



Canada Revenue
Agency

Agence du revenu
du Canada

COVID-19 Response Research

Executive Summary

Prepared for: Canada Revenue Agency (CRA)

Supplier name: Ipsos Limited Partnership
Contract number: 46572-213223/001/CY
Contract value: \$164,906.76, including HST
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This public opinion research report presents the results of primary research conducted by Ipsos Limited Partnership on behalf of the Canada Revenue Agency. The research consisted of surveys among:

- Telephone survey among 1202 individuals who filed their 2019/18 tax return and/or applied for COVID-19 emergency support benefits.
- Online survey among 358 owners of small or medium-sized enterprises (SMEs earning business revenue <\$50M) who have filed their 2019 business tax return and/or applied for CEWS. The survey targeted pre-identified SME owners on online panels and screened for those who make decisions about, or are directly involved, with tax-related matters.
- Online survey among 313 Tax intermediaries (TIs) who have filed T2s and/or applied to CEWS on behalf of clients. The survey first targeted pre-identified accountants on online panels and screened for those who qualified (work with SMEs on tax-related or payroll matters).

In addition, a separate online survey was conducted among 1199 individuals who filed their 2019/18 tax return and/or applied for COVID-19 emergency support benefits. The sample source used was an online non-probability panel. The survey and specifications matched that of the telephone RDD survey. The survey was fielded between July 16 and 20, 2020. The online survey results were compared to the telephone survey results as a case study in comparing responses between telephone and online panel survey modes. The case study can be found in Appendix C of the final report.

Cette publication est aussi disponible en français sous le titre : Recherche sur la réponse à la COVID-19.

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Specifically, the deliverables do not include information on electoral voting intentions, political party preferences, standings with the electorate, or ratings of the performance of a political party or its leaders.

A handwritten signature in black ink, appearing to read "M. Colledge". The signature is stylized and written in a cursive-like font.

Mike Colledge
President
Ipsos Public Affairs

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Ipsos Context

Ipsos Context research reveals that the COVID-19 emergency support benefits have made a difference to many Canadians. In the earliest days of lockdown, when more and more Canadians said they were worried about suffering job losses and having a hard time keeping up with their bills, support from the federal government was a welcome relief. Surprisingly, Canadians became slightly more optimistic about their current financial situation than they did pre-pandemic, buoyed by the various relief measures. Programs such as the Canada Emergency Response Benefit (CERB) and Canada Emergency Student Benefit (CESB) have allowed struggling Canadians (particularly the youngest and lowest-income households) to stabilize their financial situations, *at least temporarily*. The Canada Emergency Wage Subsidy (CEWS), targeted at businesses that had lost a significant portion of their revenue due to a slowdown in economic activity, has also provided support to Canadian businesses. However, it is important to note that even with CEWS, there are certain factors that relief efforts are unable to overcome during a pandemic, such as a change in consumer behavior and decreased spending patterns. While Canadians are now seeing COVID-19 as less of a direct threat to their health, they are still fearful of its economic consequences. The ongoing economic impact of the virus remains top-of-mind, as many Canadians are certain that a recession (both on a domestic and global scale) is coming.

Background & objectives

In response to the COVID-19 pandemic, the Government of Canada announced a raft of COVID-19 emergency relief measures, including the CERB, CESB, CEWS and the 10% Temporary Wage Subsidy. Several months into the delivery of the programs and related measures, the CRA has conducted qualitative and quantitative research to examine the public's perceptions and attitudes surrounding the CRA and its service delivery of the benefits programs during this time among three target populations: Canadian taxpayers, small and medium-size enterprises (SMBs) and among tax intermediaries.

The results from the survey and focus groups will provide the CRA with valuable information about how its reputation and services are perceived by the public. This project will help guide the CRA in its service delivery strategies whether in response to

crisis or in the regular course of business; provide context for its Annual Corporate Research results; and inform communications strategies. This research will allow the CRA to gauge its crisis-response effectiveness outside of its typical Annual Corporate Research cycle.

Methodology – Quantitative surveys

The total sample obtained for the study was n=1873 among the three target groups: tax filers/applicants to emergency support benefits, small and medium-sized businesses (SMBs), and tax intermediaries (TIs). All surveys were offered in English and French.

