



Canada Revenue  
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Agence du revenu  
du Canada

# 2021-2022 Annual Corporate Research (ACR) Qualitative Component

Final Report

Prepared for Canada Revenue Agency

Prepared by Narrative Research

PSPC Contract Number: 46637-237617/001/CY

Contracted Value: \$147,956.55

Award Date: March 22, 2022

Delivery Date: August 2022

Registration Number: POR 138-21

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Ce rapport est aussi disponible en français

Canada 

# 2021-2022 Annual Corporate Research (ACR) – Qualitative Component

Final Report

## Prepared for Canada Revenue Agency

Supplier Name: Narrative Research

September 2022

This report presents the results for the 2021-2022 Annual Corporate Research – Qualitative Component conducted by Narrative Research, on behalf of the Canada Revenue Agency. This report presents the findings of the online focus groups conducted from May 24 to July 6, 2022. This component of the research entailed a total of 30 online focus groups, namely 10 groups with each of three audiences: individual taxpayers, representatives of small and medium size businesses, and tax professionals. Two groups per audience were conducted in each of five regions: West, Ontario, Quebec, Atlantic, and remote areas. In half of the groups, the discussion focused on service elements, while in the second half of the groups, the discussion focused on compliance elements.

Cette publication est aussi disponible en français sous le titre:

**Recherche d'entreprise annuelle de l'ARC de 2021 - 2022 - Constatations qualitatives**

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Ottawa, Ontario K1A 0K2  
Canada

**Catalogue Number:** Rv4-126/3-2022E-PDF

**International Standard Book Number (ISBN):** 978-0-660-45528-0

**Related publications (registration number: POR-138-21):**

Catalogue Number: Rv4-126/3-2022F-PDF (Final Report, French)

ISBN: 978-0-660-45530-3

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## Table of Contents

	<u>Page</u>
Executive Summary .....	1
Background and Research Objectives .....	1
Target Populations .....	2
Research Methodology .....	2
Political Neutrality Statement and Contact Information .....	3
Key Findings.....	4
Introduction .....	11
Detailed Analysis - General Public, SMEs and Intermediaries .....	12
Impressions of the CRA .....	12
Income Tax Return Completion.....	15
Online Services and Security .....	19
Service Experiences .....	24
Tax Education .....	30
Integrity of the Tax System.....	31
Underground Economy .....	37
Offshore Compliance.....	44
Voluntary Disclosures .....	46
Attitudes Towards Debt.....	48
Research Methodology .....	50
Target Audience .....	50
Qualitative Research Approach .....	50
Appendices:	
Appendix A – Recruitment Screeners	
Appendix B – Moderator’s Guides	



## Executive Summary

Narrative Research Inc.

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## Background and Research Objectives

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In 2021, another in-depth review of the methodology has been conducted, and the ACR has been updated to reflect changes in corporate priorities and tax-related themes, as well as technological changes that have evolved since 2010. The redesigned format of the Annual Corporate Research will involve a change in design, where following the completion of the quantitative (survey), a separate qualitative research contract was awarded to conduct focus groups covering both service and compliance subject-matter, with groups being conducted on an annual basis. The annual addition of service and compliance groups helps explore in greater detail results from the previous survey component within a qualitative context following tax-filing season, where participant recall of their filing experiences are based on recent experiences.

In this context, the CRA was interested in assessing public perceptions of taxpayers, small and medium-sized businesses, and professionals involved in assisting small businesses with their taxes. This information collected will enable the CRA to gauge factors such as trust in, and satisfaction with, the CRA, contextualize other study information, inform strategic decisions, and provide information for reporting on engagement and reputation management.

The following themes were examined during the study:

- Reputation & 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.

## Target Populations

There were three target audiences:

- **Individual taxpayers:** Those aged 18 who have lived 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 business tax matters, payroll, GST/HST preparation, or bookkeeping. Acceptable job titles included:
  - President/CEO/Owner
  - CFO/Comptroller
  - Accountant
  - Payroll Manager/Officer
  - Manager
  - Bookkeeper
  - Financial Officer
- **Tax Intermediaries (TIs or Intermediaries):** Those who work with small and medium size business clients (<100 employees) on tax-related or payroll matters.

## Research Methodology

A total of 30 online focus groups were conducted, namely 10 sessions with each audience. The following table provides a breakdown of groups by audience, region and language.

Distribution of Focus Groups						
	English				French	Total
	West	Ontario	Atlantic	North	Quebec	
Individual Taxpayers	2	2	2	2	2	10
Small and Medium Size Enterprises	2	2	2	2	2	10
Tax professionals	2	2	2	2	2	10
<b>Total</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>30</b>

Sessions in Quebec were conducted in French while all other sessions were in English. The online focus groups were held from May 24 to July 6, 2022 and each session lasted approximately 2 hours. Business audiences received an incentive of \$200, while members from the general public received \$100 in



compensation. In total 287 individuals were recruited using panels and RDD calling and 240 took part in the sessions.

This report presents the detailed findings from the qualitative portion of this study. Caution must be exercised when interpreting the results from this study, as qualitative research is directional only and is not statistically projectable. The qualitative results cannot be attributed to the overall populations under study, with any degree of confidence.

## Political Neutrality Statement and Contact Information

I hereby certify as a Senior Officer of Narrative Research 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 contain any reference to electoral voting intentions, political party preferences, standings with the electorate, or ratings of the performance of a political party or its leader.

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## Key Findings

### Impressions of the CRA

Opinions of the CRA are neutral to moderately positive, having declined compared to similar research conducted prior to the pandemic. On the positive side, the professionalism and friendly demeanor of CRA agents and continuous improvements to online services primarily support favourable impressions. Improved access and functionality to the secure portals, My Account, My Business Account, and Represent a Client are acknowledged and appreciated for providing convenience and timely transactions.

Issues with the phone service most notably contributed to negative feelings. These issues included long wait time, calls being dropped or not returned and being transferred to multiple agents. Other issues included; being provided contradictory information and long wait time for remittance of overpayments and issue resolution. Opinions were generally consistent across audiences, although SMEs, and even more so Intermediaries, expect faster service on the phone, and easier access to experienced agents. Intermediaries also called for enhancements to Represent a Client, notably in terms of accessing clients' accounts.

### Income Tax Return Completion

Individual Taxpayers and SMEs are slightly more likely to rely on someone else, or someone outside of the business, to file their taxes. Often, the decision to use a professional or experienced tax preparer is based on a greater assurance of quality, thus avoiding potentially costly mistakes in filing taxes. In addition, relying on someone familiar with the tax laws provides greater assurance that all benefits and credits available are accessed. In addition, in a year dominated by the COVID-19 pandemic, there is a desire among SMEs to stay focused on running the business.

Individual Taxpayers generally report filing their taxes on time to avoid penalties, or to receive a return more quickly, and very few recall experiences that affected their ability not to file on time apart from situations where access to required documents or receipts was delayed by an employer, a former spouse, or the CRA.

There are mixed opinions in terms of how filing a tax return has changed over the recent past. While the tax software products are seen as having improved, increased requirements from the CRA for information and supporting documentation, and changing benefits and deductions, led some Individual Taxpayers and SMEs to say that the process is harder than it used to be.

Although the CRA is considered as acknowledging the need for service accessibility, the focus on moving services online is considered as limiting access to some Canadian taxpayers. At times, the CRA is also seen as lacking flexibility in the options available for tax payment.

### Online Services and Security

#### Online Services:



Across audiences, the Internet is an important tool for communications, record-keeping, and personal and businesses finances, including filing income taxes and accessing information. Participants in all target groups were either already using the Internet extensively or have generally found that they have been using it more in recent years. Out of convenience, Individual Taxpayers report largely relying on the Internet for their personal finances, notably in terms of banking, bill payment, and retail purchases, but less so to access their tax information through My Account, and even less so to access other government services. SMEs and Intermediaries also report increased reliance on the Internet for business activities as improved functionalities have made their work easier, including accessing tax information through My Business Account and Represent a Client.

### **My Account / My Business Account / Represent a Client:**

Awareness of the CRA online portals is high across audiences, although usage varies. While many Individual Taxpayers have set up My Account, most generally access it only once or twice a year to verify the status of a tax return or benefit payment, or to access their notice of assessment. My Account is increasingly well regarded for being easy to use now that the login process is streamlined.

Usage of My Business Account and Represent a Client is higher among SMEs, and even higher among Intermediaries who all rely heavily on these tools. Activities such as reviewing balances, reviewing information on credits, GST and income tax applied, or accessing the mailbox are most reported uses by SMEs. The platform is considered user-friendly once familiar with it, though suggestions were made to include a dashboard to summarize most recent activities. Intermediaries, who use My Business Account and Represent a Client frequently, would like to have the ability to change their business clients' address or banking information on the portals, when permission is granted and would also like to have more advanced online functionality, such as uploading of larger documents or enabling electronic signatures.

Apart for the online portals, SMEs and Intermediaries are likely to use the CRA's electronic payment tool, GST/HST Netfile, Business Registration Online and Attach-a-document or Submit-a-document. Usage of the CRA's BizApp is infrequent.

### **The CRA's Approach to Technology and Security:**

In terms of its use of technology, the CRA is considered up-to-date and keeping up with technology, though it is not seen as leading edge. Individual Taxpayers hold more favourable opinions in that regard than SMEs and Intermediaries. Nonetheless, the organization is seen as performing better than other government departments and agencies, though trailing behind financial institutions. Navigation issues with the CRA website and the unavailability of advanced online tools or features (such as a chat bot) may contribute to negative perceptions of the organization in terms of its familiarity with technology.

From a security standpoint, there is general trust in the CRA client portals, though participants across audiences recognize the risk for security threats and see nothing online as fully secure. This general sentiment extends to other aspects of the CRA's work as well, and it is believed that protection measures need continual attention and improvement.





