30 days of this request.

If you are filing a paper return, mail it to:

Jonquière TC, T5018 Statement of Contract Payments  
P.O. Box 1300 LCD Jonquière  
Jonquière QC G7S 0L5

Call us at:

Calls from Canada and the United States: 1-800-959-5525

Calls from any other location: 613-940-8497

If you do not file your return, we can assess your tax payable under subsection 152(7) of the Income Tax Act.

Please note that if your corporation owes tax and does not file a return on time, we will:

- Apply a penalty to your late-filed return; and
- Charge interest on all amounts owing, starting the day after your return was due

Interest is compounded daily, and the penalty may increase if a penalty was also applied within the three previous tax years.

Our online services make it faster and easier to handle your company's tax matters. Go to [canada.ca/taxes-business-online](http://canada.ca/taxes-business-online) to file and pay, as well as to get detailed information about your tax accounts.

If you need more information about business topics, such as dissolving a corporation, or forms to file your return, go to [canada.ca/taxes-business-online](http://canada.ca/taxes-business-online) or call 1-800-959-5525.

**Overall impact:** The TX-14 letters clearly convey that they are about encouraging the recipient to file a tax return. Compared to the TX-11, the TX-14 is perceived to be more likely to motivate the recipient to file a return due to the fact that it is a second letter and due to the addition of two new sections: the 30-day filing deadline, and the reference to the CRA assessing the tax payable. The 30-day deadline was more widely perceived as impactful compared to the assessment message, mostly because some did not entirely understand the assessment message (see discussion below).

**Issue – TX-14 does not look different from TX-11:** Some participants in both target groups said that at first glance the TX-14 letter does not look different from the TX-11 letter, particularly given that a number of the sections are the same in the two letters. They suggested that particularly given that in real life the two letters would be received up to a few months apart, the recipient might think it's the same letter. They suggested the TX-14 could be more impactful if visually it was more immediately evident that it is not the same as the previous TX-11 letter.

**TX-14 & TX-14D – Impact of a second letter:** Quite a few participants in both target groups said the fact the CRA has sent a second letter requesting filing is impactful and conveys to the recipient that the CRA is serious about wanting the person or business to file a return. Participants said this will contribute to motivating some to now file their return.

In this regard, it was often suggested that the letter should explicitly state that it is a “second letter”, because (a) some may have forgotten the first TX-11 letter by the time they receive the TX-14 letter, and (b) as noted, “second letter” conveys that the CRA is serious.

It was suggested the reference to “second letter” be in the *Subject* line. Several suggested that it be referred to in the first paragraph.

Note that adding a reference to “second letter”, and reordering the verses as described earlier, might mitigate the issue of the TX-14 letter not, on first glance, looking different from the TX-11 letter.

**Change in the *Subject* line from *Reminder/Rappel* to *Request/Demande*:** This change in wording in the *Subject* line had relatively little impact. Some noticed the change while others did not. Among those who noticed the difference, *Request/Demande* was perceived to be at most only a little bit stronger than *Reminder/Rappel*.

**TX-14 & TX-14D – *Send your return...within 30 days*:** Many participants in both target groups perceived the addition of this verse to be impactful for motivating the recipient to file a return. It is a more definitive statement that the CRA wants the recipient to send in a return compared to what is the TX-11 letter, and giving a time frame can convey a sense of urgency and seriousness.

There were some issues with the verse:

- Some participants said the way the letter is structured, it is not clear what the consequences are of not filing within 30 days. The suggestion discussed earlier to revise the order of the verses could help address this issue, by moving the reference to penalties/interest and to the CRA assessing tax payable to just after the 30 day verse.
- A few participants suggested giving an actual date, and most participants who subsequently reviewed a customized letter that gave a specific due date said this was more effective than saying 30 days. The perceived issue with 30 days is that there is a vagueness as to precisely when the return is due: the starting point for the 30 days is open to interpretation (is it the date of the letter or the date the letter was received), and it is up to the recipient to then work out the due date. An actual date is unambiguous.

**TX-14 & TX-14D – *we can assess your tax payable under subsection 152(7) of the Income Tax Act*:** Reaction to this verse was mixed in both target groups, because some understood it while some others were unsure how to interpret it. Among those who felt they understood it, their understanding was that the CRA would calculate an amount owing and would require the person or business to pay it – or, as some participants put it, the CRA would “send you a bill.” Many perceived this to be serious and felt it would motivate filing. However, some were unsure how to interpret the verse. The issue focused on the use of the English word “*assess*.” Note that the French version uses the word “*établir*”, and that word was better understood. The ambiguity associated with “*assess*” is understanding of what comes next: is it “a bill”, or instead is it an amount that the CRA would first discuss with the filer. This perceived ambiguity reduced the overall impact of the verse. Participants suggested revising the text to use plain language to make clear what will happen if the CRA assesses the tax payable.

The verse contains a reference to the Income Tax Act, and TX-14D adds a second reference to the Income Tax Act. Some participants said this has little impact on them because they do not know what these sections of the Act say. However, for other participants putting in references to the Income Tax Act generally adds to the perceived seriousness and authority of the letter – even though people do not know what these sections say.

**TX-14 & TX-14D – Offer help:** As noted earlier, many participants suggested that the TX-11 letter should offer help. This suggestion was also made for the TX-14 and TX-14D letters, although not as frequently. This may have been because participants felt that overall a second letter should have a more forceful tone.

**Possibility of dropping the TX-11, and going directly to TX-14 or TX-14D:** When this possibility was mentioned to participants, almost all rejected it. They felt that it is necessary and appropriate to have a first letter that offers help. Some also suggested that some people or businesses may deliberately decide to wait for “a second letter” before taking any action.

## TX-14D Letter

The TX-14D scenario given to participants was that it is sent to a person or business that was charged a penalty for late filing in a previous year, and still has not filed after receiving the TX-11 letter.

### **T1 TX-14D Letter (Individuals)**

Subject: Demand to file an income tax and benefit return

We are sending you this demand to file your income tax and benefit return in accordance with subsection 150(2) of the Income Tax Act.

You **must** complete and send your return for the tax year shown above within 30 days of the date of this demand. For filing options and online services, such as NETFILE and My Account, go to [canada.ca/cra-get-online](http://canada.ca/cra-get-online).

If you are filing a paper return, mail it to:

Jonquière TC, T5018 Statement of Contract Payments  
P.O. Box 1300 LCD Jonquière  
Jonquière QC G7S 0L5

Call us at:

Calls from Canada and the United States: 1-800-959-8281

Calls from any other location: 613-940-8495

If you do not file your return, we can assess your tax payable under subsection 152(7) of the Income Tax Act.

Please note that if you owe tax and do not file your return on time, we will:

- Apply a penalty to your late-filed return; and
- Charge interest on all amounts owing, starting the day after your return was due

Interest is compounded daily, and the penalty may increase if a penalty was also applied within the three previous tax years.

If you need more information or forms to file your return, go to [canada.ca/taxes-individuals](http://canada.ca/taxes-individuals) or call 1-800-959-8281.

### **T2 TX-14D Letter (Small Business)**

Subject: Demand for corporation income tax return

We are sending you this demand to file a corporation income tax return in accordance with subsection 150(2) of the Income Tax Act.

Corporations **must** file a return every tax year up to the date of dissolution, even if they are inactive or have no tax payable, unless they are a registered charity.

For tax years ending after 2009, corporations with gross revenues over \$1 million must file their returns electronically using commercial software that we certified or we will apply a penalty. For more information, go to [canada.ca/corporation-internet](http://canada.ca/corporation-internet).

You must complete and send your return for the tax year shown above within 30 days of this demand.

If you are filing a paper return, mail it to:

Jonquière TC, T5018 Statement of Contract Payments  
P.O. Box 1300 LCD Jonquière  
Jonquière QC G7S 0L5

Call us at:

Calls from Canada and the United States: 1-800-959-5525  
Calls from any other location: 613-940-8497

If you do not file your return, we can assess your tax payable under subsection 152(7) of the Income Tax Act.

Please note that if your corporation owes tax and does not file a return on time, we will:

- Apply a penalty to your late-filed return; and
- Charge interest on all amounts owing, starting the day after your return was due

Interest is compounded daily, and the penalty may increase if a penalty was also applied within the three previous tax years.

Our online services make it faster and easier to handle your company's tax matters. Go to [canada.ca/taxes-business-online](http://canada.ca/taxes-business-online) to file and pay, as well as to get detailed information about your tax accounts.

If you need more information about business topics, such as dissolving a corporation, or forms to file your return, go to [canada.ca/taxes-business-online](http://canada.ca/taxes-business-online) or call 1-800-959-5525.

**Overall impact:** As a second letter, the TX-14D letter was perceived by the majority of participants in both target groups to be more forceful than the TX-14 letter. This was particularly because of several uses of the word “demand” (“*demande formelle*” in French), and also the use of “*must*” in bold font. The forceful tone was perceived to be appropriate given the scenario. Some participants suggested the TX-14D letter replace the TX-14 letter.

**Participant suggestion – state that the person or business has been late before:** Some participants suggested the letter could be more impactful if it stated that the person or business has been late filing a return in the past and paid a penalty as a result. It was suggested this could add to impact by making the letter appear more personalized to the recipient.

## Customized Non-Filer Letters

In some circumstances, and often after a TX letter has been sent, a CRA agent will send a customized letter to a non-filer that comes directly from the CRA agent. Three such letters were shown in some of the focus groups. Due to time constraints, the letters were not shown in as many groups as planned, and a fourth letter (13926) could not be shown at all. As a consequence, the results on these letters are limited. Copies of the three letters can be found in the Appendix.

### Letter 13911 – Individuals (3 focus groups)

The scenario given to participants for this letter was:

Sometimes, when one of the letters you've seen [i.e. the TX letters] don't get a person to file, a CRA agent will get involved and contact the person directly. In this next example, a CRA agent has talked to the person on the phone. However, after that phone call, the person still has not filed their return. They then receive this letter.

For reference, this is the letter, without the address block:

**Letter 13911 (Individuals)**

This is in response to our telephone conversation of July 16, 2019 about the income you earned in Canada during the above tax year(s).