The telephone survey among tax filers and/or applicants to emergency support benefits was conducted using random digit dialing (RDD) and a dual-frame design (landline and cell phone sample). The data were weighted to reflect the general population of Canadians 18 years and older, according to the latest 2016 Census.

An online non-probability panel methodology was used to access the hard-to-reach specialized target population samples of SMBs and TIs. Ipsos obtained sample from certified partner panels (Maru Voice Canada comprising the largest sample, as well as Jasper Colin Research, Op4G and Tellwut). A blended sample approach was used to obtain large enough sample for these hard-to-reach target groups and to manage potential skews in the data from a single sample source. Each of the panels includes members who have opted in and receive a form of incentive. Incentives can be a point-based system cashed in for rewards or a cash-credit system (in the case of Op4G, respondents are given \$5.00 and given the option to donate back to non-profit organizations). The amount of incentives is based on the specific requirements of each survey, depending on the length and complexity of the survey, the subject matter of the study, and the time required to complete a minimum number of interviews. Panelists are recruited through diverse sources and are constantly refreshed. The comprehensive background profiling data gathered when respondents join a panel allows for the targeting of respondents based on key criteria such as region, age, gender, education and income level, profession, SMBs, and other characteristics.

To reach the group of SMBs, Ipsos targeted those who identify in online panels as SMB owners and screened for those who obtained a business annual revenue of <\$50 million and made decisions about tax related matters. To reach the group of tax intermediaries, Ipsos targeted those who self-identify in the online panel under the job title “Accountant” and screened for those who work for clients on tax-related matters. Because both samples use an online non-probability approach, the margin of error could not be calculated and results cannot be reported as representative of their respective populations.

Audience	Method	Sample size	Margin of error	Field dates	Average survey length
Tax filers and/or benefits applicants	Telephone	n=1202	± 2.83 points	July 9 to 20	15 min
Small- or medium-sized businesses (SMBs)	Online panel	n=358	n/a	July 16-21	11 min
Tax intermediaries (TIs) for SMBs	Online panel	n=313	n/a	July 16-21	9 min

In addition, a separate online survey was conducted among 1199 individuals who filed their 2019/18 tax return and/or applied for COVID-19 emergency support benefits. The sample source used was an online non-probability panel. The survey and specifications matched that of the telephone RDD survey. The survey was fielded between July 16 and 20, 2020. The online survey results were compared to the telephone survey results as a case study in comparing responses between telephone and online panel survey modes. The results from this case study can be found in Appendix C of the final report.

Methodology – Qualitative online focus groups

A series of three (3) 90-minute online focus groups were conducted on September 9 and 10, 2020. The first group was with 6 participants who were French-speaking residents of Quebec, the second group was with 8 participants who were English-speaking residents of Ontario and the Atlantic provinces, and the third group was with 8 participants who were English-speaking residents of Western provinces. Each group included a mix of demographics including age, gender, household income, and education. All respondents were applicants to CERB, CESB, or CEWS and their current employment status varied. Further, all had filed their taxes for either 2018 or 2019. Participants were paid a \$100 honoraria for their time.

Extent to which findings can be extrapolated to a broader audience

The survey among tax filers/applicants to benefits was conducted using a random digit dialing (RDD) telephone sampling methodology. The data was weighted to represent the general population by age, gender and region, according to the latest 2016 Statistics Canada Census. The results can be extrapolated to the Canadian population.

The data for SMEs and tax intermediaries was not weighted as the surveys were conducted online via online panels using a non-probability sampling approach. The data is not representative of all SMEs or tax intermediaries in Canada.

In the case of focus groups and qualitative research, findings cannot be generalized to a broader population.

The contract value for this project was \$164,906.76, including HST.

Key findings

This summary provides a high-level overview of select findings from the CRA's COVID Response Research including ratings on overall performance and perceptions of the CRA, change in opinions about the Agency since last year, rating of the application process for support benefits, and awareness of various measures such as extensions around tax filing that have been implemented since the start of the COVID-19 pandemic. The summary focuses on the survey findings. Findings from the focus groups, which provide more descriptive insight into the survey results, are included in detail in the full report.