## Service Experience:

### Communications Channels:

While Intermediaries make use of various channels when interacting with the CRA, Individual Taxpayers and SMEs primarily rely on the CRA website and personal telephone contact with an employee, and to a lesser extent My Business Account for SMEs.

**Telephone:** Telephone is a common means of interacting with the CRA, and while the service provided by agents is appreciated, the long wait time and the inability for SMEs and particularly Intermediaries to access specialized experts are among the most important points of frustration. The CRA's automated telephone service is not widely used or known and holds little appeal among SMEs and Intermediaries.

**Mail:** Individual Taxpayers report that correspondence they receive by mail or online primarily originates from the CRA or is required by the CRA for certain transactions, rather than being the preferred form of communication of clients. While speed of communication and record keeping are viewed as advantages of online communications, there is a fear that something could be missed if emails or the CRA online portals are not accessed frequently. Many of the SME representatives in the sessions, especially those in smaller organizations, open the mail that is addressed to the business, including mail received from the CRA. Despite mail interactions being infrequent, there continues to be an occasional preference for it out of convenience or habit, or as required by the CRA, and for commanding attention, being accessible, and more secure. This is most notably the case for notices of assessment, even if this document is available online. This seemed to be motivated by a desire to conveniently file important documents.

### Service Attributes:

The service provision from the CRA is considered to have largely remained unchanged within the past few years, with access by telephone (the time to reach an agent) still being an issue, while the experience with agents remains positive. There is an acknowledgement that online services have improved. Regardless of the method for interacting with the CRA, several service attributes are most desired across all audiences:

- **Knowledge/Expertise/Accuracy:** There is an expectation that the CRA will provide expert advice, accurate information, and proper guidance in response to queries. This is especially important for Intermediaries.
- **Compassion/Patience/Understanding/Listening/Empathy:** A feeling of being listened to and understood is an important consideration and a show of respect, which is valued across audiences, but especially so for Individual Taxpayers and Intermediaries.
- **Professionalism:** Receiving a service in a professional manner is of particular importance to SMEs and Intermediaries.
- **User-Friendly/Efficient/Helpful:** Simplicity and ease of use of the different tools available, as well as in understanding the information provided is of importance, especially to Individual Taxpayers and SMEs who are not as knowledgeable of the tax laws. Quick service and quick resolution of queries or issues are viewed as important considerations as well.



## Tax Education

Tax education is considered paramount as part of enhancing taxpayers' financial literacy, and an area where it is felt the CRA should play a role. The most important information to convey includes; how to fill out a tax return, the credits and benefits available, taxpayers' responsibilities, how taxes collected are redistributed (services received), as well as broader financial literacy topics, such as financial planning and savings. Intermediaries also believe that education should be provided on the requirements when setting up a business, especially in areas that impact tax filing. Conducting tax education through the high school curriculum was seen as the best way to improve taxpayers' knowledge, while for businesses, it was felt that online materials and in-person tutorials would be best.



## Integrity of the Tax System

### Addressing Issues of Non-Compliance:

Of six tax avoidance examples presented, filing an inaccurate tax return was considered most serious across both Individual Taxpayers and SMEs because it is a deliberate fraudulent act that involves serious consequences. The second most serious example for Individual Taxpayers consisted in not declaring income from an Airbnb, while SMEs tended to select their second choice based on the amount of money involved. In determining which of the activities were more serious, Individual Taxpayers often considered the amount of money involved, how conscious or deliberate the activity was, how traceable or easily detected it was (and therefore the likelihood of being caught) and also how much impact the activity had on others. For SMEs, the deciding factor was often the amount of profit involved or taxes avoided with greater amounts adding to the seriousness of the action.

### Crypto-Currency Transactions:

SMEs and Intermediaries typically have little knowledge about crypto-currency and tax implications. The SMEs tend to look to their Intermediaries for assistance, who in turn look to the CRA for guidance and answers.

### Perceived Level of Cheating:

All three target groups felt most taxpayers complete their taxes honestly and pay their fair share, although higher-income taxpayers are believed to have the resources needed to legally take advantage of the tax loopholes. Consistently though, cash businesses such as tradespeople, those who earn tips in restaurants (servers and bartenders) and personal care businesses such as hairdressers were thought to be the ones who could (and would) under-report cash revenues. Aside from the potential for direct implications such as prosecution or fines, the implications from tax cheating mentioned included less money for public services, increased tax burden for others and of course, the unfairness of the situation.

### Reporting Tax Fraud:

Among both Individual Taxpayers and SMEs, there is great reluctance to report personal or business tax evasion even when certain, for fear of unfairly judging the situation. People generally feel that what others are doing is “none of their business”, with some of the belief that there may be attenuating circumstances that may explain the cheating, especially for low-income households. A concern for living in a place where people would be reporting on each other was also expressed. In general, acceptance of the behaviour among individual taxpayer was more accepted than among businesses. Participants were unsure of how to report this type of situation, but upon thinking about it, felt they would go through the CRA or another government department.

### Audit Experience:

Intermediaries who had experienced audits on behalf of clients felt the majority had been handled well. Several commented that the more senior/experienced people at the CRA were knowledgeable and reasonable in their approach. Improvements to the audit process were suggested, notably in informing



newcomers of the process itself and for very new immigrants to reassure them that audit would not impact their ability to stay in Canada, providing a longer timeframe for clients' response or shortening the CRA's response time, ensure that auditors are aware of modern accounting principles, and allowing intermediaries to coordinate the audit directly with the CRA with a client's permission.

## Underground Economy

### **Definition:**

The concept of the underground economy is generally understood or referred to by conducting business “under-the-table” by English participants. French-speaking participants are most familiar with the term “travail au noir” or “sous la table”. It was felt to be most common in the construction and service industries, with smaller businesses, and where cash transactions are common. Across audiences, there is little awareness or understanding of what the CRA is doing to address the situation. The general sense among Individual Taxpayers and SMEs is that the Agency is putting in efforts to tackle the issue, while Intermediaries are more critical of the Agency in how effective it is in addressing the issue. In general, where small amounts are involved, the allocation of CRA resources may not be worth it given the small payback.

### **Publicly Available Information:**

The general consensus across all target groups is the use of publicly available information, including information on social media, is acceptable as the CRA enforces tax laws, as long as the findings are obtained from a public source. For example, “friending” someone to get more information was not considered appropriate. Participants also cautioned that everything that is seen online is not always true – so a new expensive item as an example, might be just borrowed for the picture and not actually owned by the person.

### **Big Fish Little Fish:**

There was general understanding of the terms Big Fish and Little Fish across all target groups. Big Fish are generally seen as more frequently using tax avoidance measures. While this is not seen as illegal, it is cause for envy and frustration. There was little awareness of media stories about compliance and little evidence that anything had been done with the information. That said, there is generally a desire to hear more about the CRA's efforts in enforcing compliance.

### **Education:**

There is an expectation that the CRA should educate the public on tax compliance, notably in high school or via a public education campaign. This was felt to be needed to minimize cheating but also mis-reporting resulting from taxpayers and businesses not fully understanding the tax laws. Again, informing about the services and benefits Canadians receive from their tax dollars was felt to contribute to greater compliance.



### **Tax Avoidance and Tax Evasion:**

There is a fair level of understanding across all target groups between the terms “tax evasion” and “tax avoidance”, with both being perceived as having different levels of severity. While tax evasion is considered illegal, tax avoidance is viewed as legitimate. Perhaps as a result, tax evasion is considered a much more serious offense than tax avoidance, although both are viewed as providing unfair advantages to larger businesses and wealthier Canadians. Very little is seen or heard about individuals or businesses being investigated or convicted of tax fraud, although there is some interest in this kind of information.

### **Offshore Compliance**

While the concept of offshore tax havens is familiar, there is minimal recall of specific examples in recent years. Many assume that the CRA is doing its best to address the issue, although very little is known as to how this is done. Some are not prepared to give the CRA the benefit of the doubt because of the lack of evidence of results.

### **Voluntary Disclosures**

Participants were presented with a scenario whereby they would discover they, or their client in the case of Intermediaries, owed \$1,000 in taxes from two years before resulting from an honest mistake. They were asked how they would react in this situation. While all Intermediaries would advise their client to amend their tax return to show the overlooked income, some SMEs would seek advice from their accountant before reporting the situation to the CRA (but would still generally pay) and Individual Taxpayers would generally report it especially if a larger amount is involved. The risks of fines and that the CRA would investigate previous years’ tax returns was a consideration for many and a factor in their choice to report or not the error. While intentions to repay was strong at the \$1,000 level, it was even stronger at the \$10,000 level.

Overall, awareness of the Voluntary Disclosure Program is low, but across target groups, the consensus was that it was a reasonable program to have in place.

### **Attitudes Towards Debt**

A tax-related debt is deemed as important and similar to one owed to the bank that should be paid promptly. There is mixed awareness of payment options for taxes owed, and a general consensus that more flexible options should be available and that all taxpayers should have access to the same options.



## Introduction

### Background

In 2005, the Canada Revenue Agency (CRA) launched an annual survey that focuses on corporate-wide issues, with the aim to provide a public opinion context for strategic planning and reporting. A review of the methodology was conducted by the CRA in 2010 which led to the redesign of the Annual Corporate Research (ACR) in 2011 to include a core survey each year along with annually rotating modules and focus groups, featuring expanded target audiences. The fiscal year of 2011-2012 saw the first iteration of the ACR's new cycle. In 2013, new questions were added to examine experiences with the CRA website. The 2013, 2016, 2018 and 2020 editions repeated the service-focused module and the 2017 iteration was the first compliance module and was repeated again in 2019.

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In this context, the CRA was interested in assessing public perceptions of taxpayers, small and medium-sized businesses, and professionals involved in assisting small businesses with their taxes. This information collected will enable the CRA to gauge factors such as trust in, and satisfaction with, the CRA, contextualize other study information, inform strategic decisions, and provide information for reporting on engagement and reputation management.

The following themes were examined during the study:

- Reputation & 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.



