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File my return – Qualitative Research

Executive Summary

Prepared for Canada Revenue Agency

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Canada The wordmark for Canada, with a small red maple leaf icon above the letter 'a'.

File my return – Qualitative Research Executive Summary

Prepared for Canada Revenue Agency by Quorus Consulting Group Inc.
March 2022

This public opinion research report presents the results of a series of online focus groups and one-on-one telephone depth interviews conducted by Quorus Consulting Group Inc. on behalf of the Canada Revenue Agency. A total of 5 focus groups and 24 individual interviews were conducted between February 7th to February 25th in five regions across Canada.

Cette publication est aussi disponible en français sous le titre : Produire ma déclaration – recherche qualitative

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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.

Signed:

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

Rick Nadeau, President
Quorus Consulting Group Inc.

Research purpose and objectives

In 2018, the Canada Revenue Agency (CRA) introduced File my Return: a free and secure service that lets eligible individuals auto-file their income tax and benefit return through a dedicated, automated phone service.

At the time, the File my Return service fulfilled part of the Government of Canada's commitment to support Canadians who wish to file using no paper forms, particularly those with low or fixed income whose situations remain unchanged from year-to-year. Today, it also supports the commitment to work with stakeholders and community organizations to continue to develop and implement free, automatic tax filing services for simple returns, to ensure Canadians receive the benefits they need.

The CRA wished to conduct qualitative research to help the program area understand potential reasons for the low uptake. As File my Return was extended to gap filers/non-filers in 2021, it was also important to understand what changes were necessary to inform the development of program improvements to encourage eligible taxpayers to use the service.

Specifically, the objectives of this qualitative public opinion research were as follows:

- Explore potential barriers to using the File my Return service;
- Understand any specific issues with using the service, such as issues pertaining to the letter, the process, etc.;
- Explore potential changes in or improvements to these service elements to make it easier to use, and to increase usage of the program; and,
- Explore attitudes towards a digital version of the File my Return service.

Methodology

The research methodology consisted of five online focus groups and 24 one-on-one telephone depth interviews with Canadians. The focus groups and individual interviews were held between February 17th and February 25th, 2022, and included individuals from five different regions across the country: British Columbia, Atlantic Canada, Ontario, Quebec, and the Prairies (MB/SK/AB). Focus groups and interviews were comprised of a mix of individuals who were familiar and unfamiliar with the File my Return service as well as a mix of individuals based on their 2021 tax filing method. Each focus group session lasted approximately 75 minutes, while interviews lasted no more than 30 minutes. Participants were informed upfront that the research was being

conducted on behalf of the Canada Revenue Agency and they each received an honorarium of \$80 for their participation.

Qualitative research disclaimer

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

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

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

Research findings

General views on tax filing

Interviews and focus groups began with a general discussion to explore participant’s experiences filing their taxes in 2021 (for income earned in 2020). Recall of their tax filing experience was fairly good and nearly all participants did file a return in 2021 with most having filed before the deadline. Those who filed their tax return ahead of the deadline recalled filing as soon as they could to “get it out of the way”, or because they always file early. A few felt the idea of filing after the deadline would attract unnecessary attention from the CRA. Those expecting a refund were eager to file, especially since many are low-income earners, while those likely to owe money also filed ahead of the deadline to avoid paying any penalties.

Participants also explained that their 2021 tax filing experience was quite easy and straightforward and that they did not encounter any particular challenges. Participants explained that their “simple” tax situation made it such that filing their taxes is also easy to do.

Tax filing method

Overall participant views on their tax filing experience in 2021 were largely influenced by *how* they filed their taxes. Most study participants either used the “File my return” service or they had someone else prepare and file their taxes for them. **Note:** Obtaining feedback from “File my return” users was one of the study objectives which explains why many study participants fell into this category.

“File my return” non-users

Those who chose to file their own taxes and not use “File my return” typically completed and mailed in a hardcopy version of their tax return or e-filed after completing their return using tax software they had purchased (most indicated paying approximately \$30 to \$40), or a free online version. These individuals explained that their approach worked quite well for them and contributed to making the overall tax experience problem-free.

Many chose to have their tax return done by either a professional tax service or through a community volunteer program (Community Volunteer Income Tax Program – CVITP). Those who had a professional file their taxes typically paid between \$50 to \$100, with some paying a rate of \$20 if the service offered a special rate for low-income Canadians. These participants also indicated that their tax filing experience was straightforward and problem-free.

Awareness of the “File my return” service was low for non-users. Those who did recall the service typically had found out about the service from a letter they received from the CRA. Many of the service users are in fact repeat users, having used the service to file their 2020 tax return, and a few having used the service to file their 2019 tax return.

Despite being aware of the service, these participants still chose to file their taxes using other methods.

- Many are not interested in filing their own tax return out of concern for making a mistake, such as missing out on tax credits, an important consideration as many of these tax-payers view themselves as “low-income.”
- Some already use free services such as a community volunteer program or have a family member or friend prepare their taxes and thus do not see a need to change their filing method.
- Quebec participants need to file two tax returns and feel that if they will be paying a tax preparation service to do their provincial tax return, they might as well have them do their federal tax return at the same time.
- A few prefer to file their spouse’s tax return at the same time as theirs and having a tax preparation service prepare the joint filing is more efficient for them, especially if the spouse is not eligible for “File my return” and/or the sense is that the spousal return is particularly complex.
- One participant expressed concerns due to a limited telephone voice and data plan.