Our records show that we have not yet received the income tax return(s).

Please file the returns by September 28, 2019 or we may assess you under subsection 152(7) of the "Income Tax Act" based on available information.

If you have any questions, call 613-321-4321. We accept collect calls.

Yours sincerely,

Jane Roe  
Non-Filer Officer

Perceived positive aspects of Letter 13911 included:

- The fact that the letter is personalized can make it impactful – i.e. the reference to the prior phone conversation, a phone number presumably for Jane Roe, and the letter is from a specific person working on the individual's case.
- The letter gives a specific due date, rather than the 30 day time frame in the TX-14 and TX-14D letters. As discussed earlier, participants preferred giving a specific due date because there is no ambiguity about when the return is due.

Participant issues and suggestions included:

- Several participants said that because the letter does not state anything new about the consequences of not filing that were not in the TX-14/TX-14D letters, they were skeptical whether the letter would have much impact.
- Several participants suggested further personalizing the letter by adding a reference to what the individual agreed to do in the prior conversation with the CRA agent.
- With regard to verse on assessing tax payable:
  - Several suggested the individual receiving the letter might actually prefer that the CRA do this assessment, if the reason they have not filed is due to difficulty doing the return or to the cost of paying a tax preparer.
  - A few suggested strengthening the verse by saying "will assess" rather than "may assess."
- As was the case for the TX letters, some participants said the letter should include language offering to help the recipient.
- With regard to the sentence, *We accept collect calls*, several participants said they were not familiar with this and did not know how to make a collect call.

**Letter 15734 – Individuals (1 focus group)**

The scenario given to participants for this letter was:

In this case, the CRA agent has not been able to contact the person on the phone and is trying one last time to contact them by mail before the CRA proceeds to do its own assessment of tax owing.

For reference, this is the letter, without the address block:

**Letter 15734 (Individuals)**

Our records indicate that you have not filed your income tax returns for the above years.

Please complete the returns by September 28, 2019. For filing options and online services, such as NETFILE and My Account, go to [canada.ca/cra-get-online](http://canada.ca/cra-get-online).

For a paper return, mail it to:

Jonquière TC, T5018 Statement of Contract Payments  
P.O. Box 1300 LCD Jonquière  
Jonquière QC G7S 0L5

To get tax forms, go to [canada.ca/cra-forms](http://canada.ca/cra-forms) or call 1-800-959-8281.

If we do not receive the returns by the above date, we may assess you under subsection 152(7) of the "Income Tax Act" based on available information.

If you owe tax, we will charge you interest and a late-filing penalty starting the day after the return(s) was/were due.

If you have questions, call me at 613-321-4321. We accept collect calls.

Yours sincerely,

Jane Roe  
Non-Filer Officer

Perceived positive aspects of the letter are that it is more personal in the sense that it is coming from a CRA agent working on the file, and it gives a specific due date.

However, because of the similarities between this letter and the TX 14/14D letters, participants were skeptical it would have much impact.

Some suggested the letter could further personalized, and made more impactful, by mentioning that the CRA agent had tried to reach the person by phone, and asking the person to call back.

**Letter 15777– Small Business (2 focus groups)**

This letter is sent by a CRA agent to a person who is a director of the corporation being asked to file a return. Participants were asked to comment just on the paragraph referring to the recipient as being a director (the full letter can be found in the Appendix):

**Letter 15777 – “director” paragraph (Small Business)**

Our records show that you are a director of the corporation Globeworks. As a director, you must file a corporation income tax return for the above years and include statements of assets, liabilities, income, and expenses.

Most participants believed this letter would be effective because it invokes a personal responsibility – and liability – on the part of the recipient in their role as a director of the corporation.



One participant suggested that there be some sort of reference to the legal obligations associated with being a director of a corporation, because they thought that in small companies the directors may not be aware of their obligations.

## Messaging

Participants were presented with a grid of messages, organized into rows. Participants were told these were ideas for what to say to encourage people or businesses to file a return, and that these were concepts for messages that could appear, for example, in a letter, on a website or on social media. Within each row consisting of a pair of concepts, participants were asked to pick one, then they were asked to rank order the set of concepts they had selected on overall effectiveness.

The concepts were somewhat different for Individuals versus Small Business. In total, for Individuals there were eight concepts (four rows) and for Small Business there were ten concepts (five rows). In any one focus group, six concepts (three rows) were shown.

### Individuals

The following are the eight concepts shown in the Individuals focus groups. Note that we created the row and column labels for ease of reference, and these labels were not ever shown or mentioned to participants. Participants also did not see the numeric identifiers used here for the concepts (for participants, the messages were labeled with letters).

	<b>Positive</b>	<b>Negative</b>
<b>Law</b>	<b>1:</b> Be on the right side of the law and avoid paying penalties and interest. When you file your return and pay your taxes on time, you contribute to your community.	<b>2:</b> Not filing your tax return is against the law. Do the right thing!
<b>Help</b>	<b>3:</b> The CRA's tools and resources can help you get up to date with your outstanding tax returns and get you the benefits you may be entitled to.	<b>4:</b> The longer you wait to file, the worse your penalties and interest can get. We can help you get back on track.
<b>Programs</b>	<b>5:</b> When you file your taxes, you are supporting schools, hospitals, public transit, and many other services that Canadians use every day.	<b>6:</b> When you're not filing your taxes, it hurts all Canadians. There's less money going to important programs that help us all - like health care, skills training, and Old Age Security.
<b>Citizen responsibility</b>	<b>7:</b> It's every Canadian citizen's responsibility to file a tax return.	<b>8:</b> It is your responsibility, as a Canadian citizen, to file your tax return(s).

Overall, there was no single concept that was predominantly favoured. All except one concept was ranked first overall by at least a few participants. And in any one focus group, split preferences by

row were common. In this context, some participants commented that different messages are going to appeal to different people, or be appropriate to different contexts.

While preferences were quite diverse, there were some overall trends:

- There was a tendency to prefer the Positive messages over the Negative messages.
- In terms of themes, the Help messages (Concepts #3 and #4) tended to be the most positively perceived overall. This is consistent with the feedback on the TX letters, particularly the TX-11 letter, where participants suggested adding language indicating that the CRA will provide help to non-filers.

The other theme that tended to be positively perceived included messages about how taxes support programs (Concepts #1, #5 and #6). Although, some participants commented that some people may be focused on their own financial situation, and not care very much about the broader benefits to society of paying taxes.

- Stating both a problem associated with not filing and a positive statement tended to be seen as effective. This approach is used in Concepts #1, #3 and #4. The problem part states or implies something negative about not filing, while the positive part states a benefit to filing (Concept #1) or provides an offer of help (Concepts #3 and #4).

Three of the concepts were more likely to be associated with negative comments:

- Concept #2 was seen by most as overly intimidating or threatening. None chose it as the best concept overall, and when comparing it with Concept #1, most preferred Concept #1.
- Concepts #7 and #8: Both of these concepts refer to *Canadian citizens*. Some participants commented that this could be misleading, because there are people in Canada who are required to pay taxes who are not Canadian citizens. These messages could be interpreted by such people as meaning they do not have to pay taxes.

The following are comments on the other concepts.

### **Concept #1**

Be on the right side of the law and avoid paying penalties and interest. When you file your return and pay your taxes on time, you contribute to your community.

Positive comments:

- “Avoiding penalties and interest” is good.
- Some like the pro-social idea of how by paying taxes, “you contribute to your community”.
- Combining “avoiding penalties and interest” with the pro-social benefit “you contribute to your community” – essentially these are two positive reasons to file, one personal and the other community-oriented.

Issues:

- Several did not like the implication that a non-filer is “a criminal.”
- Not everyone will be motivated by the pro-social reason to file.

### **Concept #3**

The CRA’s tools and resources can help you get up to date with your outstanding tax returns and get you the benefits you may be entitled to.

Positive comments:

- “Get up to date with your outstanding tax returns” is good.
- CRA provides help to accomplish that.

Issues:

- The reference to “benefits you may be entitled to” had little impact on reactions. Participants thought those who would actually receive benefits would already be likely to file, and non-filers targeted by the CRA probably would not see any net benefit because they owe money.
- A few thought “tools and resources” implied the person would have to do the work themselves; and preferred the Concept #4 language, “We can help you get back on track.”

#### Concept #4

The longer you wait to file, the worse your penalties and interest can get. We can help you get back on track.

Positive comments:

- The reference to penalties and interest getting worse can be personally motivating.
- The second sentence provides a solution.
- The promise of help is worded in a direct and straightforward way.

Issues:

- Several felt the reference to penalties and interest getting worse is overly negative, and preferred the softer language of “get up to date” in Concept #3.

#### Concepts #5 and #6

**#5:** When you file your taxes, you are supporting schools, hospitals, public transit, and many other services that Canadians use every day.

**#6:** When you’re not filing your taxes, it hurts all Canadians. There’s less money going to important programs that help us all – like health care, skills training, and Old Age Security.

Some find the pro-social message of supporting programs to be motivating. Participants tended to view the list programs in Concept #5 to be more widely applicable, whereas those listed in Concept #6 tended to be perceived as more narrowly focused, particularly “skills training” and “Old Age Security.”

Some participants felt the emphasis in Concept #6 on personal responsibility to be motivating, but some others felt this was overly negative. Preference between Concepts #5 and #6 was split, but overall tilted in favour of Concept #5.

### Small Business

The following are the ten concepts shown in the Small Business focus groups. Note that we created the row and column labels for ease of reference, and these labels were not ever shown or mentioned to participants. Participants also did not see the numeric identifiers used here for the concepts (for participants, the messages were labeled with letters).