## Detailed Analysis - General Public, SMEs and Intermediaries

### Impressions of the CRA

#### Impressions of the CRA

*Opinions of the CRA are mixed and generally cluster around the neutral point or a little higher and seem to have been negatively impacted by COVID compared with previous research. While improvements in online services are noted, the main issue continues to be the wait times to reach an agent.*

#### Individual Taxpayers:

General impressions of the CRA were assessed using a simple chart with a scale running from negative to positive with a neutral point in the middle. Participants were also told to imagine a corresponding scale that ran from 0 to 100 with 50 as the neutral point. When this same technique was used in previous research the response tended to be in the neutral to mid way through the positive section. In this current year, the pattern of ratings was lower with many in the general public giving ratings that dropped into the lower half of the scale; with some of these in the 20 out of 100 range.

In most of the general public groups, there were two or three participants who gave ratings in the 60 and 70 range with some even a little higher. However, in the compliance West session, nobody was above the mid point in their evaluation of the CRA. Lower ratings were often related to several repeated issues:

- Long wait times to reach an agent by telephone (over an hour in many cases).
- Having the phone call dropped after a long wait, which necessitated starting the whole process over again.
- Being passed to one or more additional agents before a question could be answered with additional wait times as the transfers are being made, and the need to re-explain the situation to each agent.
- Receiving different information from different CRA employees.
- Long wait time for remittance of overpayments, or to resolve issues.

Most neutral to positive ratings were explained by the professionalism and friendliness of CRA agents, improvements to online service, and not having experienced any negative issues personally.

#### SMEs:

Ratings for the SMEs also tended to cluster around the mid point of the scale (around the 50 mark) but as was the case with the general public, there were typically two or three participants who gave ratings as high as 70 or even 80. Typically, there was also one or two participants who rated lower (in the 20 – 25 range). Those in the Remote East session were similar in that they mostly clustered around the neutral part of the scale (50) and had a lower rating of 20, but in this case, there were no higher ratings.



Those providing higher ratings often described positive interactions with CRA staff who were helpful in answering all their questions. My Business Account and the tasks that can be accomplished online were mentioned as improvements that contributed to higher ratings.

Otherwise, criticisms from SMEs were very similar to those noted by the general public and focused primarily on very long wait times to reach an agent. This issue was strongly raised by at least a couple of participants in each session and seemed to cause even greater frustration from the SMEs than it did with the general public. A second point of frustration that tended to be mentioned by only one or two participants per session was the time it took to receive an updated password when they were locked out of their account. Other comments reinforced the points made by those in the general public sessions and included dropped calls (with the need to start over again) and inconsistent information provided by the CRA. The frequency of these latter comments was much lower than the number of times that wait times were mentioned.

### **Intermediaries:**

The Western and Ontario Intermediaries offered scores that were generally in the 60 – 70 range or a little higher, whereas those in the Atlantic, Remote East and Remote West sessions, ratings were generally around the neutral point, or slightly on the positive side. Quebec Intermediaries offered more varied scores, ranging from the mid-point between negative and neutral, to the mid-point between neutral and positive.

In spite of some higher ratings, the comments and issues described by Intermediaries were very similar to those offered by other target groups. Frustrations with the wait times to reach an agent were expressed and being bounced to different agents for an answer at times. Intermediaries typically would have more knowledge of the tax system than Individual Taxpayers or SMEs and having to first go through a general line for all inquiries, where an agent often can not help them with their more specialized questions, adds to their overall time to access an answer. Another different comment heard from Intermediaries is that they, and their clients, are given specific and often short time frames to respond to the CRA with information requests, but the CRA is then much slower in their response or in resolving an issue.

### **Areas of Stronger Performance**

*There were some differences across target groups when participants were asked what the CRA does well, but one thing that was mentioned consistently in most sessions was the continuing improvements in online services.*

### **Individual Taxpayers:**

Consistently across the Individual Taxpayer sessions, the discussion of what the CRA already does well focused on online and technology. Specifically, this included being able to log in to My Account through one's bank, but generally participants spoke about it being easier and faster to do things online. This also meant faster refunds, which collectively led to a few people describing the Agency as more efficient.





One participant in the Compliance session in Ontario commented on how well the Agency communicated with her relative to child benefits (the multiple communications methods used) and she even thought that text messages had been used. Several commented on how helpful CRA staff were once they were reached.

### SMEs:

Many of the items mentioned by SMEs that the ‘CRA does well’ also dealt with online capabilities. The ability to get an access code sent immediately on their phone (instead of the mail option) was regularly mentioned and greatly appreciated. Access to information both on the website and to a person’s own information on My Business Account with it all in one place and easily accessed was also noted. Several participants across SME sessions also commented on helpfulness of CRA staff and a few commented favourably on the additional security measures being taken to protect their personal information.

### Intermediaries:

The Intermediaries with their more frequent and more complex interactions with the CRA also noted improved online capabilities. They appreciate the convenience of the various things that can now be done online and generally seemed to want to see further capabilities in the future. They liked that a security code allowed them to work for a longer period of time (8 hours). They also made positive comments about the staff they interact with at the CRA. In the Compliance West session, there was a blanket comment about staff that indicated things typically are right the first time and that the level of accuracy is good. In the Compliance Atlantic session, auditors were complimented for their level of knowledge and the Non-resident Property staff in Charlottetown were also described as good people who were quite informative.

## Areas Where Improvement Could be Made

*The most frequently mentioned and seemingly biggest pain point of service from the CRA is the time spent waiting on the phone to reach an agent. Adding to this is the experience of the first agent reached not always being able to answer the question, which results in the caller having to wait again.*

### Individual Taxpayers:

Taxpayers tended to offer fewer specifics compared to the other target groups at this point. Wait times on the phone were an issue, but less so than for SMEs and Intermediaries – likely because Individual Taxpayers are trying to reach the CRA less often than the other two groups. There were comments to make filing easier (since the CRA already has access to most of the information that taxpayer needs to file). There was also a suggestion from the Ontario Service session to make more of an effort to collect taxes that are owed.

### SMEs:

Participants in the SME sessions focused on their key issues as they discussed areas for improvement. Naturally, this included cutting down wait times on the phone. It also included comments about agents



who say they (or someone else) will phone the client back, but that does not happen. Training of agents so they are more able to answer without passing to another agent was suggested and this would also cut down on the issue of different agents offering different solutions to the same question.

### **Intermediaries:**

Intermediaries also focused on wait times for an agent on the phone. They also called for enhancements to Represent a Client (this was in reference to older clients in a trust situation) so that the Intermediary would be able to see all of the communication that is happening between the CRA and the client.

## **Income Tax Return Completion**

### **Current Experience / Process**

*Individual Taxpayers and SMEs are divided on whether they file their own taxes or have someone else prepare them, with slightly more who seek assistance. Mixed opinions are expressed in terms of whether the process has changed in recent years.*

### **Individual Taxpayers:**

Among Individual Taxpayers, there seems to be slightly more participants (a little more than half the group) who rely on someone else to do their taxes for them, than there are who prepare and file their own income taxes. The exceptions are in Quebec and Ontario where all but one taxpayer in each of those groups relied on someone else. A variety of resources are relied upon for tax completion, including tax filing or accounting firms, a service provided by an employer, or a friend, relative, or personal contact with tax filing experience. The main reason to rely on a tax professional is to rely on their expertise in understanding the tax system and being more confident that the tax filing will be done without errors, and with the taxpayers' best financial interest in mind. Indeed, a number of participants believe that relying on a tax professional ensures that all applicable benefits and deductions will be claimed. By going to an experienced tax preparer, there is also less stress and worry, it saves time, and it is perceived as more convenient overall. The convenience and completeness that is offered is highly appealing to many.

Individual Taxpayers who elect to file their own income taxes primarily rely on specialized software, many of which are accessed free of charge. Those who use these programs generally find them convenient and easy to use, especially if they have been used in the past. Most of these Individual Taxpayers have not seen any change in the level of difficulty in filing their income taxes over recent years. Only a few are under the impression that the process is more complex, given additional or changing benefits and deductions.

Regardless of who prepares taxpayers' income taxes, nearly all participants across the general population sessions indicated they file on time to avoid penalties or getting a tax return more quickly.

Individual Taxpayers were asked if they experienced personal circumstances that affected their ability to file their income taxes or access benefits. Very few reported these kinds of situations across groups. In a



couple of instances, access to My Account was blocked following fraudulent access attempts, leading to the taxpayer having to wait until the CRA investigates the issue and sends a new access code, four to six-weeks later, which delayed them from filing on time. In another instance a taxpayer mentioned that where a couple is separated but have shared custody of their children, there is a need to prove that parents live at separate addresses to receive the Canada Child Benefit, thus requiring the collaboration of both parents to complete the request for benefit. This taxpayer mentioned that their former spouse did not provide the required information on time, thus delaying the receipt of benefits. Although not an impediment per se, a couple of participants mentioned that stressful circumstances impacted their ability to file on time, including the stress resulting from understanding the tax implication of COVID-19 benefits received, and the tax filing deadline being at the same time as the postsecondary school's exam session.

### **SMEs:**

In most SME sessions, participants were divided between those who have someone else prepare their business taxes and those who take on the task internally, whereas in Atlantic the work was primarily done by someone outside the organization, while in the Western group, most SMEs report that an employee of the business is responsible for completing and filing the organization's taxes. SME representatives offered reasons similar to those expressed by Individual Taxpayers for having a tax professional complete their business taxes and in general, they seemed to feel more strongly about the benefits of using a professional. An assurance of quality and avoiding what might be costly mistakes, in addition to accessing all benefits and credits available, are important considerations in their choice. In addition, and particularly in a year dominated by the COVID-19 pandemic, there is a desire and a need to stay focused on running the business. Those who were using tax software to complete their taxes were generally quite positive about it and agreed that it had gotten easier to use.

