



Canada Revenue  
Agency

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# 2021-2022 CRA Annual Corporate Research – Quantitative Phase

## Executive Summary

**Prepared for the Canada Revenue Agency**

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## 2021-2022 CRA Annual Corporate Research – Quantitative Phase

### Executive Summary

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Supplier name: Quorus Consulting Group Inc.  
March 2022

This public opinion research report presents the results of a quantitative study conducted by Quorus Consulting Group Inc. on behalf of the Canada Revenue Agency. The quantitative study was conducted through two data collection phases, a telephone survey with the general public and an online survey with small and medium sized businesses as well as tax intermediaries. Both surveys were administered between January 20, 2022 to February 28, 2022.

Cette publication est aussi disponible en français sous le titre : Recherche d'entreprise annuelle de l'ARC de 2021-2022 – phase quantitative.

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## Research Purpose and Objectives

The Canada Revenue Agency (CRA) has conducted annual survey research for strategic planning and reporting since 2005. The structure of the Annual Corporate Research (ACR) has undergone various changes over the years to adapt to reflect evolving corporate priorities, tax-related themes, and technological changes. In 2021, the ACR was updated to include a core survey to be conducted annually, with additional service and compliance modules conducted with a split-sample design. The decision to conduct the additional modules annually will assist with gathering improved tracking results across service and compliance themes.

For 2021, specific objectives of the quantitative component of the research included:

- reputation and overall perceptions of the CRA;
- experience with income tax filing;
- perceptions of contacts and dealings with the CRA;
- methods of contact;
- attitudes about services and service expectations (website, portals and communications);
- attitudes about compliance, underground economy and related activities, and,
- demographics.

The various purposes of this research included, but were not limited to, the following:

- Understanding public perceptions and attitudes enables the CRA to identify target audiences for specific action and communication.
- Findings are used in the CRA's strategic planning exercises and internal analysis of trends in public opinion.
- Findings are used in other corporate reporting and tracking initiatives including the data necessary to populate the Service Satisfaction Index, the Trust Index, as well as a key performance indicator regarding Access to Information and Privacy.

## Target Populations

There were three target audiences:

- **Individual taxpayers:** Those aged 18 and over who have resided in Canada for a minimum of one year.
- **Small and medium-sized businesses (SMEs):** Businesses of less than 100 employees. Participants included the business decision-makers or individuals involved in decisions related to the company's business tax matters, payroll, GST/HST preparation, or bookkeeping. Targeted job titles included:
  - President/CEO/Owner
  - CFO/Comptroller
  - Accountant
  - Payroll Manager/Officer
  - Manager
  - Bookkeeper
  - Financial Officer
- **Tax Intermediaries (TIs):** Those who work with individual and small and medium size business clients (<100 employees) on tax-related or payroll matters.

## Research Methodology

Two data collection modes were used to complete this research:

- A telephone survey entailing a random sample of 2,408 adult Canadians 18 years of age or older was conducted from January 20, 2022, to February 28, 2022. The specific target audience was individual taxpayers aged 18 and over who have resided in Canada for a minimum of one year (operationalized in this research as being a sampling of adult Canadians who almost universally have resided in Canada for a minimum of one year). Quotas were established by region, age and gender to ensure a representative sampling. The survey took 15 minutes on average to complete. A sample of 2,408 respondents engenders an overall margin of error of +/- 2.0 percentage points, 19 in 20 times. As this is a probability sampling conducted via a randomized data collection approach, the survey results are projectable to the overall Canadian adult population.

- An online survey of 745 small and medium-sized businesses and 812 tax intermediaries was conducted from January 20, 2022, to February 28, 2022. Data collection quotas were established by region to ensure a representative sampling. The survey required 10 minutes on average to complete. As surveying small and medium-sized businesses as well as Tax Intermediaries were non-probability sampling endeavours conducted via the usage of a commercially available online panel of business respondents, the survey results are not projectable to the overall Canadian populations of SMEs and Tax Intermediaries.