	<b>Positive</b>	<b>Negative</b>
<b>Law</b>	<b>10:</b> Be on the right side of the law and avoid paying penalties and interest. When	<b>11:</b> Not filing your tax return is against the law. Do the right thing!

	you file your return and pay your taxes on time, you contribute to your community.	
<b>Programs</b>	<b>12:</b> As an employer, you are an integral part of Canada’s growing economy when you file your taxes; you create jobs and contribute to social programs such as the Canada Pension Plan and the Employment Insurance program. In doing so, you are contributing to a prosperous Canadian society.	<b>13:</b> When you’re not filing your taxes, it hurts all Canadians. There’s less money going to important programs that help us all - like health care, skills training, and Old Age Security.
<b>Business Impact</b>	<b>14:</b> Get back to business with your taxes so you can get back to doing the things you love!	<b>15:</b> Mind your business by staying up to date with your taxes!
<b>Help/Ease of Filing</b>	<b>16:</b> Don’t let your late taxes pile up! Getting your late business taxes done may be easier and quicker than you think.	<b>17:</b> Failing to file your tax return can cost you penalties and interests. We can help you.
<b>Citizen responsibility</b>	<b>18:</b> It’s every Canadian citizen’s responsibility to file a tax return.	<b>19:</b> It is your responsibility, as a Canadian citizen, to file your tax return(s).

Overall, and similar to the results for Individuals, there was no single concept that was predominantly favoured. All except one concept was ranked first overall by at least a few participants. And in any one focus group, split preferences by row were common. In this context, some participants commented that different messages are going to appeal to different people, or be appropriate to different contexts.

While preferences were quite diverse, there were some overall trends – again similar to those seen for Individuals:

- There was a tendency to prefer the Positive messages over the Negative messages.
- In terms of themes, the Help messages (Concepts #16 and #17) tended to be the most positively perceived overall. This is consistent with the feedback on the TX letters, particularly the TX-11 letter, where participants suggested adding language indicating that the CRA will provide help to non-filers.

The other theme that tended to be positively perceived was messages about how taxes support programs (Concepts #10, #12, and #13). Although, some participants commented that some businesses may be focused on their own financial situation, and not care very much about the broader benefits to society of paying taxes.

- Stating both a problem associated with not filing and a positive statement tended to be seen as effective. This approach is used in Concepts #10, #16 and #17. The problem part states or implies something negative about not filing, while the positive part states a benefit to filing (Concept #10), suggests filing may not be all that difficult (Concept #16), or provides an offer of help (Concept #17).

As in the Individuals focus groups, the two concepts referring to *Canadian citizens* (Concepts #18 and #19) were criticized by some as being misleading, because non-citizens may be required to file a tax return. Also, several commented that referring to citizenship does not seem relevant to a

business target group, as the obligation to file a tax return is driven by the obligations of a corporation, and is not contingent on the citizenship of the business owners.

### **Concepts #10 and #11**

**#10:** Be on the right side of the law and avoid paying penalties and interest. When you file your return and pay your taxes on time, you contribute to your community.

**#11:** Not filing your tax return is against the law. Do the right thing!

These are the same as Concepts #1 and #2 in the Individuals focus groups. As in the Individuals focus groups, participants tended to favour Concept #10 over #11. Concept #10 combines “avoid penalties and interest” with the pro-social message of “contribute to your community.” However, the results for Concept #11 were a bit different: while none of the Individuals participants picked this as most effective overall, some of the Small Business participants did. The latter said they believed the strong, forceful language of Concept #11 would be more likely to provoke action than the “softer” message concepts.

### **Concepts #12 and #13**

**#12:** As an employer, you are an integral part of Canada’s growing economy when you file your taxes; you create jobs and contribute to social programs such as the Canada Pension Plan and the Employment Insurance program. In doing so, you are contributing to a prosperous Canadian society.

**#13:** When you’re not filing your taxes, it hurts all Canadians. There’s less money going to important programs that help us all – like health care, skills training, and Old Age Security.

Preference was split between these two concepts, albeit somewhat more preferred Concept #12 over Concept #13 because of its more positive tone. A perceived positive aspect of both is the pro-social message of supporting programs, although some commented some businesses may not care about that.

Some were critical of Concept #12 because the language is perceived to be too “government-like”, and to be too wordy.

### **Concepts #14 and #15**

**Concept #14:** Get back to business with your taxes so you can get back to doing the things you love!

**Concept #15:** Mind your business by staying up to date with your taxes!

Preference was split between these two concepts, albeit somewhat more preferred Concept #14 over Concept #15:

- Concept #14 was perceived to convey more clearly the benefit of how filing frees the business up to get on with business. By contrast participants tended to be critical of the phrase “mind your business” in Concept #15, perceiving it to be too idiomatic or “too cute.”
- Concept #15 was perceived to state more directly/clearly that this about “staying up to date with your taxes”, whereas this message is a bit more indirect in Concept #14.

### **Concepts #16 and #17**

**Concept #16:** Don’t let your late taxes pile up! Getting your late business taxes done may be easier and quicker than you think.

**Concept #17:** Failing to file your tax return can cost you penalties and interests. We can help you.

Preference was about equally split between these two concepts. Some preferred the “lighter tone” of Concept #16 compared to the heavier tone of referring to “cost you penalties and interest.” Others like the combination in Concept #17 of a negative personal consequence of not filing with an offer of help – an offer that is not explicitly made in Concept #16. A few were also skeptical that preparation of a return “may be easier and quicker than you think.”

## Methodology

### Number and Location of Focus Groups

Eight two-hour focus groups were conducted August 22 and August 29, 2019, as follows:

	<b>Total</b>	<b>Toronto</b>	<b>Montreal (Fr)</b>	<b>Calgary</b>	<b>Vancouver</b>
Individuals	<b>4</b>	1	1	1	1
Small Business	<b>4</b>	1	1	1	1
<b>Total</b>	<b>8</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>

There were 4 to 9 participants in each focus group, and a total of 59 participants.

### Qualified Participants

Participants were recruited from lists provided by the CRA of individuals and small businesses who were non-filers for the 2017 tax year, and who were subsequently sent one or more non-filer letters by the CRA.

To qualify for focus groups, recruits had to recall receiving a letter from the CRA about filing a tax return (a partial exception was made in Montreal because of difficulties in recruiting). In each group, there was a mix of those who subsequently filed a 2017 tax return, and those who had not.

The following exclusions applied for all of the focus groups:

- Cannot work in any of the following:
  - A related government department (Canada Revenue Agency, Department of Finance, provincial or municipal tax/finance organization)
  - Accounting, bookkeeping, tax preparation, law firm specializing in tax, financial planning
  - Advertising or public relations
  - Media
  - Marketing research
- Cannot have participated in a qualitative research session in the past six months, and cannot have attended five or more qualitative research sessions in the past five years

### Participant Honoraria

The participant honoraria were as follows:

*Individuals:* \$100

*Small Business:* \$150

## Appendix A - Screeners

### Screener - Individuals

## Enforcement Letter Qualitative Research – Screener: *Individuals* –

Sample source: CRA list

Record the following information using the information in the sample file:

S1 RID: \_\_\_\_\_

### S2. Focus group city

<input type="radio"/>	Toronto
<input type="radio"/>	Calgary
<input type="radio"/>	Vancouver
<input type="radio"/>	Montreal

### S3. Filing status

		Quota (12 recruits)
<input type="radio"/>	Did not file	At least 6/group
<input type="radio"/>	Filed	At least 3/group

### S4. Gender

		Quota (12 recruits)
<input type="radio"/>	Female	Approximately 50%
<input type="radio"/>	Male	Approximately 50%

### S5 Sample contact name & telephone number

\_\_\_\_\_  
First name

\_\_\_\_\_  
Last name

Phone: \_\_\_\_\_ Ext. \_\_\_\_\_

**Note to recruiter:** If a person asks how you got their name, say: *We received your information from the Government of Canada, and specifically from the Canada Revenue Agency, which may share information for research purposes in the course of the administration or enforcement of the Income Tax Act.*



Hello/Bonjour, I'm \_\_\_\_\_ of [name of recruiting company], a public opinion and marketing research company. First off, let me assure you that we are not trying to sell you anything. We are organizing a research project on behalf of the Government of Canada that is not political in nature.

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.

The research project is specifically for the Canada Revenue Agency. The purpose of the research is to get input on communication materials related to taxation. I'd like to ask you some questions to see if you would be interested in possibly taking part in this study. This will take about 7 minutes.

May I continue?

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

In this project, an individual like yourself is chosen to sit down with several others and give ideas and opinions in a two-hour discussion session. People who are invited and take part in the group discussion will receive a cash payment honorarium as thanks for their time.

**[If prefers to continue in English for the Montreal French-language focus group, ask:]** The discussion will be held entirely in French, and participants will be asked to review and discuss communication materials written only in French. Would you be comfortable with this?

- Yes            1
- No             2            **Thank and terminate**

**[If prefers to continue in French for the Toronto, Calgary or Vancouver English-language focus groups, ask:]** La discussion se déroulera entièrement en anglais et nous demanderons aux participants de passer en revue du matériel de communication en anglais seulement puis d'en discuter. Seriez-vous à l'aise avec cela?

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

As I mentioned earlier, the purpose of the research is to test various communication materials related to taxation. The general topic of the discussion session is filing income tax and benefit returns. You and others in the group would be asked to read and comment on a variety of communication materials related to tax filing. You will not be asked for any personal information about your own tax filing experiences.

The results of this research will be used to help improve how the Canada Revenue Agency communicates information to the public about tax filing.

Your participation is voluntary and confidential. All information collected, used and/or disclosed will be used for research purposes only and administered per the requirements of the *Privacy Act* and the *Personal Information Protection and Electronic Documents Act*. The names of participants will not be provided to the government. Your decision to take part will not affect any dealings you may have with the Government of Canada.

May I continue?

- Yes            1  
No             2    **Thank and terminate**

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.

**Note to recruiter: When terminating a call because of their profile 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 at this time.***

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

	<b><u>No</u></b>	<b><u>Yes</u></b>	
A marketing research firm	( )	( )	
An advertising agency, web or graphic design firm	( )	( )	
A magazine or newspaper	( )	( )	
The Government of Canada	( )	( )	
The provincial or local government <b>(check which department; if a tax/revenue or finance ministry, record as “yes”)</b>	( )	( )	
A marketing company	( )	( )	<b>If “yes” to any, thank and terminate</b>
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	( )	( )	
A public relations company	( )	( )	

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

- Yes            1  
No             2    **Go to Q.4**

3a) What topics have you ever discussed?