There are mixed opinions amongst SMEs in terms of how filing a tax return has changed. While quite a few, notably in the Quebec group, feel that the process and level of complexity has remained the same, especially when dealing with a professional tax preparer, a few in other groups have noticed increased requirements from the CRA for information and supporting documentation, thus leading them to say that the process is harder than it used to be. Many of the SMEs on the smaller size, who use software to complete and file their own tax return, mentioned that the process has become easier with improvements to the tax software.

SMEs were asked to identify what they considered to be the biggest challenges when dealing with the CRA. By far, the wait time on the phone is considered to be the primary point of frustration across groups. Being put on hold, sometimes for hours, is considered by SMEs as costing their business, as it keeps the employee calling from doing other tasks. A few SME representatives mentioned, however, that the callback service has improved.

It was also mentioned that when approaching the CRA with a complex question or situation, the response can be different based on the CRA agent involved, which causes confusion among SMEs who are unsure of which direction to take. One example of a more complex situation was described in the West SME session with a participant dealing with importing products and the duties charged on these items. Two



participants commented on this. One noted being passed to multiple more senior CRA employees and not always getting accurate information and the other spoke of getting different information from customs brokers and the CRA. Other points of frustration include the difficulty in navigating the CRA website, the requirement for payroll information to be submitted mid-month while the GST reporting is scheduled at the end of the quarter, the delay in tax installment payments being shown on the portal from the time it was paid, and increased administrative burden associated with filing taxes.

### **Intermediaries:**

Both long wait times and delays in processing a request are also considered by Intermediaries as the greatest challenges faced by their business clients when dealing with the CRA. A lack of familiarity or understanding of the tax laws also cause SMEs a number of challenges according to Intermediaries. Notably, SMEs' hesitancy to trust the CRA in providing fair and flexible service is also reported by some Intermediaries, who believe this is one of the main reasons why SMEs turn to them to provide explanation or take care of following-up with the Agency. It was also felt that the time between when an action is completed (such as a tax payment) and when communications are sent to clients, can cause confusion or undue stress among SME clients. For example, a collection letter may be sent to a client after a payment was made, which was perceived by Intermediaries as likely due to an automated process in sending out letters. It was felt that the CRA could improve their relationship with small businesses by enabling notes to be recorded by agents on their file, thus all agents having access to the history of transactions, and by increasing awareness of the tax laws in general and specific elements (such as forms) among small business owners. Improving the usability of its website was another suggestion to provide a user-friendly tool for information specific to SMEs. Simplifying the level of language used in communication was also seen as needed to better service SMEs.

Intermediaries are most likely to be challenged when working with small business clients in terms of their lack of awareness or understanding of the tax laws and poor record keeping, which means that a lot of their time is spent on providing basic advice to those clients on what can or cannot be done, or addressing misinformation. Many small business owners are also not technologically savvy, which affect the Intermediaries' ability to access their account. Another point of frustration is that some business owners do not understand the requirements of owning a business, such as the need to register for GST before collecting it, which then affects their tax filing.

As for Intermediaries' own challenges when dealing with the CRA, the lack of easy and quick access to informed and experienced agents (tier-2) is an important point of frustration, along with the wait time for their call to be answered. The CRA agent not having access to historical information on a client's file is also a point of frustration for Intermediaries, who need to re-explain the situation for every new agent they speak with. Issues with authorized access to a client's account were also mentioned, such as the ability to act on behalf of a small business client following the death of a director. Whether certain employment expenses are allowed or not is sometimes questioned by Intermediaries, such as those related to criminal record check and work visas. One Intermediary mentioned that in-person or drop box services being unavailable since the pandemic makes it harder for them or their clients to file their taxes.



Better use of technology in recent years lead has made the process of filing business taxes easier for Intermediaries, despite consistent issues with reaching agents in a timely manner. One Intermediary also mentioned that refunds and notices of assessment are issued faster than in the past, although delays remain long in the CRA handling of adjustments to tax returns. Another Intermediary mentioned that some of the forms require more information (such as the Disability Tax Credit form), thus making the process more time consuming.

### Accessibility

***Although the CRA is considered as acknowledging the need to make its services accessible to all Canadians, the focus on moving services online is considered as limiting access to some Canadian taxpayers. At times, the CRA is also seen as lacking flexibility in the options available for tax payment.***

#### Individual Taxpayers:

Individual Taxpayers were asked if they believed that the CRA is doing enough to make sure that their services are equally available to all Canadians, and what they could do differently. Although most participants did not provide a definite opinion in that regard, a few indicated that the move towards online services and the increased difficulty in accessing service by phone favour those who have access to technology and those who are more tech savvy. This in spite of the fact that those with access to online technology did find access to the CRA to have improved because of improved online access. The fact that telephone service is still available was considered by some as demonstrating the CRA's desire to remain accessible to most, if not all, Canadian taxpayers. In just a few instances, participants are under the impression that the CRA is not sufficiently flexible in the options offered to taxpayers to pay the taxes owed, for those in harder financial situations. One participant mentioned that newcomers who may not understand English or French are disadvantaged in terms of accessing information or advice from the CRA or regarding the tax system.

### Correspondence from the CRA

***There is a general appreciation for the frequency of correspondence with the CRA among individual taxpayers. There is also a general appreciation for the fact that correspondence is electronic; although a minority are concerned that important correspondence might be missed. Among SMEs, owners are frequently involved in handling mail received from the CRA.***

#### Individual Taxpayers:

Many participants from the general population sessions recall having received correspondence from the CRA, primarily online. The exception is in Quebec, where none of the participants recall having received notices from the CRA. Those using the CRA online tools specified having received notifications, notices of reassessment, and various other communications from the CRA in their My Account inbox. There is a general appreciation among those participants with the level of communication (not too frequently) and the usefulness of communications provided. A commonly cited benefit of corresponding through My Account is the speed of communication, and the ability to save all communications in one place for ease of reference.



There were some concerns about too much reliance on electronic communication and a fear that an email might be missed or the person might not check their email frequently. This is particularly a concern for important information (requiring an action or a payment as an example) a few thought both an email and a physical letter would be worthwhile.

### **SMEs:**

Most SMEs reported that either they, or an administrative assistant or operations manager, open the mail that is addressed to the business. In smaller businesses, this was most likely to be done by the owner. Likewise, communications from the CRA are generally handled by the business owner for smaller operations, or directed to the finance, accounting, or bookkeeping employee for medium sized businesses. A few small business owners mentioned that where letters were lost or mishandled by their employees in the past, they now open all mail before redirecting in internally.

## **Online Services and Security**

### **Online Habits**

*The Internet is an important tool for communications, record-keeping and personal and businesses finances, including filing income taxes and accessing information. Participants in all target groups were either already using the internet extensively or have generally found that they have been using it more in recent years.*

### **Individual Taxpayers:**

Out of convenience, Individual Taxpayers report largely relying on the Internet for their personal finances, notably in terms of banking, bill payment, and retail purchases. To a lesser extent, although increasingly in the past few years, Individual Taxpayers are using My Account to access benefit information and file their taxes. Although conducting financial transactions online was not considered something new to most, the pandemic seems to have accelerated reliance on the Internet, notably out of convenience, and to provide easier and faster access to services. Long wait times for in-person or phone service, combined with fewer in-person locations, led many to conduct online transactions. That said, accessing government services online is less common given that these platforms are considered less user friendly.

### **SMEs and Intermediaries:**

Over the past few years, notably since the beginning of the pandemic, SMEs and Intermediaries have increased their reliance on the Internet for communications, record keeping and business transactions. This also extends to completing and filing business taxes, with nearly all SMEs conducting these online. Intermediaries noted that the use of online functions such as autofill and a two-step authentication once a day rather than by transaction, have made their work easier. Easier access to clients' information online also made tax preparers' work easier.



## My Account/My Business Account & Represent a Client

*Both familiarity with, and usage of, My Account, My Business Account, and Represent a Client are high, despite varying usage frequency. Opinions of these portals are favourable.*

### Individual Taxpayers:

Participants in the taxpayer groups were aware of My Account and had mostly set up their own accounts. They generally used this account, but not with the same frequency as the SMEs or the Intermediaries. The account is mostly accessed once or twice a year to verify the status of a tax return or benefit payment, to look at their notice of assessment, or to see eligibility for the GST credit. As for additional functionality, a couple of participants would like the ability to see their Tax Free Savings Account (TFSA) contribution in real-time on My Account. While usage seems moderate across English sessions, it appears lower in Quebec where Individual Taxpayers consider it difficult to access My Account, especially if a password is forgotten or if verification information is not readily available, and because they find it confusing to navigate.

While this tool is widely relied upon for information and for filing income taxes, it is used less to communicate with the CRA. Apart from the Individual Taxpayer group in Quebec, the portal is increasingly well regarded for their ease of access and ease of use, with many expressing a desire for increased online service offerings from the CRA. Opinions of My Account have in part improved over the past few years due to a more streamlined login process, whereby security questions, multi-factor authentication, or the choice of login in with banking information are now used, instead of the former process of having to wait to receive a new password by mail when needed. Some question the need for the security questions to be added, given the confidence they have in the other authentication methods used. In general, though, participants were appreciative of the various measures adopted by the CRA to protect their information even if some of them were seen as making it a little less convenient to access their account. A few Individual Taxpayers noted their appreciation for being notified of the last time their account was accessed, as a further security measure. In terms of accessing the notice of assessment, just a few in each group prefer to receive it by mail out of habit, or to keep a printed copy on file.

### SMEs:

Awareness of My Business Account and/or Represent a Client is high among SMEs and while SMEs tend to use the account more frequently than Taxpayers, their use is notably lower than Intermediaries. This is particularly true for those who rely on an external tax preparer. While some SMEs leave their tax preparer to access My Business Account, others access the portal on a monthly basis. Activities such as reviewing balances, information on credits, GST and income tax applied, or accessing their mailbox are most reported use of My Business Account.