## Key Findings

### Perceptions of the CRA

#### Overall perceptions

Canadians were asked to provide an overall ranking of the performance of the CRA on a scale of 1 to 10 (where 1 represented terrible and 10 was excellent) as well as an explanation for their ranking:

- More than 1 in 3 general population respondents (37%) rated the CRA's performance as good (scores of 8 – 10), while half provided neutral scores (scores of 4 – 7), resulting in an average score of 6.6. These ratings were primarily driven by a lack of issues in dealing with the CRA (21%), followed by responsiveness when being contacted (11%), perceptions of fair policies (6%), and efficiency of the CRA's service (6%).
- Roughly 2 in 5 SME respondents (40%) rated the CRA's performance as good, while 44% provided neutral scores, resulting in an average score of 6.7. These ratings were primarily driven by positive interactions with the CRA (38%), followed by their experience with customer service (poor customer service – 38%; good customer service – 31%), and quality or functionality of the CRA's website (12%).
- Nearly half of TI respondents (49%) rated the CRA's performance as good, while 41% provided neutral scores, resulting in an average score of 7.1. TI ratings were primarily driven by experience with customer service (good customer service – 31%; poor customer service – 38%), general inefficiency (9%), and quality or functionality of the CRA's website (9%).

## Trust in the CRA

Canadians were asked to provide their level of agreement on a scale of 1 to 10 towards a series of trust-related statements, with 1 being completely disagree and 10 being completely agree:

- Over half of general population respondents had a high level of agreement (scores of 8 – 10) that people at the CRA were trustworthy (60%), that they are capable of doing their job well (56%), that the CRA does what is right (51%) and is working for the benefit of all Canadians (51%).
- Half of Canadian SME respondents (50%) had a high level of agreement that people at the CRA were trustworthy, while nearly half (46%) agreed that the people at the CRA are capable of doing their job well. Roughly 2 in 5 SME respondents agreed that the CRA does what is right (39%) and is working for the benefit of all Canadians (39%).
- A majority of TIs had a high level of agreement that people at the CRA were trustworthy (58%), that the people at the CRA are capable of doing their job well (55%), that the CRA does what is right (53%) and that it is working for the benefit of all Canadians (52%).

An index calculation was developed to produce an overall score to evaluate the perceptions of trust for the CRA using the following calculation:

$$\text{Trust index} = \text{SUM} (\text{I can trust the CRA to do what is right} + \text{The CRA works for the benefit of all Canadians} + \text{I feel that the people at the CRA are trustworthy} + \text{The people at the CRA are capable of doing their job well}) / 4$$

- When evaluating overall trust index scores, nearly half of general population respondents (47%) had high trust index scores (scores of 8 – 10), and 43% had mid-range index scores (scores of 4 – 7), resulting in an average index score of 7.2.
- High trust index scores were less common among SME respondents (37%) with many (48%) providing mid-range scores, resulting in an overall average index score of 6.3.
- High range scores were the most common among TIs (48%) with most of the remaining TIs having mid-range index scores (41%), resulting in an average index score of 6.9.

## Helpfulness of the CRA

In addition to evaluating a series of trust-related statements, Canadians were asked to provide their level of agreement on help-related statements using the same scale of 1 to 10, with 1 being completely disagree and 10 being completely agree:

- More than 3 in 5 Canadians had a high level of agreement (scores of 8 – 10) that they could trust the CRA to handle their personal information appropriately (64%), and that the information they receive from the CRA is consistent (62%). Roughly half agreed that the CRA makes the process of filing taxes easy (51%), while 45% agreed that the CRA is generally helpful.
- A majority of SME respondents had a high level of agreement that the CRA processes their business' tax returns in a timely manner (59%), they trust the CRA to handle their business information appropriately (54%) and that information arrives in time for their business (53%).
- Half or most TIs expressed high levels of agreement across all help-related statements. More specifically, agreement was most common when it comes to the CRA handling their business clients' information appropriately (58%), processing their clients' tax returns in a timely manner (56%), and receiving consistent information (56%). As well, half or more than half felt that the CRA is helpful (54%), provides enough information to meet clients' tax obligations (53%), that information arrives on time for clients (51%), the process for filing was easy (51%) and that the CRA works hard at helping Canadians (50%).