---

**(If related to taxation, thank and terminate)**

3b) And when was the last time you attended an in-depth interview or group discussion?

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

3c) In the past 5 years, how many in-depth research interviews or group discussions 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**

4) Thank you. As I mentioned, this research is about tax filing. Have you ever received a letter in the mail from the Canada Revenue Agency about filing a tax return?

Yes      1

No      2      **Thank and end the interview**

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

5a) As I mentioned earlier, the research involves taking part in a focus group discussion. In the group discussion, you will be asked to fill in some short questionnaires in English (French). Also, participants in focus group discussions are asked to express their thoughts and opinions freely in an informal setting with 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. If respondent wears glasses, remind them to bring them to the session.**

5b) 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**

5c) There may be some people from the Canada Revenue Agency who have 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. Is this acceptable to you?

Yes      1

No      2      **Thank and end the interview**

5d) The session will be audio-recorded. These recordings are used by the research firm to help with analyzing the findings and writing the report. The recordings are not given to the Canada Revenue Agency. Your name will not appear in the research report. Is this acceptable to you?

Yes      1

No      2      **Thank and end the interview**

## **Invitation**

Thank you. We would like to invite you to participate in one of our group discussions. Refreshments will be provided, and you will be paid \$100 in cash immediately at the end of the group discussion to thank you for your participation. The discussion will last approximately 2 hours starting at \_\_\_\_\_, and will be held.....

As I mentioned earlier, this is a research project being done by the Government of Canada, and specifically by the Canada Revenue Agency. I want to reassure you that your name will not be given to them, nor will your decision about participating affect any dealings you have with the Canada Revenue Agency.

Would you be willing to attend?

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

### **Toronto**

**Date:**

**Location:**

6:00 pm – 8:00 pm:

8:00 pm – 10:00 pm:

### **Calgary**

**Date:**

**Location:**

6:00 pm – 8:00 pm:

8:00 pm – 10:00 pm:

### **Vancouver**

**Date:**

**Location:**

6:00 pm – 8:00 pm:

8:00 pm – 10:00 pm:

### **Montreal**

**Date:**

**Location:**

6:00 pm – 8:00 pm:

8:00 pm – 10:00 pm:

As part of our quality control measures, we ask everyone who is participating in the focus group to bring along a piece of I.D., picture if possible. You may be asked to show your I.D.

As these are small groups and with even one person missing, the overall success of the group may be affected, I would ask that you make every effort to attend the group. But, in the event you are unable to attend, let us know as soon as possible so we can find a replacement. Please call us at ***[Insert recruiting company phone #]*** and ask for ***[Insert recruiting company contact name]***. Also note that you may not send someone else in your place if you are unable to attend.

Please also arrive 15 minutes prior to the starting time. **The discussion begins promptly at [TIME].** People who arrive too late to participate in the focus group will not receive the honorarium.

Someone from our office will be calling you back to confirm these arrangements. May I please have your contact information where we can reach you during the evening and during the day?

**Name:** \_\_\_\_\_

**Evening phone:** \_\_\_\_\_ **Day time phone:** \_\_\_\_\_

**Email address:** \_\_\_\_\_

**Thank you very much!**

**Recruited by:** \_\_\_\_\_

**Confirmed by:** \_\_\_\_\_

**Note to recruiter: Should a participant require validation that this is a legitimate research project, please refer them to the following person at the Canada Revenue Agency:**

XXXXXXXXXXXXXXXXXXXX

**Screener – Small Business**

**Enforcement Letter Qualitative Research  
 – Screener: *Small Business* –**

Sample source: CRA list

Record the following information using the information in the sample file:

S1 RID: \_\_\_\_\_

**S2. Focus group city**

<input type="radio"/>	Toronto
<input type="radio"/>	Calgary
<input type="radio"/>	Vancouver
<input type="radio"/>	Montreal

**S3. Filing status**

		<b>Quota (12 recruits)</b>
<input type="radio"/>	Did not file	At least 6/group
<input type="radio"/>	Filed	At least 3/group

**S4. Gender**

<input type="radio"/>	Female
<input type="radio"/>	Male

**S4 Sample contact name & telephone number**

\_\_\_\_\_ Last name

First name

Phone: \_\_\_\_\_ Ext. \_\_\_\_\_

**Note to recruiter:** If a person asks how you got their name, say: *We received your information from the Government of Canada, and specifically from the Canada Revenue Agency, which may share information for research purposes in the course of the administration or enforcement of the Income Tax Act.*

Hello/Bonjour, I'm \_\_\_\_\_ of [name of recruiting company], a public opinion and marketing research company. First off, let me assure you that we are not trying to sell you anything. We are organizing a research project on behalf of the Government of Canada that is not political in nature.

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.

The research project is specifically for the Canada Revenue Agency. The purpose of the research is to get input on communication materials related to taxation. I'd like to ask you some questions to see if you would be interested in possibly taking part in this study. This will take about 7 minutes.

May I continue?

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

In this project, an individual like yourself is chosen to sit down with several others and give ideas and opinions in a two-hour discussion session. People who are invited and take part in the group discussion will receive a cash payment honorarium as thanks for their time.

**[If prefers to continue in English for the Montreal French-language focus group, ask:]** The discussion will be held entirely in French, and participants will be asked to review and discuss communication materials written only in French. Would you be comfortable with this?

- Yes 1
- No 2 **Thank and terminate**

**[If prefers to continue in French for the Toronto, Calgary or Vancouver English-language focus groups, ask:]** La discussion se déroulera entièrement en anglais et nous demanderons aux participants de passer en revue du matériel de communication en anglais seulement puis d'en discuter. Seriez-vous à l'aise avec cela?

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

As I mentioned earlier, the purpose of the research is to test various communication materials related to taxation. The general topic of the discussion session is filing business income tax returns. You and others in the group would be asked to read and comment on a variety of communication materials related to tax filing. You will not be asked for any personal information about your own tax filing experiences.

The results of this research will be used to help improve how the Canada Revenue Agency communicates information to businesses about tax filing.

Your participation is voluntary and confidential. All information collected, used and/or disclosed will be used for research purposes only and administered per the requirements of the *Privacy Act* and the *Personal Information Protection and Electronic Documents Act*. The names of participants will not be provided to the government. Your decision to take part will not affect any dealings you may have with the Government of Canada.

May I continue?

- Yes 1  
No 2 **Thank and terminate**

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.

**Note to recruiter: When terminating a call because of their profile 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 at this time.***

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

	<b>No</b>	<b>Yes</b>	
A marketing research firm	( )	( )	
An advertising agency, web or graphic design firm	( )	( )	
A magazine or newspaper	( )	( )	
The Government of Canada	( )	( )	
The provincial or local government <b>(check which department; if a tax/revenue or finance ministry, record as “yes”)</b>	( )	( )	
A marketing company	( )	( )	<b>If “yes” to any, thank and terminate</b>
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	( )	( )	
A public relations company	( )	( )	

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

- Yes 1  
No 2 **Go to Q.4**

3a) What topics have you ever discussed?

---

**(If related to taxation, thank and terminate)**

3b) And when was the last time you attended an in-depth interview or group discussion?

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



3c) In the past 5 years, how many in-depth research interviews or group discussions 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**

4) Thank you. As I mentioned, this research is about business income tax filing. Have you ever received a letter in the mail from the Canada Revenue Agency about filing a business income tax return?

Yes      1

No      2      **Thank and end the interview**

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

5a) As I mentioned earlier, the research involves taking part in a focus group discussion. In the group discussion, you will be asked to fill in some short questionnaires in English (French). Also, participants in focus group discussions are asked to express their thoughts and opinions freely in an informal setting with 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. If respondent wears glasses, remind them to bring them to the session.**

5b) 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**

5c) There may be some people from the Canada Revenue Agency who have 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. Is this acceptable to you?

Yes      1

No      2      **Thank and end the interview**

5d) The session will be audio-recorded. These recordings are used by the research firm to help with analyzing the findings and writing the report. The recordings are not given to the Canada Revenue Agency. Your name will not appear in the research report. Is this acceptable to you?

Yes      1

No      2      **Thank and end the interview**

## **Invitation**

Thank you. We would like to invite you to participate in one of our group discussions. Refreshments will be provided, and you will be paid \$150 in cash immediately at the end of the group discussion to thank you for your participation. The discussion will last approximately 2 hours starting at \_\_\_\_\_, and will be held.....

As I mentioned earlier, this is a research project being done by the Government of Canada, and specifically by the Canada Revenue Agency. I want to reassure you that your name will not be given to them, nor will your decision about participating affect any dealings you have with the Canada Revenue Agency.

Would you be willing to attend?

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

### **Toronto**

**Date:**

**Location:**

6:00 pm – 8:00 pm:

8:00 pm – 10:00 pm:

### **Calgary**

**Date:**

**Location:**

6:00 pm – 8:00 pm:

8:00 pm – 10:00 pm:

### **Vancouver**

**Date:**

**Location:**

6:00 pm – 8:00 pm:

8:00 pm – 10:00 pm:

### **Montreal**

**Date:**

**Location:**

6:00 pm – 8:00 pm:

8:00 pm – 10:00 pm:

As part of our quality control measures, we ask everyone who is participating in the focus group to bring along a piece of I.D., picture if possible. You may be asked to show your I.D.

As these are small groups and with even one person missing, the overall success of the group may be affected, I would ask that you make every effort to attend the group. But, in the event you are unable to attend, let us know as soon as possible so we can find a replacement. Please call us at ***[Insert recruiting company phone #]*** and ask for ***[Insert recruiting company contact name]***. Also note that you may not send someone else in your place if you are unable to attend.

Please also arrive 15 minutes prior to the starting time. **The discussion begins promptly at [TIME].** People who arrive too late to participate in the focus group will not receive the honorarium.

Someone from our office will be calling you back to confirm these arrangements. May I please have your contact information where we can reach you during the evening and during the day?