Many of the SMEs and most of the Intermediaries have reached out to the CRA through My Business Account and/or Represent a Client in the past. Just a few SMEs and even fewer Intermediaries elect to receive their notice of assessment by mail rather than accessing it online, mostly out of habit and to have a printed copy on file.



SMEs felt that My Business Account was not user-friendly at first, although it is easier to use after becoming familiar with the tool. It was suggested to include a dashboard showing a summary of activities, an update on the account, and notifications of communications that would complement email alerts. From a security standpoint, most SMEs are trusting the CRA client portals, though they recognize the risk for security threats, as it was felt nothing is 100% secure online.

Participants were asked to identify which of six specific CRA online services they have used. Among SMEs, electronic payments, GST/HST Netfile, Business Registration Online and Attach-a-document or Submit-a-document were used by about half of participants. While the mobile application CRA BizApp was seldom used in all locations, the auto-fill my return (available through certified tax software) was commonly used in the Western SME group, but not elsewhere.

### **Intermediaries:**

Awareness of My Business Account and Represent a Client is also quite high amongst Intermediaries and their usage is generally much higher than the other target groups. Many of them access these daily and even several times a day as they work for their clients. Intermediaries are familiar with the CRA client portals, and use it frequently to access their clients' information. While My Business Account and Represent a Client are considered somewhat easy to use, some issues were reported. Many suggested that there should be an easier way for the tax preparer to change their business clients' address or banking information on the portals, with the client's permission. One participant would like to see the single upload limit to be more than ten pages, especially as some of the forms such as the Disability Tax Credit are longer documents. A few would like to see better use and integration of electronic signatures. One Intermediary reported that information on HST and GST is difficult to understand and is out of order, while another would like electronic services extended to processing returns for deceased clients, yet another suggested that the CRA implements a confirmation process to notify of receipts of documents or files posted by clients or Intermediaries.

Like the other target groups, from a security standpoint, most Intermediaries are trusting the CRA client portals, though they too recognize that nothing is absolutely secure online.

When Intermediaries identified the online services they used, almost all used Attach-a-document or Submit-a-document, auto-fill my return, and the GST/HST Netfile, while the business registration online and electronic payments were used by many in each group. No one reported having used the mobile application CRA BizApp.





## Protection of Information

*There is trust in the CRA being able to protect taxpayers' personal and business information, although it is believed that protection measures need continual attention and improvement. There is also a common belief that no system is truly safe.*

### Individual Taxpayers:

Individual Taxpayers were informed that the protection of taxpayer and personal information is a priority for the CRA and that the Agency has strict safeguards in place to ensure that this information is protected from unauthorized access. Based on this premise, a discussion followed to assess their level of comfort with safety features.

Despite recognizing that online transactions are never completely secure, participants across groups generally trust that their personal or business information is safe with the CRA. There is a relatively high level of confidence in the federal government's ability to keep information safe, despite recall of governments' databases having been hacked in the past few years. For most, however, it is a question of having to trust the government by necessity more so than by choice, and acknowledges the need to share personal information with the CRA as part of filing income taxes.

While many Individual Taxpayers and SMEs are not able to identify many activities or tools used by the CRA that contributes to their sense of trust, a few referred to the enhanced login process for My Account, including the multi-factor authentication, the access notification emails, and the need to provide information from the tax return to reset a password, as examples of the government's safety measures. A few Individual Taxpayers also noted that the ability to log in using banking information demonstrates that the CRA applies a higher level of security than what is typically used by other online transactional sites. Awareness of the CRA's alert email service to notify My Account users when changes are made to their account is moderate to low.

There is confidence in what the CRA is doing to protect personal information, although with the belief that continuous improvement is important. It was also mentioned by a few that the CRA should increase awareness of the protection tools available to taxpayers.

Individual Taxpayers are generally unsure of how they would approach the situation if they thought they may have been a victim of identity theft. Some would try to contact the CRA first, while others would communicate with their financial institution for information about what to do next, or with credit agencies. One taxpayer would turn to the police to report the incident, while another would contact a family member who is more tech savvy.

When asked if the CRA does a good job explaining the way it operates to Canadians, speaking of the idea of transparency in processes, the discussion broadened from a focus on the protection of personal and business operation, to how the CRA operates as an organization, more globally. Opinions were primarily influenced by personal service experiences, with many Individual Taxpayers left with the impression that the CRA is not addressing issues with what is best for the taxpayer in mind, and as such may not be totally



transparent in their handling of each situation. There is also a sense that the tax system is not explained in a simple manner on the tax return forms and on the CRA website, which further gives the impression that the organization is not fully transparent.

### **SMEs:**

Similar to Individual Taxpayers, there is limited awareness among SMEs of the security features offered by the CRA, apart from some of the features to access My Business Account. This group also trusts that their business information is secure with the CRA, although they also recognize that nothing is completely safe online. Nonetheless, SMEs trust the CRA to stay up-to-date with security features.

SMEs would react much the same way as Individual Taxpayers if they thought they were victims of identity theft, first turning to the CRA or their financial institution, but also trying to find information on the CRA website on how to address the situation, calling their insurance broker, their accountant/tax preparer, contacting the police, or doing a general online search to find out what to do.

For lack of information demonstrating otherwise, SMEs are of the opinion that the CRA is generally doing a good job in being transparent. That said, many participants in those groups expressed a desire for information to be available in laymen's terms, especially in explaining tax-related processes, security features, and potential security threats.

### **Intermediaries:**

Intermediaries are generally more confident in the CRA's ability to safeguard personal information, and they are more aware of the various security measures in place. Further, many appreciate that the multi-factor authentication applies to a specific time frame, rather than for each transaction, making it easier for them to work on multiple clients' accounts without the need for continuous verification.

Intermediaries generally believe that the CRA is doing as much as it can to detect and prevent identity theft in the tax system, despite a few participants who believe otherwise. Regardless of Intermediaries' level of confidence, there is widespread belief that the CRA needs to continually improve its safety measures to protect the personal information of taxpayers, especially online. All in all, Intermediaries believe that in general terms, the CRA is doing a good job at being transparent with taxpayers, despite the complexity of the system and processes.

## **The CRA's Approach to Technology**

*The CRA is positively considered in terms of its use of technology, although it is not viewed as leading-edge.*

### **Individual Taxpayers:**

Participants across audiences were asked if they perceived the CRA to be modern and up-to-date or outdated when it comes to technology and services. In general, the CRA is viewed by Individual Taxpayers



as keeping up in terms of technology, being more of a follower and not being considered leading edge. There is an appreciation for the efforts made by the organization to improve online access to information and services through My Account, and for the security measures put in place to protect the personal information of taxpayers. Further, while the CRA is not seen as aligning its use of technology to what is being done by financial institutions, it is perceived as performing better than other government departments and agencies.

Issues with navigating the website cast a negative shadow on the CRA's use of technology in the most efficient manner. In terms of improvement to technology, one Individual Taxpayer suggested a more streamlined login process to access My Account, while another taxpayer would like the portal accessible through an app. A couple of other participants recommended better educating the public of the CRA's online practices and services, both to increase usage and to further establish the organization's commitment to using technology in a constructive manner. However, there was also some appreciation of the CRA not moving away from what some might consider older technologies (like the fax machine) as newer technologies are adopted because some clients will still be using these older technologies.

#### **SMEs:**

SMEs are more critical with the CRA's ability to keep up with technology, given their reliance on fax as a communication method, the complexity of the CRA website and the lack of modern tools, such as a chat bot service. It was also suggested that they could allow for interact payment through a wider variety of financial institutions, and for a secure email service.

#### **Intermediaries:**

Intermediaries are also critical with the CRA's ability to stay up-to-date with technology. Although they recognize improvements to the online portals – My Business Account and Represent a Client – the complexity in navigating the CRA website conveys an image of an organization that is not keeping up to date with online best practices

## Service Experiences

### Type of Interactions

***While Intermediaries make use of all the channels when interacting with the CRA, Individual Taxpayers and SMEs primarily rely on the CRA website and personal contact with an employee, and to a lesser extent My Business Account for SMEs.***

Prior to discussing service interactions, participants were asked to complete an individual exercise during which they identified how they had interacted with the CRA in the recent past.



### **Individual Taxpayers:**

Nearly all Individual Taxpayers report having interacting with the CRA in the past couple of years, beyond filing their taxes. Having visited the CRA website and having been in contact with someone at the CRA either in-person, by mail or by phone are the most common types of interactions.

### **SMEs:**

Nearly all SMEs have interacted with the CRA in the past few years apart from filing the organization's taxes, notably having been in contact with someone or having been on the website. Many have also reached out to the CRA through My Business Account. Having asked the CRA for forms or guides to be sent by mail is less common, though still representing a good number of SMEs. Of note, across audiences only one SME has corresponded with the CRA using social media.

### **Intermediaries:**

All Intermediaries report having been in contact with the CRA in the recent past other than to file their clients' tax return. All have been in contact with someone at the CRA through various means, with most having also been on the CRA website. Communicating with the CRA through My Business Account or Represent a Client is also fairly common, in addition to corresponding by mail, though less so to request that forms or guides be sent by mail.

## **Use of Mail Services**

*There continues to be an infrequent preference for mail services out of convenience or habit, or as required by the CRA, and for commanding attention, being accessible, and more secure.*

### **Individual Taxpayers:**

Across audiences, a few participants in most sessions indicated having been in contact with the CRA by mail, except for the Individual Taxpayer group in Quebec where no one reported having done so. While in some cases this was a preference on their part – such as receiving a notice of assessment, in many instances, this was a requirement from the CRA. Those occurrences include taxpayers having requested a password for My Account, although it was mentioned that an online password reset would be preferred. Those that received their notices of assessment by mail would continue to choose this method over accessing the document online out of habit and to have a paper copy on file.

### **SMEs:**

A few SMEs also report having been in contact with the CRA by mail, most notably having received requests for information from the CRA as part of an audit, or as part of an investigation about an identity theft. A few also receive their business notice of assessment by mail out of habit or to file a copy. While they may be open to accessing the document online, they believe that the current approach works well.