## Tax filing

More than 9 in 10 general population respondents (91%) indicated that they had sent in a personal income tax return in the past year. Two-thirds of tax filers (66%) had received assistance preparing their income tax return, among whom 79% sought help from a professional tax preparer or an accountant, while 21% turned to friends or family members for assistance. Most tax filers (82%) filed their income tax return online, while 12% filed via mail.

Canadian SMEs were asked to describe their approach to filing their business income taxes, more specifically whether they utilized internal or external services throughout the filing process. A plurality (43%) used external services exclusively, 25% used internal resources exclusively while the remaining 30% used a combination of both.

When it comes to tax planning, 36% used in-house resources exclusively, 31% used external services exclusively while 27% used a combination of both.

Using a scale of 1 to 10, with 1 being completely dissatisfied and 10 being completely satisfied, SMEs were asked to score their satisfaction with the CRA based on their latest tax filling experience. A majority (60%) provided a high level of satisfaction (scores of 8 to 10), while 31% provided a moderate score (scores of 4 to 7), resulting in an average overall satisfaction score of 7.6.

Using the same scale, TIs were also asked to provide an overall satisfaction score based on their latest tax filling experience. Most (61%) provided a high level of satisfaction, while 32% provided a moderate score, resulting in an average overall satisfaction score of 7.6.

## Contact with CRA

### Contact within the last 12 months

Canadians were asked whether they had contacted the CRA in the last 12 months for anything other than for sending in personal tax returns:

- Nearly 1 in 5 general population respondents (16%) contacted the CRA themselves while 13% were contacted by the CRA. Nearly three-quarters (73%) had no form of contact with the CRA in the last 12 months.
- Roughly a quarter of businesses (26%) contacted the CRA themselves while 15% were contacted by the CRA. Just over half (56%) had no form of contact with the CRA in the last 12 months.
- Just over one-third of TIs (35%) contacted the CRA themselves while 13% were contacted by the CRA. Just over half (53%) had no form of contact with the CRA in the last 12 months.

Those who had contacted or been contacted by the CRA within the last 12 months were asked to provide the method of contact that was used:

- Nearly half of all general population respondents had contact with the CRA over the phone (49%), 26% interacted via mail and 22% communicated with the CRA online.
- Nearly two thirds of SME respondents had contact with the CRA over the phone (63%), 22% interacted online (22%) and 14% communicated with the CRA through the mail.
- Similar proportions were seen among TIs, among whom 67% indicated using the phone, 19% interacted online and 12% communicated with the CRA through the mail.



Respondents having contacted or been contacted by the CRA online in the past 12 months were asked to specify the approach taken:

- Nearly three quarters of general population respondents (71%) utilized the My Account secure tax portal while 12% communicated through the tax pages of the Canada.ca website. A few mentioned email (9%) and the CRA's mobile apps (2%).
- Most SMEs (56%) utilized the My Business Account secure tax portal, 18% communicated through the tax pages of the Canada.ca website and 15% mentioned the CRA's mobile apps (15%). A few utilized the CRA's Chat with Charlie function (3%).
- Nearly half of TI respondents (45%) utilized the Represent a Client secure tax portal, while roughly 1 in 3 (32%) communicated through the tax pages of the Canada.ca website. Less common forms of online contact included the CRA's mobile apps (14%), CRA's social media platforms (5%), and email (3%).

### Reason for contact

The reasons for contacting the CRA over the past 12 months were quite mixed across all three target audiences:

- General population results were quite mixed, with roughly 1 in 5 respondents citing clarifications surrounding information sent by the CRA (20%), general information outside of filing taxes (17%), information relating to COVID emergency benefits (16%), tax filing clarifications (16%), or making a payment owing on personal taxes (15%). Additionally, more than 1 in 10 respondents submitted documents that the CRA had requested (12%) or were attempting to resolve a dispute with the CRA (12%).
- Results among Canadian businesses were also mixed, with more than 1 in 5 respondents citing clarifications surrounding information sent by the CRA (25%) or information relating to COVID emergency benefits (21%). Other common reasons included inquiring about general information outside of filing taxes (19%), making a payment owing on business taxes (17%), and attempting to resolve a dispute with the CRA (15%).
- More than 1 in 3 TIs mentioned wanting clarifications surrounding information sent by the CRA (37%), followed by seeking information other than filing business taxes (28%), and attempting to resolve a dispute with the CRA (24%). Nearly 1 in 5 respondents cited information prior to filing taxes (18%), making a payment owing on business taxes (17%), submitting documents that the CRA had requested (17%), and seeking clarification relating to COVID emergency benefits (17%).