**Name:** \_\_\_\_\_

**Evening phone:** \_\_\_\_\_ **Day time phone:** \_\_\_\_\_

**Email address:** \_\_\_\_\_

**Thank you very much!**

**Recruited by:** \_\_\_\_\_

**Confirmed by:** \_\_\_\_\_

**Note to recruiter: Should a participant require validation that this is a legitimate research project, please refer them to the following people at the Canada Revenue Agency:**

XXXXXXXXXXXXXXXXXXXX

## Appendix B – Discussion Guides

### Discussion Guide - Individuals

## Enforcement Letter Discussion Guide - Individuals -

### 1) Introduction (10 minutes)

- a) **Introduce self** (Rick Robson/Sylvain Laroche of Sage Research, an independent market research company). This is a research project we're doing on behalf of the Government of Canada, and specifically for the Canada Revenue Agency (CRA).

The main purpose of the research is to test various communication materials related to taxation. The specific focus of these communication materials is about people filing their annual tax return – or to use the full name of the return, filing their income tax and benefit return.

We'll start out with a general discussion of filing a tax return, such as when the tax return is due, who has to file and who doesn't, and so forth. Then I'll show you various letters that the CRA might send to someone who has not filed a tax return, and get your input. There are quite a few things I'm going to show you, so there will be a lot of paper on the table by the time we finish.

The results of the research will be used to improve how the CRA communicates information to the public about tax filing.

b) **Review group discussion procedures:**

- Role of moderator
- Role of participants: there are no right or wrong answers; just want everyone to participate and offer your own views; not here to get a consensus but it is of great value to the research to know each of your candid views
- Confidentiality: Participation is voluntary. Your name will not appear in the report; the report will be available through Library and Archives Canada
- 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 CRA
- Presence of observers from the CRA behind the one-way mirror – they are not given your name; 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 electronic devices
- Discussion to last 2 hours

c) **Any questions?**

d) **Participant self-introductions:** First name only

## 2) Tax filing (15 minutes)

- a) What is your understanding of the due date by which people are supposed to file their tax return?
- b) Are there any circumstances in which people are not required to file an income tax return? If so, are there any benefits for them to file their tax return anyway, even though it is not required?
- c) For this next question, I know you have no way of knowing the answer, but I'm interested in what your impression is. The question is, how common do you think it is that people who are supposed to file an income tax return sometimes file their tax return late?  
  
How common do you think it is that people sometimes don't file an income tax return at all?
- d) Sometimes a person is late in filing their tax return, or maybe doesn't ever file it. What are the different circumstances or reasons you can think of for why this might sometimes happen?
- e) People who don't file a tax return may get a letter in the mail from the CRA. The letter will come in a brown envelope, and it will say "Canada Revenue Agency" on the envelope (hold up sample envelope). Sometimes a person receiving a letter from the CRA doesn't open it and just puts it away without really reading it. What do you think is going through their mind?

**Probe:** (If anxiety/fear mentioned) What could be done to lessen that?

## 3) T1 TX-11 (20 minutes)

I'm now going to show you some letters that the CRA might send to people who haven't filed their taxes. Here is the first one.

(Pass out and review *Scenario: Did not file a tax return* and questionnaire)

- ◆ Don't worry about spelling or grammar, but please do make notes for yourself; you can write on the letter itself if you want
  - ◆ Don't talk with each other about what you're writing, so that each of you has time to formulate your own opinions before hearing what other people think
- a) What is the letter asking the person to do? Is it clear, or not really? Is there anything unclear or confusing in the letter? Is there enough information?
  - b) If you were the person in this scenario, how would you feel about and react to this letter?  
  
Do you think you would file the tax return? If so, what is it in the letter that would motivate you to file the return?
  - c) Sometimes people who receive and read this letter still do not file their tax return. What do you think their reaction is to the letter?
  - d) How do you feel about the tone of the letter? Is it appropriate, or do you feel it should be different in some way?
  - e) [Time permitting] Do you have any suggestions for changes to the letter?

#### 4) T1 TX-14 (15 minutes)

**[Terminology Note for Moderator:** “Raising an Assessment” under the Income Tax Act is where the CRA can essentially make its “best guess” of taxes owing and that becomes a legally-pursuable amount unless the “real return” is filed.]

(Pass out and review *Scenario: Did not file a tax return – Letter 2* and questionnaire)

- ◆ Don’t worry about spelling or grammar, but please do make notes for yourself; you can write on the letter itself if you want
  - ◆ Don’t talk with each other about what you’re writing, so that each of you has time to formulate your own opinions before hearing what other people think
- a) Sometimes people who receive this second letter from the CRA will then go ahead and file their return. So, they don’t file in response to the first letter, but they do file after this second letter. What do you think might be their reasons for filing after this second letter?

**Probes:** Content of the letter versus the fact of getting a second letter

If the CRA didn’t bother with that first letter we looked at and only sent the second letter, do you think that would be more effective at getting people to file their taxes?

- b) Sometimes people who receive and read this second letter still do not then file their tax return. What do you think their reaction is to the second letter?
- c) Did you notice anything different about this second letter compared to the first letter, or did it seem pretty much the same?

For each difference: How many noticed it? Do you think it will be effective in motivating people to file?

**Probe differences from first letter (TX-11):**

- *Subject* line changes from *Reminder to file* to *Request to file*
  - Addition of 30-day deadline to the third paragraph
  - Addition of *we can assess your tax payable under subsection 152(7) of the Income Tax Act*
- d) Anything unclear or confusing?
- e) How do you feel about the tone of the letter?
- f) [Time permitting] Do you have any suggestions for changes to the letter?

#### 5) T1 TX-14D (10 minutes)

For this next letter, you are a different person. You are Joan Brown. For the 2017 tax year, you were late filing your tax return and were charged a penalty as a result. You are now late filing your 2018 tax return. You received the first letter that we looked at, but you did not file your return. Some time goes by and you get this second letter.

I’ll pass it out and let you read it. I’ll then ask whether getting this third letter would do anything to motivate people to file.

(Pass out letter for participants to read)

- a) Sometimes people who receive this second letter from the CRA will then go ahead and file their return. So, they don't file in response to the first letter but they do file after this second letter. What do you think might be their reasons for filing after this second letter?

**Probe:** Content of the letter versus the fact of getting a second letter

- b) Did you notice anything different about this second letter compared to the first letter, or did it seem pretty much the same?

For each difference: How many noticed it? Do you think it will be effective in motivating people to file?

**Probe differences from first letter (TX-11)**

- *Subject line changes from Reminder to file to Demand to file*
  - *1<sup>st</sup> paragraph changes from we are writing to you because we have not received your income tax and benefit return for the tax year shown above to we are sending you this demand to file in accordance with subsection 150(2) of the Income Tax Act.*
  - Addition of 30-day deadline
  - Addition of *we can assess your tax payable under subsection 152(7) of the Income Tax Act*
- c) [Time permitting] Do you have any suggestions to make this letter more effective at motivating a person to file their tax return?

(Collect questionnaires)

## 6) Letter 13911 (10 minutes)

What we've seen so far are letters that the CRA's automated systems send out to people who have not filed their tax returns. Sometimes, when one of the letters you've seen doesn't get a person to file, a CRA agent will get involved and contact the person directly. In this next example, a CRA agent has talked to the person on the phone. However, after that phone call, the person still has not filed their return. They then receive this letter.

(Pass out letter) After you read it, I'll ask you what if any impact getting this letter in this context will have.

Do vote: As I said, the context is this person was called by a CRA agent and talked to the agent about filing their return, but they have not filed. How many think getting this letter will make a difference?

- If yes: what is it about getting the letter that might motivate them to file
  - Probe:** Reaction to the letter giving a specific due date, rather than saying within 30 days as in the previous letter you saw
  - Reaction to the part that says *we may assess you under subsection 152(7) of the Income Tax Act based on available information*
- If no: Reasons
- How do you feel about the tone of the letter?

(Collect handouts)

## 7) Letter 15734 (5 minutes)

And here is the last sample letter. In this case, the CRA agent has not been able to contact the person on the phone and is trying one last time to contact them by mail before the CRA proceeds to do its own assessment of tax owing. How do you think a person would react to this, given they haven't responded to a previous letter? Do you think they would now file a return or at least contact the CRA, or not really?

## 8) Messaging concepts (25 Minutes)

The CRA has some ideas for what to say to encourage people to file their tax return. I want to show you their ideas and get your reactions.

Each idea is in the form of a couple of sentences. And each one is a concept for a message that could appear, for example, in a letter, on a website or on social media.

I want to emphasize that these are just ideas at this point. If they use one of these ideas, the language might be a little bit different, or it might appear together with some sort of picture or graphic.

[Review *Questionnaire: Message Concepts*]

- ◆ Don't talk with each other, so that each of you has time to formulate your own opinions before hearing what other people think

Do votes: In each row:

- # choosing each of the two options
- For each of the two options, # ranking it 1<sup>st</sup> or 2<sup>nd</sup>

Discuss messages (use votes to decide order of discussion; in general start with the less popular messages)

- [Ask of those more positive:] What are reasons why you find this relatively more meaningful and motivating? What do you like about this message compared to some of the others?
- [Ask of those less positive:] What are reasons why you find this relatively less meaningful and motivating? What do you not like about this message compared to some of the others?

## 9) Wrap-up (10 minutes)

You've now seen various letters and messages that try to encourage people to file their tax return. And, as you have seen the CRA sends letters to people who have not filed a tax return. The CRA is interested in other ways beside letters in which it could communicate tax filing requirements to the public. Do you have any suggestions to the CRA for other ways of communicating this information to the public?

Thank you for coming this evening and giving us your opinions.

Please leave all the papers on the table.

On your way out, please don't forget to see the host to sign for and receive your incentive envelope.



**Group 1:** There is another group waiting out there to have this same discussion. So please don't talk about anything related to what we have done here to make sure they don't have any more information than you did before our discussion.

## **Scenario: Did Not File a Tax Return**

**Please imagine you are the following person when reading and reacting to the letter**

Your name is John Smith.

You did not file your 2018 income tax return by the filing deadline, nor have you contacted the CRA about the situation.

After a period of time goes by, you receive a letter from the CRA.