### Intermediaries:

Having corresponded with the CRA by mail was also reported by some Intermediaries. A few receive their clients' notices of assessment by mail and would continue to do so even with an online option, out of convenience. That said, there is some receptivity to accessing those documents in downloadable format, through My Business Account or Represent a Client, rather than receiving a mailed copy.

### All Audiences:

When presented with the option of corresponding with the CRA through the CRA's client portals rather than by mail, Individual Taxpayers, SMEs, and Intermediaries discussed the pros and cons of each channel. In general, while online access was considered as faster, accessible, and easier to reference, those who preferred mail identified a few benefits:

- **More Convenient (for filing documents):** Receiving a communication by mail was considered more convenient than having to download and print an electronic version.
- **More Accessible:** Some people may not have a printer at home or may not wish to incur the cost of printing long documents.
- **Commands Attention/Acts as a Reminder:** Mail commands attention and provides a physical reminder of a situation or a need for action and there is less chance of missing it because of the volume of email a person might receive or simply the fact that some people do not check email frequently.
- **Simplicity:** Mail does not require any action on the part of the person receiving the communication to access content and as such, it is perceived as simpler than accessing the same information online.
- **More Secure:** For a few, there is less risk of a security breach using mail than using an online portal.

### Phone Interaction

*Telephone is a common means of interacting with the CRA, and while the service provided by agent is appreciated, the long wait time and the inability for SMEs and Intermediaries to access specialized experts are among the most important points of frustration.*

### Individual Taxpayers:

As mentioned earlier, personal contacts with the CRA are frequent across audiences. Individual Taxpayers have primarily communicated with the CRA via phone or by mail. Phone interactions primarily originated from the taxpayer to request information or to address an issue with an income tax return. Mail interactions primarily consisted in receiving a letter from the CRA asking taxes owed to be paid, or a communication with login information for My Account.



By far the greatest point of frustration with telephone interactions with the CRA is the wait time for the call to be answered. Once an agent is reached, the service provided by the agents during the interactions is generally praised in several ways:

- Agents are usually viewed as friendly, accommodating, respectful and empathetic.
- They appear knowledgeable and accurate most of the time, in addition to being helpful in answering questions or assisting in resolving issues.
- They provide timely service during the interaction, in that questions are answered quickly.
- They display a professional demeanour and good communication skills, including being good listeners.

Very few Individual Taxpayers shared negative experiences with their interactions, either by phone or by mail:

- One participant mentioned having received a call from a CRA agent that originated from a personal phone, as the agent was working from home during the pandemic. Although assured by the agent that the call was legitimate, the taxpayer preferred to confirm the identity of the caller with the CRA prior to going through with the service transaction, a process that took some time.
- One participant referenced a negative experience from a decade ago, having received a letter from the CRA regarding owed income taxes. While the follow-up interaction with CRA agents was generally positive, the urgent and formal tone of the letter (use of bold, red colours) caused unnecessary anxiety.
- One taxpayer experienced frustration when they had to repeatedly request to speak with a supervisor when a couple of front-line agents were unable to resolve their issue.
- One taxpayer was provided conflicting information, and in trying to clarify the situation was left with unreturned calls. When other participants in the sessions were asked what they would do if they felt as if the information given to them was incorrect, many would call the CRA again to get the opinion or another agent, try to speak to a higher-tier agent, or ask their accountant or tax preparer.

### **SMEs and Intermediaries:**

SMEs and Intermediaries report higher levels of contact with the CRA, while still primarily contacting them by phone. As with Individual Taxpayers, they express even greater frustration with the long wait time, suggesting that the CRA does not value their time. While they are generally pleased with the agent's personable response, they are often displeased with their level of knowledge. Indeed, calls are made to address more complex issues, especially among Intermediaries, and there is an expectation that the first point of contact with the CRA will be an agent that will have the level of knowledge and expertise to



address their questions, which is not normally the case with a tier-1 agent. Several Intermediaries noted having a dedicated line in the past that was no longer available to them.

Several suggestions were made to help improve the service provided to SMEs and Intermediaries:

- Provide separate phone service for simple versus complex questions.
- Provide a transaction receipt in writing, summarizing the outcome of the telephone interaction.
- Ensure that an agent takes the call, rather than consistently asking for a call-back number.
- Ensure that agents working from home are doing so in a way to protect the confidentiality of information being provided by clients.
- Ensure that agents working from home are using up-to-date technology to provide quick service.
- Enable note recording in the system to ensure that the information on a particular call or case is transferred across agents interacting with the client.
- Provide Intermediaries direct access to more knowledgeable and experienced agents.

A few minutes were spent discussing the automated phone system in the SME and Intermediaries sessions. The small number who had used the service mentioned that the information provided is too basic to be of value to them. Those unfamiliar with the service were informed that it allows a caller to get quick answers to general questions without having to wait to talk to an agent. The automated service allows users to navigate through the system by pressing numbers on their phone. Across both audiences, there is no interest in using this service, as it is considered cumbersome, time-consuming, and unlikely to provide information of value that isn't already available on the CRA website. A number of SMEs expressed a desire for a call-back service instead of an automated telephone service.

### Service Attributes

*The most desired service attributes relate to knowledge/expertise, accuracy and consistency, delivered in a polite, professional manner with a degree of empathy. Participants also expect efficiency in terms of speed and dealing with as few agents as possible to get an answer (ideally the first one).*

A discussion and a short poll were used in all groups to identify the most important services attributes when clients are personally interacting with the CRA; whether by phone, fax, mail, email, or through My Account, MyBusiness Account, or Represent a Client.



### All Audiences:

The following areas were consistently identified among the top considerations most cited:

- **Knowledge/Expertise/Accuracy:** All audiences are looking to the CRA as an authority and as such, they are looking to interact with knowledgeable agents. This can be demonstrated through agents providing the correct information or referral, accuracy of the information provided, and the ability of agents to problem-solve. While the agents' expertise and their ability to assist clients was considered important to all audiences, it was viewed as especially important by Intermediaries who are often contacting the CRA about complex cases that require specialized knowledge beyond their own expertise.
- **Compassion/Patience/Understanding/Listening/Empathy:** All audiences, but more from Individual Taxpayers and SMEs, also appreciate interacting with CRA agents who are patient, show understanding, exhibit empathy, and exhibit good listening skills. They are looking for staff who are sincere in their interactions, and who show a genuine desire to understand clients' situations.
- **Professionalism:** Intermediaries and SMEs also place great importance on the service received from the CRA being professional and helpful.
- **User-Friendly/Efficient/Helpful:** Perhaps as might be expected given their lower levels of familiarity with Canada's tax laws, SMEs and Individual Taxpayers are looking to the CRA to provide responses and guidelines that are simple and easy to understand. They are also looking to receive efficient service, with quick resolution of the interaction. To achieve that, it is believed in part that agents need to demonstrate in their actions and interactions with clients a genuine desire to help. In terms of efficiency, Intermediaries are looking for quick resolution, and timely service.

Many other service attributes were mentioned, although less commonly, including a polite, friendly, respectful, and courteous demeanor, the provision of clear information that is easy to understand, and a desire for email communications.

### Individual Taxpayers:

There are mixed opinions among Individual Taxpayers in terms of feeling confident following an interaction with the CRA. While some felt a conclusion was reached, others, notably those with more complex situations, would still be in contact with the CRA until they felt the matter was resolved. This was also true with SMEs and Intermediaries.

Regardless of personal experience, most Individual Taxpayers believe that the CRA's client focus has remained the same. A few have noticed improvements in terms of the Agency helping clients go through the appeals process and being proactive in identifying and remitting overpayments. Similarly, a few believe that the provision of service has declined in recent years, with impressions of staff shortages and agents being more difficult to reach since they are working from home.





### SMEs:

Aside from the sources of frustration already mentioned relating to wait times and inconsistent information, most service interactions with SMEs seem to be positive. This is not to dismiss the wait time and inconsistent information, because these are clearly serious concerns, but the actual experience with the agent or agents was generally described as positive with agents who are listening and asking questions to understand the caller's issue. There were a small number of comments about agents jumping to the solution without allowing enough time to really understand the issue, but these were infrequent.

It might mean dealing with more than one agent if a caller has a more complex question, but the resolution of these calls generally leaves the caller feeling confident in the information they have received.

### Intermediaries:

Intermediaries are generally of the opinion that the level of service provided by the CRA has not changed in the past few years. That said, a few believe that the Agency's client focus has improved, as evidenced by more knowledgeable audit personnel, enhanced online services, and more flexible payment terms for business clients. A few others, however, have noticed a decline in that there are fewer in-person services available, longer wait times for telephone service, and less knowledgeable phone agents since the beginning of the pandemic.

## Tax Education

### Approaches to Tax Education

*Increasing the level of tax knowledge among taxpayers is seen as important, as part of the high school curriculum for the general public, and in the form of online materials and in-person tutorials for businesses.*

### Individual Taxpayers:

For the most part, Individual Taxpayers recall having learned how to do their income taxes from their parents, or to a much lesser extent, on their own the first time they had to file a return. Given that the process is considered an essential life skill, most believe that the best way for someone to learn about this would be as part of the high school curriculum. In fact, the topic was felt to be best taught as part of a broader review of financial responsibilities, including the types of deductions applied and how taxes are allocated.

In terms of the tax-related topics that should be included in educational initiatives, Individual Taxpayers expressed an interest for basic information and tutorials on how to fill out a tax return, and an explanation of the tax credits offered. Some even felt that topics related to financial literacy more broadly should be incorporated as part of the tax education. This includes financial planning, how money collected through our taxes is allocated, saving, and taxpayers responsibilities.



Other suggestions were offered in terms of the best way to educate the public, including free information sessions offered at tax clinics or through not-for-profit community organizations servicing low-income households. Another suggestion was to develop short tutorial videos or webinars that would be available online. Conducting outreach through public libraries or newcomer settlement organizations was also suggested as a means of reaching more people.