Those who had contacted the CRA (online, by telephone, or in person) were asked to specify their general area of concern:

- Most general population respondents (43%) were contacting the CRA in relation to their personal income tax while 21% were related to COVID emergency benefits or subsidies.
- Roughly 1 in 10 SMEs contacted the CRA in relation to COVID emergency benefits or subsidies (10%), personal income tax (8%), GST or HST (7%), or business income tax (7%).
- Roughly 1 in 10 TIs were contacting the CRA in relation to personal income tax (11%), business income tax (10%), COVID emergency benefits or subsidies (9%), GST or HST (9%), or tax credit claims (6%).

### Service satisfaction

Canadians who reported having had contact with the CRA in the past 12 months were asked to provide their level of agreement on a scale of 1 to 10 regarding a series of service-related satisfaction statements based on their experience, with 1 being completely disagree and 10 being completely agree:

- More than three quarters of general population respondents expressed a high level of agreement (scores of 8 – 10) that the CRA representative was professional (76%) and courteous (75%). Roughly two thirds agreed that the information given was accurate (69%), complete (66%), and easy to understand (64%) while 64% also agreed that the representative took time to understand their situation. Roughly half agreed that the service was timely (53%) while less than half agreed that the CRA's service was easy to access (43%).
- Nearly two-thirds of SMEs expressed a high level of agreement that the CRA representative was courteous (63%) and professional (62%). More than half of respondents agreed that the information given was accurate (59%), complete (54%), and easy to understand (54%). A similar proportion agreed that the representative took time to understand their situation (54%). Nearly half agreed that the CRA's service was easy to access (46%) and that the service was timely (44%).
- Two-thirds of TIs expressed a high level of agreement that the CRA representative was courteous (66%) and professional (66%). A majority agreed that the information given was accurate (62%), easy to understand (59%), and complete (57%) and that the representative took time to understand their situation (60%). Just over half also agreed that the CRA's service was easy to access (55%) and that the service was timely (53%).

A service satisfaction index was created using the following calculation:

*Service satisfaction index = SUM (The CRA's service was easy to access + The CRA's service was timely + The information I was given was accurate + The information I was given was complete + The information I was given was easy to understand + The CRA representative took time to understand my situation + The CRA representative was professional + The CRA representative was courteous) / 8*

- More than 3 in 5 general population respondents (60%) had high service satisfaction index scores (scores of 8 – 10), while 34% had moderate scores (scores of 4 – 7), resulting in an average index score of 7.9.
- Nearly half of SMEs (49%) had high service satisfaction index scores with most of the others providing moderate scores (40%), resulting in an average index score of 6.8.
- More than half of TIs (53%) had high service satisfaction index scores while 41% had moderate scores, resulting in an average score of 7.1.

When asked to rate their overall satisfaction with the quality of service they received, those having interacted with the CRA over that past year indicated the following:

- Most general population respondents (57%) were quite satisfied (scores of 8 – 10) while 29% provided mid-range satisfaction scores, resulting in an average overall satisfaction score of 7.3.
- Roughly half of SMEs (51%) were quite satisfied, with another 33% providing moderate scores, resulting in an average agreement score of 6.8.
- Just over half of TIs (57%) were quite satisfied while 35% providing moderate scores, resulting in an average agreement score of 7.3.

Many SMEs (68%) and most tax intermediaries (82%) who had contacted the CRA themselves in the past year felt the CRA had successfully met their needs during their most recent contact.

When compared to the level of customer service they receive from their financial institutions, more than half of SMEs (53%) and TIs (52%) felt that the CRA's service was about the same. Otherwise, TIs viewed CRA's service more favourably (33% felt the CRA provided better service) compared to SMEs (16%).