## Questionnaire: CRA Letter

When answering the questions, please imagine you are the person in the scenario, and imagine how you would react in this situation.

1) How would you feel about, and react to, this letter?

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2) Is there enough information in the letter? If not, what other information should be in the letter? Also please note anything unclear or confusing, or underline it in the letter.

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3) How do you feel about the tone of the letter? Is it appropriate, or do you feel it should be different in some way?

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4) Sometimes people who receive and read this letter do not then file their tax return. What do you think their reaction is to the letter?

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## **Scenario: Did Not File a Tax Return – Letter #2**

**Please imagine you are the following person when reading and reacting to the letter**

You received the first letter we just talked about, but you did not then file your tax return.

After a period of time goes by, you receive a second letter from the CRA.

## Questionnaire: CRA Letter – Letter #2

When answering the questions, please imagine you are the person in the scenario, and imagine how you would react in this situation.

- 1) Sometimes people who receive this second letter from the CRA will then go ahead and file their return. So, they don't file in response to the first letter, but they do file after this second letter. What do you think might be their reasons for filing after this second letter?

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- 2) Please note anything unclear or confusing, or underline it in the letter.

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- 3) How do you feel about the tone of the letter? Is it appropriate, or do you feel it should be different in some way?

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- 4) Sometimes people who receive and read this second letter still do not then file their tax return. What do you think their reaction is to the second letter?

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# Questionnaire: Message Concepts

[NOTE: In any one group, only 3 of the rows will be shown]

Here are some different concepts for messages to encourage people to file an income tax return.

For each row, please circle which message you think is more effective to encourage someone to file.

**Row #1**     **S:** It's every Canadian citizen's responsibility to file a tax return     **B:** It is your responsibility, as a Canadian citizen, to file your tax return(s).

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**Row #2**     **K:** When you file your taxes, you are supporting schools, hospitals, public transit, and many other services that Canadians use every day.     **R:** When you're not filing your taxes, it hurts all Canadians. There's less money going to important programs that help us all - like health care, skills training, and Old Age Security.

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**Row #3**     **H:** The CRA's tools and resources can help you get up to date with your outstanding tax returns and get you the benefits you may be entitled to.     **F:** The longer you wait to file, the worse your penalties and interests can get. We can help you get back on track.

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**Row #4**     **E:** Be on the right side of the law and avoid paying penalties and interest. When you file your return and pay your taxes on time, you contribute to your community.     **M:** Not filing your tax return is against the law. Do the right thing!

2) Now, please rank the three you circled from #1 (best) to #3 (3<sup>rd</sup> best) (write in the message letter)

#1. \_\_\_\_\_

#2. \_\_\_\_\_

#3. \_\_\_\_\_

## Discussion Guide – Small Business

# Enforcement Letter Discussion Guide - Small Business -

### 1) Introduction (10 minutes)

- a) **Introduce self** (Rick Robson/Sylvain Laroche of Sage Research, an independent market research company). This is a research project we're doing on behalf of the Government of Canada, and specifically for the Canada Revenue Agency (CRA).

The main purpose of the research is to test various communication materials related to taxation. The specific focus of these communication materials is about corporations filing their annual tax return. And one thing that all of you have in common is that you are associated with an incorporated business. Also, the focus is on smaller incorporated businesses.

We'll start out with a general discussion of filing corporation tax returns, such as when the tax return is due, which businesses have to file and which do not, and so forth. Then I'll show you various letters that the CRA might send to a corporation that has not filed a tax return, and get your input. There are quite a few things I'm going to show you, so there will be a lot of paper on the table by the time we finish.

The results of the research will be used to improve how the CRA communicates information to businesses about tax filing.

b) **Review group discussion procedures:**

- Role of moderator
- Role of participants: there are no right or wrong answers; just want everyone to participate and offer your own views; not here to get a consensus but it is of great value to the research to know each of your candid views
- Confidentiality: Participation is voluntary. Your name will not appear in the report; the report will be available through Library and Archives Canada
- 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 CRA
- Presence of observers from the CRA behind the one-way mirror – they are not given your name; 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 electronic devices
- Discussion to last 2 hours

c) **Any questions?**

d) **Participant self-introductions:** First name only

### 2) Tax filing (15 minutes)

- a) What is your understanding of the due date by which incorporated businesses are supposed to file their tax return?

- b) Are there any circumstances in which a business corporation is not required to file an income tax return?
- c) For this next question, I know you have no way of knowing the answer, but I'm interested in what your impression is. The question is, how common do you think it is that businesses who are supposed to file an income tax return sometimes file their tax return late?

How common do you think it is that businesses sometimes don't file an income tax return at all?

- d) Sometimes a business is late in filing their tax return, or maybe doesn't ever file it. What are the different circumstances or reasons you can think of for why this might sometimes happen?
- e) A business that doesn't file a tax return may get a letter in the mail from the CRA. The letter will come in a brown envelope, and it will say "Canada Revenue Agency" on the envelope. Sometimes a business receiving a letter from the CRA doesn't open it and just puts it away without really reading it. Why do you think this sometimes happens?

**Probe:** (If anxiety/fear mentioned) What could be done to lessen that?

### 3) T2 TX-11 (20 minutes)

I'm now going to show you some letters that the CRA might send. Here is the first one.

(Pass out and review *Scenario: Did not file a tax return* and questionnaire)

- ◆ Don't worry about spelling or grammar, but please do make notes for yourself; you can write on the letter itself if you want
- ◆ Don't talk with each other about what you're writing, so that each of you has time to formulate your own opinions before hearing what other people think
- a) What is the letter asking the business to do? Is it clear, or not really? Is there anything unclear or confusing in the letter? Is there enough information?
- b) If you were the person in this scenario, how would you feel about and react to this letter?  
Do you think you would act to file the business tax return? If so, what is it in the letter that would motivate you to file the return?
- c) Sometimes businesses who receive and read this letter do not then file their tax return. What do you think their reaction is to the letter?
- d) How do you feel about the tone of the letter? Is it appropriate, or do you feel it should be different in some way?
- e) [Time permitting] Do you have any suggestions for changes to the letter?

### 4) T2 TX-14 (15 minutes)

(Pass out and review *Scenario: Did not file a tax return – Letter 2* and questionnaire)

- ◆ Don't worry about spelling or grammar, but please do make notes for yourself; you can write on the letter itself if you want
- ◆ Don't talk with each other about what you're writing, so that each of you has time to formulate your own opinions before hearing what other people think



- a) Sometimes businesses who receive this second letter from the CRA will then go ahead and file their return. So, they don't file in response to the first letter, but they do file after this second letter. What do you think might be their reasons for filing after this second letter?

**Probe:** Content of the letter versus the fact of getting a second letter

If the CRA didn't bother with that first letter we looked at and only sent the second letter, do you think that would be more effective at getting people to file their taxes?

- b) Sometimes businesses who receive and read this second letter still do not then file their tax return. What do you think their reaction is to the second letter?
- c) Did you notice anything different about this second letter compared to the first letter, or did it seem pretty much the same?

For each difference: How many noticed it? Do you think it will be effective in motivating a business to file?

**Probe differences from first letter (TX-11):**

- *Subject* line changes from *Reminder to file* to *Request to file*
- Addition of 30-day deadline to the fourth paragraph
- Addition of *we can assess your tax payable under subsection 152(7) of the Income Tax Act*

- d) Anything unclear or confusing?
- e) How do you feel about the tone of the letter?
- f) [Time permitting] Do you have any suggestions for changes to the letter?

## 5) T2 TX-14D (10 minutes)

For this next letter, you are a different person. You are Joan Brown of ABC Corporation. For the 2017 tax year, your business was late filing its tax return and was charged a penalty as a result. The business is now late filing its 2018 tax return. You received the first letter that we looked at, but you did not file the return. Some time goes by and you get this second letter.

I'll pass it out and let you read it. I'll then ask whether getting this third letter would do anything to motivate a business to file.

(Pass out letter for participants to read)

- a) Sometimes businesses who receive this second letter from the CRA will then go ahead and file their return. So, they don't file in response to the first letter, but they do file after this second letter. What do you think might be their reasons for filing after this second letter?

**Probe:** Content of the letter versus the fact of getting a second letter

- b) Did you notice anything different about this second letter compared to the first letter, or did it seem pretty much the same?

For each difference: How many noticed it? Do you think it will be effective in motivating people to file?

**Probe differences from first letter (TX-11)**

- *Subject* line changes from *Reminder to file a corporation income tax return* to *Demand for corporation income tax return*

- 1<sup>st</sup> paragraph changes from *we are writing to you because we have not received your corporation's income tax return for the tax year shown above to We are sending you this demand to file in accordance with subsection 150(2) of the Income Tax Act.*
  - Addition of 30-day deadline to the fourth paragraph
  - Addition of *we can assess your tax payable under subsection 152(7) of the Income Tax Act*
- c) [Time permitting] Do you have any suggestions to make this letter more effective at motivating a business to file its income tax return?

(Collect questionnaires)

## 6) Letter 13926 (10 minutes)

What we've seen so far are letters that the CRA's automated systems send out to businesses that have not filed their corporate tax returns. Sometimes, when one of these letters doesn't get a business to file, a CRA agent will get involved and try to contact the business directly. In this next example, a CRA agent tried to reach the business by phone, but could not reach them.

(Review scenario and pass out letter for participants to read)

- a) Sometimes businesses who receive this letter from the CRA will then go ahead and file their return. So, they don't file in response to any of the previous letters, but they do file after this letter. What do you think might be their reasons for filing after this second letter?

**Probe:** Content of the letter versus the fact of getting another letter

Reaction to: Gives a specific due date, rather than the *within 30 days* on the other letters you saw

Reaction to: *may...do a detailed on-site review of your file*

- b) If a business does not respond to the letter by filing a return, what do you think might be the reason?
- c) Anything unclear or confusing?
- d) [Time permitting] Do you have any suggestions for changes to the letter?

## 7) Letter 15777 (10 minutes)

(Review scenario and pass out letter for participants to read; the letter will highlight the "director" paragraph)

The highlighted paragraph in this letter talks about the responsibility of a corporate director with respect to a tax return for the corporation. And, I've asked you to imagine you are a corporate director receiving this letter. What, if any, effect do you think this paragraph might have?