Overall performance and change in opinion

Generally, the results show that the general population and tax intermediaries are similarly sanguine about the CRA's performance on key indicators, whereas small and medium-size businesses (SMEs) tend to rate the CRA less favourably. Six in 10 Canadians have a very favourable opinion of the CRA's overall performance, providing a rating of 8-10 on a 10-point scale. Tax intermediaries (TIs) share this opinion; 56% rate the CRA's performance as an 8-10. However, SMEs have a less positive view – less than 4 in 10 SMEs rate the agency in a similar way.

Compared to last year, TIs and the general population are the two groups that show the most improvement in terms of their opinions of the CRA. Almost four in 10 Canadians say their overall opinion of the CRA has changed for the better (rating 8-10) and almost half of TIs say the same thing. SMEs are a little harder to move on this measure; two in 10 say their opinions of the CRA have changed for the better in the past year.

Table 1. Overall performance and change in opinion across all groups

Ratings of 8-10 on 0-10 point scale	General population	SMEs	TIs
Overall performance of CRA (rate 8-10 excellent on 0-10-point scale)	62%	37%	56%
Change in overall opinion of CRA vs. last year (rate 8-10 much better on 0-10-point scale)	37%	22%	45%

Base: All respondents (general population: n=1,202, SME: n=358, TI: n=313)

SMEs=Small and medium size businesses; TIs=Tax intermediaries

Note: General population sample is weighted to be representative of the adult Canadian population; SME and TI samples are unweighted samples.

Exposure to the emergency response support benefits has had a positive impact on overall ratings. As seen throughout the report, ratings of the CRA are significantly higher among those who applied to the emergency support benefits (~10 to 25 percentage points higher) compared to those who filed taxes only (and did not apply to benefits) across all three target groups (general population, SMEs and TIs). This is indicated by the overall ratings below but can be seen across all metrics in the surveys.

Table 2. Overall performance and change in opinion across all groups by applied to benefits vs. filed taxes

Ratings of 8-10 on 0-10 point scale	General population - Applied to benefits administered through CRA	General population - Did not apply to benefits through CRA but filed taxes	SMEs - Applied to CEWS	SMEs - Did not apply to benefits but filed taxes	TIs - Applied to CEWS	TIs - Did not apply to benefits but filed business taxes
Overall performance (rate 8-10)	82%	57%	47%	29%	61%	47%
Change in overall opinion vs. last year (rate 8-10)	47%	35%	35%	14%	51%	36%

Base: General population (applied to benefits administered through CRA: n=180, did not apply to benefits through CRA but filed taxes: n=1101); SMEs (applied to CEWS: n=135, did not apply to benefits but filed taxes: n=180); TIs (applied to CEWS: n=197, did not apply to benefits but filed taxes: n=112)

Rating of the CRA on key indicators

The CRA ranks highest across all three target groups on ‘the CRA treats taxpayers with respect’, though to varying degrees. While 66% of Canadians and 54% of TIs strongly agree (rating 8-10 on 0-10-point scale) with this statement, only 32% of SMEs say the same. The general population, more so than SMEs or TIs, tends to believe that the CRA treats taxpayers fairly, and TIs more so than the general population or SMEs tend to believe that the information provided by the CRA is easy to understand.

Table 3. Ratings on key attributes across all three groups

Key attributes, 8-10 completely agree on 0-10-point scale	General population	SMEs	TIs
CRA treats taxpayers with respect	66%	32%	54%
CRA can be trusted to do what is right in administering Canadians' taxes and benefits	58%	27%	55%
CRA works hard at helping Canadians with matters regarding their taxes and benefits	57%	27%	53%
CRA treats taxpayers fairly	57%	28%	49%
CRA is efficient in its operations	54%	26%	52%
The information provided by the CRA is easy to understand	49%	24%	57%

Base: All respondents (general population: n=1,202, SME: n=358, TI: n=313)

Rating of application process for emergency support benefits

Applicants to emergency benefits within the general population are very satisfied not only with the overall quality of the process (82% rating 8-10 on 0-10-point scale), but also on most key indicators including timeliness (93%) and the 'experience gave me the impression the CRA is working hard to help Canadians' (85%), and 'application was easy' (83%).

Just over half of SMEs (56%) are satisfied with the overall quality of process, the least of all three groups. While they are pleased with how timely their application was processed (74%), they are less positive about many other aspects including 'the information provided by the CRA was easy to understand' (31%). Less than half (46%) found the process of applying easy.