### SMEs:

SMEs were asked what role, if any, the CRA should play in helping businesses learn about meeting their tax obligations. Most felt that the CRA plays a role in helping businesses understand tax-related processes, notably by showing examples of filing taxes by industry, keeping SMEs informed of changes by email, or providing short explanatory videos on SME's tax responsibilities. There were also suggestions to include basic information on the services we receive for tax dollars – a where is the money spent idea.

### Intermediaries:

Intermediaries believe that the CRA should provide greater information and learning opportunities on the aspects of setting up a business that have an impact on their taxes and personal liability (e.g., the ABCs of bookkeeping, how to track expenses and payroll, how or when to collect the GST, keeping personal and business finances separate, not using HST as cash flow). Short videos or webinars that are easily accessible online and that use simple language were seen as the best ways to convey this information. A few Intermediaries would prefer to see the CRA invest in its service delivery, by adding agents for example, instead of in educating taxpayers. Perhaps these comments reflect self-interest, but a few Intermediaries thought it was their role to provide such information and education to their clients. It was mentioned that a few years ago, the CRA would provide in-person presentations during conferences or one-on-one assistance to businesses in certain situations. This was felt to be a useful initiative to educate taxpayers.

## Integrity of the Tax System

### Addressing Issues of Non-Compliance

***Filing an inaccurate tax return, followed by not declaring income from an Airbnb were consistently perceived to be as the most serious amongst the general public from a list of tax-related offenses shown in the groups. SMEs were consistent in selecting filing an inaccurate tax return and tended to select their second choice based on the amount of money involved.***

A written exercise was used to begin the discussion of seriousness of different offenses; all of which dealt with avoiding taxes. Participants in the general population and SME groups were given a list of six activities and they were asked to choose the two they considered to be most serious. The six items were:

1. Filing an inaccurate tax return in order to avoid paying what you really owe.
2. Paying cash for goods or services to avoid paying sales tax.



3. Running an Airbnb and not declaring it as income.
4. Not declaring profit earned from crypto-currency transactions.
5. Not declaring donation or gifts received from working as a social media influencer.
6. Selling products and/or services through online platforms without reporting the profits.

### **Individual Taxpayers:**

Filing an inaccurate tax return was generally considered more serious than most other offenses. In the Quebec general population session all participants chose this option as one of their two choices, while all but one participant made this choice in the Atlantic, the Ontario and the Remote West sessions. In the Western session, more than half chose this option as one of their two choices. It was considered serious because it was a deliberate fraudulent act and because participants were aware that being caught signing a false tax return could result in serious consequences. As was noted, it says so right on the tax form. Not declaring revenue from an Airbnb operation was also considered more serious by about one-half or more of participants in each group.

Of the other activities listed, cash payments to avoid paying sales tax was more often chosen in the Quebec session, while undeclared profits from crypto-currency was a more common choice in the Remote West session. Similarly, social media influencers not declaring donations or gifts was perceived as a serious offense by nearly half of those in the Atlantic session, while nearly all in the Western session found that selling online without reporting the profits is perceived as being more serious.

In determining which of the activities were more serious, participants often considered the amount of money involved, how conscious or deliberate the activity was, how traceable or easily detected it was (and therefore the likelihood of being caught) and also how much impact the activity had on other businesses. For example, the Airbnb was seen to be undermining other businesses in the Western session.

Apart from the Atlantic session, not declaring donations or gifts received as a social media influencer tended to be at the least serious end of the activities. This was because many participants did not appreciate the amount of money/gifts a social media influencer might be able to generate. It was also because the items (particularly as gifts) might not have been asked for or even used. Not declaring profits from crypto-currency transactions and paying cash for goods or services to avoid paying sales tax also tended to be less serious than the actions, other than in the Remote West and the Quebec sessions, respectively. In the case of crypto-currency, a lack of understanding of possible amounts led to this as being treated as less important. For crypto-currency profits and for paying cash for goods or services, smaller amounts of money were often excused as not being overly serious.

### **SMEs:**

The SMEs were generally consistent with the general public in terms of their assessment of the seriousness of the actions listed. Certainly, filing an inaccurate tax return was at the top of the list again with most participants choosing this option as one of their two most serious ones. Selling online without declaring profits was considered serious by approximately half of those in most of the SME sessions,



notably in Ontario, West, and Remote Western sessions, and then there was a split between those considering the non-reporting of income from an Airbnb to be serious and others opting for the cash payments for goods and services to avoid sales tax. The deciding factor was often the amount of profit/taxes avoided with greater amounts adding to the seriousness of the action. Overall, not declaring donations or gifts received from working as a social media influencer was considered the least serious situation, closely followed by not declaring profits from crypto-currency transactions.

### Crypto-Currency Transactions

***SMEs and Intermediaries typically have little knowledge about crypto-currency and tax implications. The SMEs tend to look to their Intermediaries for assistance, who in turn look to the CRA for guidance and answers.***

#### **SMEs:**

Trading in crypto-currency varied from group to group with generally a small number participating, but as many as half of the participants in the Western SME session. No one in the Quebec SME session reported dealing with crypto-asset activities or transactions in their business operations. Those who were participating seemed to appreciate that investing in crypto-currency was like other investments in that taxes had to be paid on the gains. There were two approaches followed when dealing with taxes related to crypto-currency:

1. Leave it to their accountants/bookkeepers to figure it out.
2. Use trading platforms that calculate the gains/taxes at the end of the year.

#### **Intermediaries:**

It is apparent that crypto-currency is relatively new for the Intermediaries in these sessions and typically one or two in most sessions had been asked questions by their clients. A few reported that their clients are unsure of how to report crypto-currency transactions as part of their tax return, especially if the investments are held overseas. It was also mentioned by one Intermediary that some clients consider crypto-currency as a security which gains are taxable when the investment is sold, while others do not believe there are tax implications when conducting crypto-currency transactions. In dealing with these clients, Intermediaries were asked to determine the tax liabilities of dealing in crypto-currency. Their role for their clients is to provide accurate information about how to handle crypto-currency and in doing so, they deal with the CRA.



## Perceived Level of Cheating

*All three target groups felt a majority of taxpayers do complete their taxes honestly and pay their fair share. Consistently though, cash businesses such as tradespeople, those who earn tips in restaurants (servers and bartenders) and personal care businesses such as hairdressers were thought to be the ones who could (and would) under-report cash revenues. Aside from the potential for direct implications such as prosecution or fines, the perceived broader implications for others are less money for public services, increased tax burden for others and of course, the unfairness of the situation.*

### Individual Taxpayers:

Estimates from the general public of the proportion who do their taxes properly ranged from 60 – 70 percent to as high as 80 percent or even more. There was a clear distinction made between income that generates a T4 slip and income that might be cash based. Participants saw little opportunity for income on T4s to be mis-represented because the CRA would already have a record of it. Estimates of not completing tax forms correctly were higher when those earning tips or those being paid for some or all of their work in cash were considered.

There were also references to higher income earners/those in higher tax brackets being able to avoid more taxes. They were seen as having more options and more access to information that would result in their paying less taxes. This was not generally thought of as cheating on the part of wealthier taxpayer, but rather in finding loopholes in the tax law, which was frequently considered unfair because not everyone could take advantage of it. A few Individual Taxpayers also felt that larger businesses were also provided greater opportunities to pay less taxes within the tax laws, such as transferring funds in offshore tax havens.

The main perceived implication of some people or businesses not paying their fair share of taxes was less money available for Canada's social programs and other vital services. Any shortfall would result in either some people having to pay more to make up the difference or there being a shortage in services that can be offered. The implication for the person who is not completing their taxes correctly is very clear; the CRA can "come for you" in subsequent years and/or you can be fined or even jailed. There is a general sense that the people who cheat (at least those who cheat in a more significant way) will eventually be caught.

### SME:

Estimates of how many people complete their taxes accurately and honestly varied from as low as 50% to as high as 80 or 85%, compared to how many don't. Note that this discussion followed the exercise of choosing the more serious offenses and those offenses included activities like paying with cash to avoid taxes. This might have lowered the estimates of tax returns being completed honestly and accurately because more people would have been thinking of cash transactions.

Those who provided lower estimates of honest reporting were more focused on people and businesses with access to cash sales, tips and other cash payments. Many also felt that in some instances, businesses



would unknowingly misreport given their lack of knowledge of familiarity with the tax laws, rather than by purposefully engaging in fraudulent activities.

### **Intermediaries:**

Probably with a focus on their clients and the Intermediary's responsibility to adhere to rules and regulations relating to taxes, the estimates of how many are correctly following the rules tended to be 75 – 80 percent in the Intermediary sessions.

However, like the SMEs and the Individual Taxpayers, the Intermediaries identified cash businesses such as smaller (one or two employees) tradespeople, personal care businesses and servers as those who do not tell the Intermediary about all of their income. At the same time, they also acknowledged that smaller businesses and individuals often misreport from poorly understanding the tax laws. For example, a small business may not keep all of their expense receipts, not knowing that some of those expenses can be reported on their tax income; or conversely, may try to include personal expenses as part of their business accounting.

### **Reporting Taxation Fraud**

***There was great reluctance to report suspected cases of personal or business tax evasion without certainty and for fear of unfairly judging the situation.***

### **Individual Taxpayers:**

Participants completed a short poll that asked them to rate the likelihood that they would report someone or another business of cheating using a scale from 1 – 10 with 1 meaning not at all likely and 10 meaning very likely.

The ratings and the discussion clearly expressed that such reporting was very unlikely to happen. Approximately half of the participants rated a “1” (very unlikely) and approximately three-quarters gave a rating of 5 or less.