## Service delivery

### Confidence without external assistance

Canadian businesses who utilized an outside tax preparation service were asked to provide their level of confidence in their businesses ability to handle their taxes without outside help. Respondents provided their level of confidence on a scale of 1 to 10, with 1 being not at all confident and 10 being extremely confident. More than 1 in 5 SMEs (21%) expressed a high level of confidence (scores of 8 – 10), while 33% expressed a moderate level of confidence (scores of 4 – 7), resulting in an average confidence score of 4.5.

### Contact preferences when dealing with the CRA

Both SMEs and TIs were asked to describe their preferred means of receiving service or information when they require basic information from the CRA. The top two methods for both target audiences were visiting the tax pages of the Canada.ca (46% among SMEs and 40% among TIs) and contacting the CRA by telephone (21% respectively).

When it comes to their preferred means of receiving service or information when they require clarification on information sent by the CRA, the telephone is by far the most preferred means for both target audiences: 53% among SMEs and 44% among TIs. Email is a distant second at 14% among SMEs and 18% among TIs.

The telephone is again the strong favourite when respondents were asked to describe their preferred means of receiving service or information for assistance on a personal tax matter (46% among SMEs and 49% among TIs).

### Confidence resolving a tax disagreement

SMEs and TIs were asked how confident they feel that any potential disagreements with the CRA would be resolved (using a scale of 1 to 10, with 1 being not at all confident and 10 being extremely confident).

- One-third of SMEs (33%) were quite confident (scores of 8 – 10), while nearly half (46%) were moderately confident (scores of 4 – 7), resulting in an average confidence score of 6.3.
- More than half of TIs (52%) were quite confident, while 38% were moderately confident, resulting in an average confidence score of 7.2.

Using the same confidence scale, SMEs and TIs were asked how confident they would be that the CRA's process would be conducted fairly in the event there was a disagreement over their business taxes.

- Over one-third of SMEs (37%) were quite confident (scores of 8 – 10), while nearly half (46%) were moderately confident (scores of 4 – 7), resulting in an average confidence score of 6.5.
- More than half of TIs (55%) were quite confident, while 36% were moderately confident, resulting in an average confidence score of 7.3.

### Service delivery

Canadians were asked to provide their level of agreement on a scale of 1 to 10 regarding a series of service delivery statements (1 being completely disagree and 10 being completely agree):

- More than 4 in 5 general population respondents (82%) expressed a high level of agreement (scores of 8 – 10) that when contacting the CRA by telephone, they were able to get service in the official language of their choice. A majority also agreed that the CRA assumes taxpayers report their taxes accurately (68%), and that the CRA holds itself accountable for the written information it provides (65%).
- More than 4 in 5 SMEs (81%) expressed a high level of agreement that when contacting the CRA by telephone, they were able to get service in the official language of their choice. More than half of businesses agreed that the CRA assumes businesses report their taxes accurately (55%), and half agreed that the CRA holds itself accountable for the written information it provides (50%). Finally, 44% agreed that the CRA offers online services that meet their needs.
- Nearly three quarters of TI respondents (74%) expressed a high level of agreement that when contacting the CRA by telephone, they were able to get service in the official language of their choice. Roughly 3 in 5 TIs agreed that the CRA holds itself accountable for the written information it provides (60%), and that the CRA assumes businesses report their taxes accurately (59%). Just over half of TIs agreed that they know how to access the tax benefits and credits their clients are entitled to (56%), that they feel well-informed about the services the CRA has to offer (55%), and that the CRA offers online services that meet their needs (54%).

## Registered for online services

Roughly two-thirds of general population respondents (65%) believe they are registered for CRA's My Account service. Among businesses, 53% made use of the CRA's My Business Account service, 30% did not and 17% indicated they weren't sure if they were registered for the CRA's secure tax portal, or refused to answer. Among TIs, 53% made use of the CRA's Represent a Client service.

My Business Account portal subscribers whose most recent contact with the CRA took place over the phone were asked to describe why they did not use the secure tax portal instead. Many specifically mentioned the need for clarifications related to information that was received from the CRA (17%). Nearly 1 in 3 SMEs (29%) also described various security or privacy concerns utilizing the online portal, while more than a quarter (26%) described the convenience of engaging with the CRA over the phone.