Those unaware of the “File my return” service did show some interest in finding out a bit more about the service and how it works. Those more likely to be interested are individuals who already prepare their own tax return and a few who do pay a fee to have their return prepared by someone else, as they explained that as low-income earners, those savings are meaningful.

Some of the key features that seemed to appeal to participants interested in the service included:

- The service is specifically designed for Canadians with simple tax returns.
- The service consists of a dedicated telephone service rather than a telephone service that requires them to call into the “regular” CRA call center, which a few noted was not an easy thing to do, especially around tax filing season.
- That it could take them as little as 5 to 10 minutes to file their tax return.

Some concerns were raised including worries about making mistakes and whether the system retained the incorrect information, and how they could change the incorrect information or start over. Others felt that they would not have a “paper trail” or proof that they had filed their taxes, despite being informed that the service provides a verification number at the end. That said, nearly all participants felt that they should be made more aware of this service moving forward, with a few suggesting that even if they don’t make use of the service, they may know someone who could benefit from it.

“File my return” users

Feedback from “File my return” users was consistently positive and there is a genuine feeling of appreciation towards the CRA for having introduced the service. The service was described as very straightforward, simple and fast to use. When specifically prompted, nearly all service users felt that nothing else could be done to further simplify their tax filing experience.

- Participants explained that the service took them “5 to 10 minutes” to file their taxes, which they felt was fast
- Participants also felt they had the proper information to successfully file their tax return, they did not need any external help to get organized and at no point did they feel they needed help from the CRA either before filing their taxes or after using the service.

A few participants who explained that they have a disability said that the service was particularly beneficial to them. Using the telephone service allowed them to easily file their taxes from their home, which helped one participant with mobility issues and another who explained they suffer

from anxiety. As well, those who were reluctant to leave their homes during the COVID-19 pandemic, especially among more elderly participants, outlined how the service helped them take care of their tax return without having to interact with anyone in person.

When asked if they had any suggestions to improve the service, most participants felt the need to change anything was quite limited. If changes were suggested, they were seen more as minor improvements. Some of the suggestions from users included:

- Adding the option to have a specific question or instruction repeated.
- Adding an option to confirm the number that was entered, especially if a dollar amount needs to be entered.
- Having better instructions on how to handle certain types of new or one-time credits such as the carbon tax rebate.
- Although they did not remember making any mistakes, a few were worried about making a mistake and what that might entail, especially in terms of the information they had already entered. They were not aware that they could start over from the beginning by hanging up.
- One participant seemed to recall there was a long delay before the service “picked up.” There was also a comment that the service was not active by the date indicated in the letter.
- Finally, a few expressed interest in having an option to speak with a CRA representative at any point in time while using the automated service. This was of interest to a few who had not yet used the service as well.

Notably, many participants who used the service are not very active online, with some indicating they do not own a computer and can go many days without going online at all. As such, any effort to leverage the CRA website to promote or to provide better or more complete instructions on how to use the service may not hit the mark with the target audience for this service.

All users in the groups enthusiastically indicated they would use the service again in 2022.

Communications

Nearly all those who used the service and those who were aware but did not use the service recalled being invited to use it through a letter they received from the CRA. These two participant

segments indicated that a letter from the CRA was by far the preferred approach for being notified moving forward and felt that the letter was fairly easy to understand and not much needed to be changed or improved.

Those who did not remember receiving an invitation to use the service in the mail also believed a letter in the mail is probably the best way to make them aware of the service and of their eligibility to use the service. They explained that CRA letters are never ignored, they are always opened and that they would be the ones to open the letter.

Most participants were surprised when they were told that the service was specifically designed to help those with simple tax situations file their tax returns. Our observations of this leads us to believe that by emphasizing that this service was designed specifically for people in their situation, this might dispel any concerns that using the service would be cumbersome or complex.

Lack of awareness that the service was exclusively for individuals with simple and predictable tax situations also raises consideration of how these individuals might react if they are not invited to use the service on any given future tax year. It is possible that, unless they become more familiar with the eligibility criteria, they may become frustrated with a process that leads to them being eligible one year but not the next, so on and so forth, etc.

While sending a letter in the mail remains the most popular way of being notified, some also explained that if the CRA has their email address on file, there is interest in being notified by all means possible.

Use and awareness of CRA's My Account was generally quite low. A few participants used the service and were supportive of receiving communication about "File my return" through My Account. Otherwise, interest in signing up for My Account was quite low.

In addition to receiving a letter in the mail from the CRA, some participants felt that mass media advertising, especially on television and radio, would increase their awareness of the service.

[Reactions to an online version of "File my return"](#)

Interest in an online version of "File my return" was moderate at best, as these participants are not very active online and are not entirely comfortable managing their taxes or finances online.

Participants who are familiar with, and especially those who are already using "My Account" felt that their security concerns would be appeased if the online version of "File my return" were

accessed after logging in. Otherwise, few participants could understand how they could securely file their tax return using an online version of the service.

Those interested in an online version felt that a benefit is being able to see what they are entering. Ultimately though, participants felt that an online version should be an additional service for Canadian taxpayers to use rather than one that replaces the telephone-based one.

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