## 8) Messaging concepts (25 Minutes)

The CRA has some ideas for what to say to encourage businesses to file their tax return. I want to show you their ideas and get your reactions.

Each idea is in the form of a couple of sentences. And each one is a concept for a message that could appear, for example, in a letter, on a website or on social media.

I want to emphasize that these are just ideas at this point. If they use one of these ideas, the language might be a little bit different, or it might appear together with some sort of picture or graphic.

[Review *Questionnaire: Message Concepts*]

- ◆ Don't talk with each other, so that each of you has time to formulate your own opinions before hearing what other people think

Do votes: In each row:

- # choosing each of the two options
- For each of the two options, # ranking it 1<sup>st</sup> or 2<sup>nd</sup>

Discuss each message (use votes to decide order of discussion; in general start with the less popular messages)

- [Ask of those more positive:] What are reasons why you find this relatively more meaningful and motivating? What do like about this message compared to some of the others?
- [Ask of those less positive:] What are reasons why you find this relatively less meaningful and motivating? What do you not like about this message compared to some of the others?

## 9) Wrap-up (5 minutes)

You've now seen various letters and messages that try to encourage businesses to file a tax return. And, as you have seen the CRA sends letters to people who have not filed a tax return. The CRA is interested in other ways beside letters in which it could communicate tax filing requirements to businesses. Do you have any suggestions to the CRA for other ways of communicating this information to businesses?

Thank you for coming this evening and giving us your opinions.

Please leave all the papers on the table.

On your way out, please don't forget to see the host to sign for and receive your incentive envelope.

**Group 1:** There is another group waiting out there to have this same discussion. So please don't talk about anything related to what we have done here to make sure they don't have any more information than you did before our discussion.

## **Scenario: Did Not File a Tax Return**

**Please imagine you are the following person when reading and reacting to the letter**

Your name is John Smith of Corporation 123.

Your business did not file a 2018 income tax return by the filing deadline, nor have you contacted the CRA about the situation.

After a period of time goes by, your business receives a letter from the CRA.

## Questionnaire: CRA Letter

When answering the questions, please imagine you are the person in the scenario, and imagine how you would react in this situation.

1) How would you feel about, and react to, this letter?

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2) Is there enough information in the letter? If not, what other information should be in the letter? Also please note anything unclear or confusing, or underline it in the letter.

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3) How do you feel about the tone of the letter? Is it appropriate, or do you feel it should be different in some way?

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4) Sometimes businesses who receive and read this letter do not then file their tax return. What do you think their reaction is to the letter?

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## **Scenario: Did Not File a Tax Return – Letter #2**

**Please imagine you are the following person when reading and reacting to the letter**

Your business received the first letter we just talked about, but the business did not then file a tax return.

After a period of time goes by, your business receives a second letter from the CRA.

## Questionnaire: CRA Letter – Letter #2

When answering the questions, please imagine you are the person in the scenario, and imagine how you would react in this situation.

- 1) Sometimes businesses who receive this second letter from the CRA will then go ahead and file their return. So, they don't file in response to the first letter, but they do file after this second letter. What do you think might be their reasons for filing after this second letter?

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- 2) Please note anything unclear or confusing, or underline it in the letter.

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- 3) How do you feel about the tone of the letter? Is it appropriate, or do you feel it should be different in some way?

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- 4) Sometimes businesses who receive and read this second letter still do not then file their tax return. What do you think their reaction is to the second letter?

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## **Scenario: CRA could not reach the business by phone**

**Please imagine you are the following person when reading and reacting to the letter**

You are Carol Campbell of Cheers Inc.

Your business received one of the letters we've talked about, but still has not filed a tax return.

The CRA tried to reach the business by telephone, but was not able to talk to you.

Your business then receives this letter from the CRA.



## **Scenario: Business has not filed for multiple years**

**Please imagine you are the following person when reading and reacting to the letter**

Your name is Michael Scott, and you are a Director of Globeworks.

The business did not file tax returns for either 2017 or 2018.

Your business received one of the letters we've talked about, but still has not filed the tax returns.

You, as one of the Directors of the corporation, then receive this letter from the CRA.

Please focus on the highlighted paragraph: what, if any, effect might this have?

# Questionnaire: Message Concepts

[NOTE: In any one group, only 3 of the rows will be shown; Given there are 4 groups, each row will be shown in either 2 or 3 focus groups]

Here are some different concepts for messages to encourage people to file an income tax return.

For each row, please circle which message you think is more effective to encourage someone to file.

**Row #1**     **S:** It's every Canadian citizen's responsibility to file a tax return

**B:** It is your responsibility, as a Canadian citizen, to file your tax return(s).

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**Row #2**     **K:** As an employer, you are an integral part of Canada's growing economy when you file your taxes; you create jobs and contribute to social programs such as the Canada Pension Plan and the Employment Insurance program. In doing so, you are contributing to a prosperous Canadian society.

**R:** When you're not filing your taxes, it hurts all Canadians. There's less money going to important programs that help us all - like health care, skills training, and Old Age Security.

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**Row #3**     **H:** Don't let your late taxes pile up! Getting your late business taxes done may be easier and quicker than you think.

**F:** Failing to file your tax return can cost you penalties and interests. We can help you.

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**Row #4**     **G:** Get back to business with your taxes so you can get back to doing the things you love!

**S:** Mind your business by staying up to date with your taxes!

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**Row #5**     **E:** Be on the right side of the law and avoid paying penalties and interest. When you file your return and pay your taxes on time, you contribute to your community.

**M:** Not filing your tax return is against the law. Do the right thing!

2) Now, please rank the 3 you circled from #1 (best) to #3 (3<sup>rd</sup> best) (write in the message letter)

#1. \_\_\_\_\_

#2. \_\_\_\_\_

#3. \_\_\_\_\_

## APPENDIX C – Letters : Individuals

TX-11



Canada Revenue  
Agency

Agence du revenu  
du Canada

TAX CENTRE  
OTTAWA ON A1B 2C3

John Smith  
123 Main Street  
Toronto, ON  
A1B 2C3

<b>Date</b>	May 15, 2019
<b>Account Number</b>	111 222 333
<b>Tax Year</b>	2018
<b>Return type</b>	T1 return

000001

Subject: Reminder to file an income tax and benefit return

We are writing to you because we have not received your income tax and benefit return for the tax year shown above.

Filing a tax return is key to getting your benefits and credits. Also, you must file a tax return if you owe tax. For more information, you can refer to the “Before you start” section of the General Income Tax and Benefit Guide each tax year, under “Do you have to file a return?”

For filing options and online services, such as NETFILE and My Account, go to [canada.ca/cra-get-online](https://canada.ca/cra-get-online).

If you are filing a paper return, mail it to:

Jonquière TC, T5018 Statement of Contract Payments  
P.O. Box 1300 LCD Jonquière  
Jonquière QC G7S 0L5

Call us at:

Calls from Canada and the United States: 1-800-959-8281  
Calls from any other location: 613-940-8495

Please note that if you owe tax and do not file your return on time, we will:

- Apply a penalty to your late-filed return; and
- Charge interest on all amounts owing, starting the day after your return was due

Interest is compounded daily, and the penalty may increase if a penalty was also applied within the three previous tax years.

If you need more information or forms to file your return, go to [canada.ca/taxes-individuals](https://canada.ca/taxes-individuals) or call 1-800-959-8281.

Thank you,

Bob Hamilton  
Commissioner of Revenue

The wordmark for Canada, featuring a stylized 'a' with a small flag on top.

TX-14



Canada Revenue  
Agency

Agence du revenu  
du Canada

TAX CENTRE  
OTTAWA ON A1B 2C3

John Smith  
123 Main Street  
Toronto, ON  
A1B 2C3

<b>Date</b>	July 15, 2019
<b>Account Number</b>	111 222 333
<b>Tax Year</b>	2018
<b>Return type</b>	T1 return

000001

Subject: Request to file an income tax and benefit return

We are writing to you because we have not received your income tax and benefit return for the tax year shown above.

Filing a tax return is key to getting your benefits and credits. Also, you must file a tax return if you owe tax. For more information, you can refer to the "Before you start" section of the General Income Tax and Benefit Guide each tax year, under "Do you have to file a return?"

Complete and send your return to the Canada Revenue Agency within **30 days** of this request. For filing options and online services, such as NETFILE and My Account, go to **canada.ca/cra-get-online**.

If you are filing a paper return, mail it to:

Jonquière TC, T5018 Statement of Contract Payments  
P.O. Box 1300 LCD Jonquière  
Jonquière QC G7S 0L5

Call us at:

Calls from Canada and the United States: 1-800-959-8281  
Calls from any other location: 613-940-8495

If you do not file your return, we can assess your tax payable under subsection 152(7) of the Income Tax Act.

Please note that if you owe tax and do not file your return on time, we will:

- Apply a penalty to your late-filed return; and
- Charge interest on all amounts owing, starting the day after your return was due

Interest is compounded daily, and the penalty may increase if a penalty was also applied within the three previous tax years.

If you need more information or forms to file your return, go to **canada.ca/taxes-individuals** or call 1-800-959-8281.

Thank you,

Bob Hamilton  
Commissioner of Revenue

TX-14D



Canada Revenue  
Agency

Agence du revenu  
du Canada

TAX CENTRE  
OTTAWA ON A1B 2C3

Joan Brown  
456 Maple Ave  
Toronto, ON  
A1B 2C3

<b>Date</b>	August 15, 2019
<b>Account Number</b>	111 222 333
<b>Tax Year</b>	2018
<b>Return type</b>	T1 return

000001

Subject: Demand to file an income tax and benefit return

We are sending you this demand to file your income tax and benefit return in accordance with subsection 150(2) of the Income Tax Act.

You **must** complete and send your return for the tax year shown above within **30 days** of the date of this demand. For filing options and online services, such as NETFILE and My Account, go to **canada.ca/cra-get-online**.