Represent a Client portal users were asked a similar question. More than 1 in 3 respondents (34%) described needing access to specific information, with nearly 1 in 5 (16%) specifically mentioning the need for clarifications related to information that was received from the CRA. More than a quarter of TIs (28%) described the convenience of engaging with the CRA over the phone, while roughly a quarter (25%) referred to various security or privacy concerns utilizing the online portal.

## Business tax processes

Two-thirds of SMEs (66%) reported being responsible for reading and dealing with any letters received from the CRA while most of the remaining respondents (32%) would personally read the letter and give it to their accountant or finance area to handle. Among respondents who would provide the letter to their accountant, 21% had dedicated employees to deal with the CRA on behalf of the organization.

## Use of and satisfaction with tax-related information on Canada.ca

More than two-thirds of SMEs (69%) and nearly all TIs (86%) had previously visited the Canada.ca website for tax-related information. Among website users, the following results were revealed:

- A minority of SME website users (43%) expressed a high level of agreement (scores of 8 – 10) that the website provided the information that was needed, 36% agreed that the information provided was easy to understand and 32% agreed that the information was easy to find.
- A majority of TI website users (61%) expressed a high level of agreement that the website provided the information that was needed. Just over half also agreed that the information provided was easy to understand (54%) and was easy to find (51%).

## Tax filing burden

Businesses and TIs were asked to provide their level of agreement on a scale of 1 to 10 regarding a series of tax filing-related metrics (with 1 being completely disagree and 10 being completely agree):

- A minority of SMEs (36%) expressed a high level of agreement (scores of 8 – 10) that they spent less time searching for information required to meet business tax obligations over the past year. Fewer agreed that the CRA takes their needs into account when developing products and services (28%), and that new products and services are in line with the realities of conducting business (23%).
- Nearly half of TIs expressed a high level of agreement that the CRA takes their needs into account when developing products and services (49%), and that those new products and services are in line with the realities of conducting business (47%). A similar proportion agreed that less time was spent searching for information required to meet business tax obligations over the past year (45%).

Businesses and TIs were then asked to rate the level of burden they had experienced while meeting their business tax obligations (with 1 being not at all burdensome and 10 being extremely burdensome). Just over one in five (21% among SMEs and 23% among TIs) expressed a high level of burden (scores of 8 – 10) with most providing scores between 4 and 7 (43% among SMEs and 49% among TIs). The average burden score among SMEs was 5.0 and it was 5.6 among TIs.

## Attitudes towards tax compliance

### Taxes and services received

All study participants were asked to specify whether the amount of money paid in taxes is representative of the services received from the Canadian government:

- More than a quarter of general population respondents (28%) felt that they paid significantly too much compared to services received, 23% felt that they paid somewhat too much and 41% felt that they paid the right amount.
- Roughly half of SMEs felt that they either paid significantly too much (24%) or somewhat too much (24%). Among the rest, 24% felt that they paid the right amount and 13% felt that they paid too little.
- Similarly, roughly half of TIs felt that Canadian businesses either paid significantly too much (20%) or somewhat too much (31%). Among the rest, 34% felt that they paid the right amount and 9% felt that they paid too little.

## Perceptions of tax cheating

The following perceptions of tax cheating were explored:

- More than a quarter of SME respondents (28%) felt that business tax cheating was quite common (scores of 8 – 10), while 43% felt it was moderately common (scores of 4 – 7), resulting in an average likelihood score of 6.3.
- More than a quarter of TI respondents (26%) felt that business tax cheating was quite common, while 50% felt it was moderately common, resulting in an average likelihood score of 6.0.

Businesses and TIs were then asked to rate the level of effort by the CRA to reduce business tax cheating in Canada:

- More than a quarter of businesses (28%) felt that the CRA put forth too little effort to reduce tax cheating, while 32% felt that the right amount of effort was made. Less than 1 in 10 (6%) felt that the CRA put forth too much effort, while another third (33%) were not sure or refused to answer.
- Nearly a quarter of TIs (22%) felt that the CRA put forth too little effort to reduce tax cheating, while half (50%) felt that the right amount of effort was made. Less than 1 in 10 (9%) felt that the CRA put forth too much effort, while nearly 1 in 5 (19%) were not sure or refused to answer.