Two-thirds of TIs (65%) applying to CEWS on behalf of clients are satisfied with the overall quality of the process and they are moderately satisfied with most aspects of applying to CEWS. Like SMEs, less than half (46%) found the process of applying easy.

Table 4. Overall rating of application process by all three groups

Application process, 8-10 completely agree on 0-10-point scale	General population	SMEs	TIs
Overall quality of process	82%	56%	65%
I feel that my application was processed in a timely manner	93%	74%	53%
My interactions with the CRA met my needs	86%	51%	59%
Experience gave me the impression the CRA is working hard to help Canadians	85%	50%	59%
I found the overall application process easy	83%	46%	46%
The experience made me feel like the CRA cares about my situation (for TIs: as a tax professional)	74%	41%	51%
Information provided by the CRA about the benefits was easy to understand	70%	31%	54%

Base: applied for emergency support benefits (general population: n=180, SME: n=135, TI: n=197)

Awareness of measures around emergency support benefits

A large majority of Canadians applying to CERB/CESB say they are aware the emergency benefits are taxable. Further, awareness within each group that the CRA will be verifying applications and reviewing eligibility at a later date is 90% or above.

Table 5. Awareness of benefits as taxable

General population - Aware CERB/CESB is a taxable benefit	93%
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Base: Applied for CERB (through the CRA or EI) / CESB (general population: n=254)

Table 6. Awareness that applications will be reviewed by all three groups

Verifying eligibility	General population	SMEs	TIs
Aware the CRA will be verifying applications/reviewing eligibility	90%	92%	90%

Base: applied for emergency support benefits (general population: n=180, SME: n=135, TI: n=197)

Awareness and use of government tax filing extensions

Among the general population, over nine in 10 say they are aware of the extended filing deadline for T1 taxes, but only six in 10 say they are aware of the extended deadline to pay balances owing. Younger Canadians 18-24 are less likely to be aware of the extended deadline for T1 taxes, as well as those earning less than \$40K. Of those who filed their 2019 taxes, one-third were able to take advantage of the extended deadline.

Awareness of the extended deadlines for filing taxes is high among all target groups: Canadians for T1s (92%); SMEs (83%) and TIs (82%) for T2s. Fewer Canadians (60%) were aware the CRA extended the deadline for paying balances owing.

Table 7. Awareness of extensions to deadlines by all three groups

Awareness (% yes)	General population	SMEs	TIs
Aware CRA extended tax filing deadline T1	92%	83%	88%
Aware CRA extended business corporate tax filing deadline T2	n/a	83%	82%
Aware CRA extended deadline to pay balancing owing	60%	n/a	84%
Aware of extensions on payments and remittances for GST/HST	n/a	81%	80%

Base: All respondents (general population: n=1,202, SME: n=354, TI: n=313)

Just over one-third of Canadians (33%) filed their T1s and one-third of SMEs (36%) filed their T2s by the extended timeline.

Table 8. Filed taxes within deadline/by extended deadline

Filed taxes	General population	SMEs
Filed within initial deadline T1	65%	56%
Filed by extended deadline T2	33%	36%

Base: General population (those who filed 2019 taxes: n=1043); SMEs (n=354)

Importance of government tax filing extensions

Using a 0 to 10-point scale (0=not at all important; 10=very important), Canadians were asked to rate the importance of the extensions provided for filing taxes. One quarter say it was important to them personally, while 6 in 10 say it was important to all Canadians. Those more affected economically by COVID-19 are more likely to say the extension for filing T1 taxes is important to them personally: those unemployed but looking for work, those earning less than \$40K, and immigrants.

While many Canadians may not have taken advantage of the extra time themselves, they still believe the extended deadline was useful for the country as a whole; six in 10 say the extra time is important for all Canadians. As for SMEs, a quarter report that the extended deadlines for business taxes were important for their own business, while four in 10 say it was important for Canadian business in general.

Table 9. Importance of gov't filing extensions

Importance of extensions: 8-10 very important on 0-10-point scale	General population	SMEs
Base: All respondents	1202	354
To you personally / your business	27%	25%
To all Canadians / Canadian businesses	60%	41%

Base: All respondents (general population: n=1,202, SME: n=358)