If you are filing a paper return, mail it to:

Jonquière TC, T5018 Statement of Contract Payments  
P.O. Box 1300 LCD Jonquière  
Jonquière QC G7S 0L5

Call us at:

Calls from Canada and the United States: 1-800-959-8281  
Calls from any other location: 613-940-8495

If you do not file your return, we can assess your tax payable under subsection 152(7) of the Income Tax Act.

Please note that if you owe tax and do not file your return on time, we will:

- Apply a penalty to your late-filed return; and
- Charge interest on all amounts owing, starting the day after your return was due

Interest is compounded daily, and the penalty may increase if a penalty was also applied within the three previous tax years.

If you need more information or forms to file your return, go to **canada.ca/taxes-individuals** or call 1-800-959-8281.

Thank you,

Bob Hamilton  
Commissioner of Revenue

Canada

## Letter 13911



Canada Revenue  
Agency

Agence du revenu  
du Canada

August 15, 2019

TAX CENTRE  
OTTAWA ON A1B 2C3

Processing Number  
1234 123 12

Nancy Doe  
123 New Street  
Halifax, NS B1B 1B1

Dear Madam:

Re: 2017 and 2018 tax years

This is in response to our telephone conversation of July 16, 2019 about the income you earned in Canada during the above tax year(s).

Our records show that we have not yet received the income tax return(s).

Please file the returns by September 28, 2019 or we may assess you under subsection 152(7) of the "Income Tax Act" based on available information.

If you have any questions, call 613-321-4321. We accept collect calls.

Yours sincerely,

Jane Roe  
Non-Filer Officer

The wordmark for Canada, featuring the word "Canada" in a serif font with a stylized maple leaf above the letter 'a'.

## Letter 15734



Canada Revenue  
Agency

Agence du revenu  
du Canada

TAX CENTRE  
OTTAWA ON A1B 2C3

August 15, 2019

Processing Number  
1234 123 12

Carol Campbell  
222 Moonlight Lane  
Winnipeg, MB R0R 0R0

Dear Madam:

Re: Income tax and benefit returns for 2017 and 2018

Our records indicate that you have not filed your income tax returns for the above years.

Please complete the returns by September 28, 2019. For filing options and online services, such as NETFILE and My Account, go to [canada.ca/cra-get-online](http://canada.ca/cra-get-online).

For a paper return, mail it to:

Jonquière TC, T5018 Statement of Contract Payments  
P.O. Box 1300 LCD Jonquière  
Jonquière QC G7S 0L5

To get tax forms, go to [canada.ca/cra-forms](http://canada.ca/cra-forms) or call 1-800-959-8281.

If we do not receive the returns by the above date, we may assess you under subsection 152(7) of the "Income Tax Act" based on available information.

If you owe tax, we will charge you interest and a late-filing penalty starting the day after the return(s) was/were due.

If you have questions, call me at 613-321-4321. We accept collect calls.

Yours sincerely,

Jane Roe  
Non-Filer Officer

The wordmark for Canada, with a stylized 'ä' in the 'a'.

## APPENDIX D – Letters : Small Business

TX-11



Canada Revenue  
Agency

Agence du revenu  
du Canada

TAX CENTRE  
OTTAWA ON A1B 2C3

John Smith  
CORPORATION 123  
123 Main Street  
Toronto, ON  
A1B 2C3

<b>Date</b>	May 15, 2019
<b>Account Number</b>	111 222 333
<b>Tax Year</b>	2018
<b>Return type</b>	T2 income tax return

000001

Subject: Reminder to file a corporation income tax return

We are writing to you because we have not received your corporation's income tax return for the tax year shown above.

Corporations must file a return every tax year up to the date of dissolution, even if they are inactive or have no tax payable, unless they are a registered charity.

For tax years ending after 2009, corporations with gross revenues over \$1 million **must** file their returns electronically using commercial software that we certified or we will apply a penalty. For more information, go to **canada.ca/corporation-internet**.

If you are filing a paper return, mail it to:

Jonquière TC, T5018 Statement of Contract Payments  
P.O. Box 1300 LCD Jonquière  
Jonquière QC G7S 0L5

Call us at:

Calls from Canada and the United States: 1-800-959-5525  
Calls from any other location: 613-940-8497

Please note that if your corporation owes tax and does not file a return on time, we will:

- Apply a penalty to your late-filed return; and
- Charge interest on all amounts owing, starting the day after your return was due

Interest is compounded daily, and the penalty may increase if a penalty was also applied within the three previous tax years.

Our online services make it faster and easier to handle your company's tax matters. Go to **canada.ca/taxes-business-online** to file and pay, as well as to get detailed information about your tax accounts.

If you need more information or forms to file your return, go to **canada.ca/taxes-business-online** or call 1-800-959-5525.

Thank you,

Bob Hamilton  
Commissioner of Revenue



TX-14



Canada Revenue  
Agency

Agence du revenu  
du Canada

TAX CENTRE  
OTTAWA ON A1B 2C3

John Smith  
CORPORATION 123  
123 Main Street  
Toronto, ON  
A1B 2C3

<b>Date</b>	July 15, 2019
<b>Account Number</b>	111 222 333
<b>Tax Year</b>	2018
<b>Return type</b>	T2 income tax return

000001

Subject: Request to file a corporation income tax return

We are writing to you because we have not received your corporation's income tax return for the tax year shown above.

Corporations must file a return every tax year up to the date of dissolution, even if they are inactive or have no tax payable, unless they are a registered charity.

For tax years ending after 2009, corporations with gross revenues over \$1 million **must** file their returns electronically using commercial software that we certified or we will apply a penalty. For more information, go to **canada.ca/corporation-internet**.

Fill out and send your return to the Canada Revenue Agency within **30 days** of this request.

If you are filing a paper return, mail it to:

Jonquière TC, T5018 Statement of Contract Payments  
P.O. Box 1300 LCD Jonquière  
Jonquière QC G7S 0L5

Call us at:

Calls from Canada and the United States: 1-800-959-5525  
Calls from any other location: 613-940-8497

If you do not file your return, we can assess your tax payable under subsection 152(7) of the Income Tax Act.

Please note that if your corporation owes tax and does not file a return on time, we will:

- Apply a penalty to your late-filed return; and
- Charge interest on all amounts owing, starting the day after your return was due

Interest is compounded daily, and the penalty may increase if a penalty was also applied within the three previous tax years.

Our online services make it faster and easier to handle your company's tax matters. Go to **canada.ca/taxes-business-online** to file and pay, as well as to get detailed information about your tax accounts.

If you need more information about business topics, such as dissolving a corporation, or forms to file your return, go to **canada.ca/taxes-business-online** or call 1-800-959-5525.

Thank you,

Bob Hamilton

Commissioner of Revenue

Canada

TX-14D



Canada Revenue  
Agency

Agence du revenu  
du Canada

TAX CENTRE  
OTTAWA ON A1B 2C3

Joan Brown  
ABC Corp  
456 Maple Ave  
Toronto, ON  
A1B 2C3

<b>Date</b>	August 15, 2019
<b>Account Number</b>	111 222 333
<b>Tax Year</b>	2018
<b>Return type</b>	T2 income tax return

000001

Subject: Demand for corporation income tax return

We are sending you this demand to file a corporation income tax return in accordance with subsection 150(2) of the Income Tax Act.

Corporations **must** file a return every tax year up to the date of dissolution, even if they are inactive or have no tax payable, unless they are a registered charity.

For tax years ending after 2009, corporations with gross revenues over \$1 million **must** file their returns electronically using commercial software that we certified or we will apply a penalty. For more information, go to **canada.ca/corporation-internet**.

You must complete and send your return for the tax year shown above within **30 days** of this demand.

If you are filing a paper return, mail it to:

Jonquière TC, T5018 Statement of Contract Payments  
P.O. Box 1300 LCD Jonquière  
Jonquière QC G7S 0L5

Call us at:

Calls from Canada and the United States: 1-800-959-5525  
Calls from any other location: 613-940-8497

If you do not file your return, we can assess your tax payable under subsection 152(7) of the Income Tax Act.

Please note that if your corporation owes tax and does not file a return on time, we will:

- Apply a penalty to your late-filed return; and
- Charge interest on all amounts owing, starting the day after your return was due

Interest is compounded daily, and the penalty may increase if a penalty was also applied within the three previous tax years.

Our online services make it faster and easier to handle your company's tax matters. Go to **canada.ca/taxes-business-online** to file and pay, as well as to get detailed information about your tax accounts.

If you need more information about business topics, such as dissolving a corporation, or forms to file your return, go to **canada.ca/taxes-business-online** or call 1-800-959-5525.

Thank you,

Bob Hamilton  
Commissioner of Revenue

Canada

## Letter 15777



Canada Revenue  
Agency

Agence du revenu  
du Canada

TAX CENTRE  
OTTAWA ON A1B 2C3

August 15, 2019

Processing Number  
1234 123 12

Michael Scott  
Globeworks  
100 Pine Street  
Edmonton, AB T1T 1T1

Dear Sir:

Re: Corporation Income Tax Returns for 2017 and 2018

Our records show that you are a director of the corporation Globeworks. As a director, you must file a corporation income tax return for the above years and include statements of assets, liabilities, income, and expenses.

Please complete the returns and send it to us by September 28, 2019. You can file online. For more information about this quick and easy method of filing, go to [canada.ca/corporation-internet](http://canada.ca/corporation-internet).

For a paper return, mail it to:

Jonquière TC, T5018 Statement of Contract Payments  
P.O. Box 1300 LCD Jonquière  
Jonquière QC G7S 0L5

To get tax forms, go to [canada.ca/t2-return](http://canada.ca/t2-return) or call 1-800-959-5525.

If you cannot meet the above date or have questions, call me at 613-321-4321. We accept collect calls.

If we do not receive the return(s) by September 28, 2019, we may assess you under subsection 152(7) of the "Income Tax Act" based on available information.

If you owe tax, we will charge interest and a late-filing penalty starting the day after your return(s) was due.

Yours sincerely,

Jane Roe  
Non-Filer Officer

The wordmark for Canada, with a stylized maple leaf above the letter 'a'.