Canadians were asked to rate the likelihood that tax cheaters would be caught by the CRA on a scale of 1 to 10, with 1 being very unlikely and 10 being very likely:

- Nearly a quarter of general population respondents (24%) provided a high likelihood score (scores of 8 – 10), while nearly half (49%) provided a moderate score (scores of 4 – 7), resulting in an average likelihood score of 5.7.

Canadian SMEs and TIs were asked to rate the likelihood that business tax cheaters would be caught by the CRA on a scale of 1 to 10, with 1 being very unlikely and 10 being very likely:

- Nearly 1 in 3 SME respondents (30%) provided a high likelihood score (scores of 8 – 10), while 42% provided a moderate score (scores of 4 – 7), resulting in an average likelihood score of 6.3.
- More than 2 in 5 TI respondents (42%) provided a high likelihood score, while 39% provided a moderate score, resulting in an average likelihood score of 6.9.



Canadian businesses and TIs were asked to evaluate their likelihood to report a company they may know is cheating on their taxes using a scale of 1 to 10, where 1 means not at likely and 10 means very likely:

- When presented with a situation where they suspected a business may be cheating on their taxes, 21% of SMEs were likely to report them (scores of 8 – 10). Results increased to 42% when respondents were certain that the business was cheating.
- When presented with a situation where they suspected a business may be cheating on their taxes, 33% of TIs were likely to report them. Results increased to 48% when respondents were certain that the business was cheating.

Canadians were asked to provide their level of agreement on a scale of 1 to 10 regarding a series of tax cheating statements, with 1 being completely disagree and 10 being completely agree:

- More than 2 in 3 general population respondents (67%) expressed a high level of agreement (scores of 8 – 10) that income tax cheating reduces money available for essential services, while 63% highly agreed that rich people have an easier time cheating taxes compared to middle class Canadians. Half (50%) strongly agreed that the CRA targets middle class Canadians, turning a blind eye to rich taxpayers and corporations.

More than 1 in 3 general population respondents strongly agreed that the CRA should publish a list of people found guilty of tax offences (35%), and that penalties are effective at discouraging future tax cheating (34%). Finally, 29% strongly agreed that the CRA would never find out about income received in cash that is not declared.

- More than 2 in 3 SME respondents (67%) expressed a high level of agreement that when businesses cheat on their income taxes it reduces money available for essential services. Slightly fewer (60%) felt that businesses that are not paying tax on all income or are not collecting GST or HST have an unfair advantage. More than half (53%) agreed that it is acceptable for the CRA to use publicly available information to catch tax cheating businesses.

To a lesser extent, SMEs strongly agreed that penalties are effective at discouraging tax cheating (38%), and that the CRA should publish a list of people found guilty of tax offences (34%). Nearly 1 in 5 (19%) felt that the CRA would never find out about income received in cash.

- A majority of TIs expressed a high level of agreement (scores of 8 – 10) that when businesses cheat on their income taxes it reduces money available for essential services (57%), and that businesses that are not paying tax on all income or are not collecting GST or HST have an unfair advantage (55%). Nearly half of TIs (48%) strongly agreed that it is acceptable for the CRA to use publicly available information to catch tax cheating businesses, and that penalties are effective at discouraging tax cheating (46%).

Fewer TIs (38%) strongly agreed that the CRA should publish a list of people found guilty of tax offences. More than a quarter (28%) strongly felt that the CRA would never find out about income received in cash that is not declared.

### Severity of tax avoidance and cheating

Canadians were asked to rate the extent to which a series of tax avoidance behaviours were considered cheating on a scale of 1 to 10, with 1 being not cheating at all and 10 being serious cheating:

- Nearly 4 in 5 general population respondents (79%) felt that filing false claims for tax benefit programs represented serious cheating (scores of 8 – 10). Nearly three quarters felt that not registering one's business (72%) or not claiming foreign assets or income (71%) represented serious cheating, while 66% felt that receiving a charitable donation credit that was bigger than the donation made represented serious tax cheating.

Nearly 3 in 5 Canadians felt that not claiming money from room or house rentals using online websites (59%), making a profit from buying or selling cryptocurrency without declaring it (59%), being paid cash to avoid income taxes (58%), and under-reporting cash income (58%) represented serious tax cheating.

- Nearly all SME respondents (88%) felt that filing false claims for tax benefit programs represented serious cheating. Roughly three quarters felt that paying employees in cash to avoid payroll taxes (75%), and not claiming foreign assets or income (74%) represented serious cheating. Roughly 7 in 10 respondents described under-reporting cash income (71%) and over-claiming expenses (70%) as serious tax cheating while 65% felt that receiving a charitable donation credit that was bigger than the donation made represented serious tax cheating.

A slight majority of SMEs felt the following were serious: not claiming money from room or house rentals using online websites (58%), making a profit from buying or selling cryptocurrency without declaring it (58%) and not registering one's business (54%).

- Three quarters of TIs (76%) strongly felt that filing false claims for tax benefit programs represented serious cheating. Roughly six in ten agreed that the following represented serious cheating: not registering one's business (64%), over-claiming expenses (62%), under-reporting cash income (60%), not claiming foreign assets or income (58%) and being paid in cash to avoid income taxes (58%).

Finally, 54% strongly felt that receiving a charitable donation credit that was bigger than the donation made represented serious tax cheating. Nearly half strongly agreed not claiming money from room or house rentals using online websites (49%) and making a profit from buying or selling cryptocurrency without declaring it (48%) were serious forms of cheating.

Businesses and TIs that rated at least one tax avoidance behaviour a score of 5 or lower were then asked to rate the severity of tax avoidance based on the amount of money that was not paid. Responses were registered on a scale of 1 to 10, with 1 being not cheating at all and 10 being serious cheating:

- When asked if avoiding paying \$1,000 in taxes was a serious form of tax cheating, more than 1 in 3 SMEs (37%) felt that this represented serious tax cheating (scores of 8 – 10), while roughly 1 in 3 (33%) provided scores of 5 or lower. Those who registered a score of 5 or lower were then asked to rate the seriousness if the amount was increased to \$10,000. More than 1 in 10 felt that this was serious tax cheating (14%), while 2 in 5 respondents (44%) again provided scores of 5 or lower.

These respondents were then asked to rate the severity of avoiding paying \$50,000 in taxes. None of the remaining respondents felt this was serious tax cheating while 84% gave scores of 5 or lower.

- More than 1 in 3 TIs (37%) felt that avoiding paying \$1,000 in taxes represented serious tax cheating (scores of 8 – 10), while 32% provided scores of 5 or lower.

Those who registered a score of 5 or lower were then asked to rate the seriousness if the amount was increased to \$10,000. Given this scenario, 22% felt that this was serious tax cheating while 55% again provided scores of 5 or lower.

These last respondents were then asked to rate the severity of avoiding paying \$50,000 in taxes, which 7% felt was serious tax cheating.

Lastly, SMEs and TIs were asked to rate the importance of tax avoidance recovery efforts on a scale of 1 to 10, with 1 being not at all important and 10 being very important:


- Many SME respondents (72%) felt that it was important (scores of 8 – 10) that the CRA recover unpaid taxes when people do not declare taxable foreign income or assets while 59% felt that it was important for the CRA to recover unpaid taxes when people work under the table for cash.
- A majority of TIs (63%) felt that it was important (scores of 8 – 10) that the CRA recover unpaid taxes when people do not declare taxable foreign income or assets while 51% felt that it was important for the CRA to recover unpaid taxes when people work under the table for cash.

## Political Neutrality Certification

I hereby certify as Senior Officer of Quorus Consulting Group Inc. that the deliverables fully comply with the Government of Canada political neutrality requirements outlined in the [Policy on Communications and Federal Identity](#) and the [Directive on the Management of Communications - Appendix C](#).

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.

Signed:

A handwritten signature in black ink, appearing to read "Rick Nadeau", is written over a light gray, textured rectangular background.

June 14, 2022  
Rick Nadeau, President  
Quorus Consulting Group Inc.