The reasons offered by Individual taxpayers for not reporting a person they felt was cheating on taxes were quite similar to those offered by the SMEs. It is none of their business and it would be very difficult to be sure. In addition, they indicated they did not feel much money would be involved anyway, and in a few instances, that unfortunate circumstances in a person's life may make it necessary for them to misreport their incomes. For example, tax cheating by a family who is not financially able to meet their basic needs would be more acceptable than if the fraud was committed by a wealthy family.

One sentiment that was stronger in the Individual Taxpayer sessions was the feeling that they were concerned about living in a place where people would be “snitching” on each other and they didn't want to feel like they were in a “communist state” or a place where “big brother” is watching. Moreover, a few would be concerned with being identified as having reported the situation, and having to live with the “snitcher” label.



In addition to the reluctance to report someone suspected of cheating, most were also not sure how they would actually report someone if they wanted to. After some thought, contacting the CRA or another government department was the logical choice with several also mentioning that they would “Google it.”

### **SMEs:**

Participants in the SME sessions also completed the poll that asked them to rate their likelihood of reporting a situation of tax cheating. As was the case with the general public members, there is great reluctance to report cheating and the reasons are consistent across groups and across general public and SMEs. Most of the ratings were 1, 2 or 3 out of 10, and very few of them were above that.

Their reluctance is based on similar reasons to those offered by the Individual Taxpayers:

- It would be very difficult to be sure.
- Even if you were sure, it is not your place or business.
- An expectation that the CRA is looking for these cases and the person will eventually be caught anyway.

A few participants in some SME sessions were also concerned that if they reported a competing business, their operations might be negatively targeted in retaliation if the business that was reported found out. It was felt that the only exception would be if a business is not treating their employees fairly, a situation that a few SMEs felt was serious enough to report.

In very rare cases, numbers were a little higher and there was some indication that the person might report someone or some business if they were sure they were cheating. Revenge against someone who “crossed” or harmed the person reporting was the most common reason given, but as noted, this was only mentioned a few times and when it was said it was said in a “half-joking” manner.

Recognizing that reporting is quite unlikely to happen, participants were asked if they were inclined to report a person or a business, would they actually know how to do it? Most indicated they would not know how to report, but as the matter was discussed, there tended to be an assumption that they would be able to report through the CRA either through a general line or finding a dedicated line that would allow them to do it, or perhaps by calling the RCMP.



## Audit Experience

*Intermediaries who had experienced audits on behalf of clients felt the majority had been handled well. Several commented that the more senior/experienced people at the CRA were knowledgeable and reasonable.*

### Intermediaries:

Depending on the session, as many as three or four participants had experienced a CRA audit. Those who had been through an audit on behalf of their clients generally commented positively about the CRA auditors. This referred both to their knowledge levels and how personable and helpful they were during the audit. Intermediaries do note that there is often a lot of paperwork and digging out records that is required, but the actual process is generally well-handled by the CRA.

Auditors who exercise some level of judgement and have a sense of materiality are appreciated. If the amount in question is small (say \$100), Intermediaries would suggest there is no point putting them and their clients through the work and stress of an audit.

Even though the audit process is generally seen as reasonable already, there were a few comments for suggested improvements:

- Newcomers sometimes believe that an audit may impact their ability to stay in Canada. Some clarity that an audit does not impact residence status would reduce stress/anxiety for these people.
- The CRA gives a short time for the client to respond to a request (30 days for example) and then takes much longer (180 days) to resolve it. Intermediaries wanted a little more balance in these time frames.
- Occasionally, the Intermediary will be dealing with an auditor who are unfamiliar with basic accounting principles. The example that was given was HST treatment on standby charges.
- When requested by the client, the audit should be coordinated directly with the Intermediaries rather than involving the client, including in sending the audit report.

## Underground Economy

### Definition

*The concept of underground economy is generally understood or referred to by the term “under-the-table” by English participants. French-speaking participants are most familiar with the term “travail au noir” or “sous la table”. There is little awareness or understanding of what the CRA is doing to address the situation.*





### **Individual Taxpayers:**

Across English-speaking taxpayer groups, there was a general understanding of the concept, but under-the-table was a more common term to describe the practice, with a few also referring to the term “bartering” or “black market”. In the French session, the term “travail au noir” was most used to describe this situation. Participating in underground or under-the-table transactions was generally felt to be more common amongst contractors, tradespeople and similarly, landscaping type work. It was also thought to be more common amongst lower income workers because they were thought to be more likely to be working in these types of jobs.

Taxpayers were not able to offer a clear answer as to whether the CRA is doing an effective job of dealing with the underground economy or not. Participants still see examples of under-the-table work happening around them and they felt transactions completed in cash were difficult to trace. They also felt that the amount of money to be recovered from an enforcement exercise was likely to be small and therefore, perhaps not worth the effort. There seems to be a perception that the CRA “targets” different industries from time to time as a way to keep the level of mis-reporting from being “too” high.

Taxpayers were in general agreement that they would like to know how successful the CRA is in catching “cheaters” and collecting the tax money owed. As we have seen in past research, participants feel that such information might deter future cheating and it would also offer some proof that the CRA is taking action.

### **SMEs:**

There was less familiarity with the term “underground economy” in the Western SME session and the term “under-the-table” seemed to resonate more once the topic was discussed in a little more detail. In most other sessions, “underground economy” and “under-the-table” were used interchangeably and seen to mean the same thing. In Quebec, most SMEs were familiar with the term “travail sous la table” or “travail au noir”.

In all SMEs groups, participants were familiar with the practice and thought of it most often in terms of services for cash. It is common and familiar in certain industries, such as tradespeople, personal care (such as nails and hair cuts), restaurants and rental properties. The practice is considered more prevalent in smaller businesses who deal more frequently with cash sales. Regulated and publicly-traded businesses would be unlikely to be participating in these activities because they have more controls in place.

In general, SME participants are not sure how much the CRA is doing to deal with this situation and without a paper trail, many participants question how much the CRA is really able to do. There were anecdotal comments about the CRA “cracking down” on certain industries such as food service with waiters and waitresses. In these cases, a particular industry would be targeted and audits would be done and once word got out that this was happening, others in the industry would be more careful with their own reporting.



Another point that was raised in many groups was whether it was really worthwhile for the CRA to target these smaller businesses because of the resources it would take compared to the likely (small) returns.

### **Intermediaries:**

As was the case with the SMEs, it was the Intermediaries in the Western group who were less familiar with the term “underground economy”, with most being familiar with “under-the-table”. In other groups, the term “underground economy” is commonly referred to. In the Quebec TI session, “travail au noir” and “fraude” are preferred terms to describe a company that does not charge sales tax for goods or services they sell specifically to avoid declaring it as business revenue.

There was great consistency across the Intermediaries sessions as well as the other target groups in terms of which sectors would be more likely to participate in the underground economy. Generally, they are smaller businesses who might even work from their homes and they are paid in cash. Again, it is tradespeople, the construction industry, servers and personal care services that are mentioned most, and to a lesser extent, mechanics and home cleaning services. One Intermediary thought that the underground economy may be more common in small consulting or service businesses, where there are few physical assets. Another Intermediary thought that the practice may be more common in smaller communities, where people generally know each other.

Like other target groups, the Intermediaries feel it is difficult for the CRA to trace cash transactions. However, there is a difference of opinion about whether the CRA is effectively dealing with this issue and just not communicating much about it, or if they are not dealing with the issue effectively. While not a precise measurement, it seemed that more felt that not much was being done. Some of this was attributed to a lack of resources at the CRA.

For a few participants, there was a level of sympathy for some of these smaller businesses needing help or a “break” to survive. In addition, it was felt that by a few Intermediaries that focusing on smaller operations may not be the best use of CRA resources, as the amount of owed taxes would likely be small.

There was mention in the Western session of a new requirement in the construction industry for employers to report the amounts being paid to different people. This type of paper trail would allow the CRA to check income against what is being claimed on Individual Taxpayer’s returns.

### **Publicly Available Information**

***The general consensus across all target groups is the use of publicly available information, including information on social media, is acceptable as the CRA enforces tax laws, as long as the findings are interpreted with context.***

### **Individual Taxpayers:**

In general, Individual Taxpayers were accepting of the CRA using publicly available information as part of an investigation, especially if it is posted by the targeted individual. The topic did however, raise concerns



about going too far and possibly crossing over into an invasion of privacy. With social media, if a person has posted information, then most were accepting of its being used. That said, a few expressed concerns with the surveillance being taken too far, and the risk of having certain communities or group of people unfairly targeted by the practice.

### **SMEs:**

Across the SME sessions, there was general acceptance of using publicly available information to identify those not reporting their income accurately. Only in the Western SME session was there an issue. It was not that participants had an issue with the CRA using publicly available information, but rather they were concerned that the CRA would waste resources going after relatively small examples of underreporting when they should be going after “rich” people who are avoiding taxes on a larger scale. As was noted, somebody showing that they bought some expensive item might be returning that same item. In addition, much of what is seen on Facebook is inaccurate or exaggerated and so the CRA might be looking into situations that don’t even exist.

### **Intermediaries:**

As with other target groups, there were minor concerns with “going too far” with social media. For example, the CRA should not be “friending” anyone to find out more about them. That aside, the consensus was that using publicly available information, including social media, was quite acceptable. In the Western session, a participant also noted that some of these cash businesses only advertise on social media and might not be declaring income, further reinforcing the acceptability of the CRA using social media to track income.

### **Big Fish and Little Fish**

***There was general understanding of the terms Big Fish and Little Fish across all target groups and a desire to hear more about the CRA’s efforts in enforcing compliance. There was little awareness of media stories about compliance and little evidence that anything had been done with the information.***

### **Individual Taxpayers:**

Big fish and little fish were terms that were readily understood and used by Individual Taxpayers. Big fish are individuals or companies with much more money/revenues than others and while little fish were not specifically defined, the implication was that it included everyone else.

While there was a general understanding of big fish and little fish, there were differing opinions on how much money/revenues were needed before the big fish term applied. For individuals, terms like “multi-multi millionaire” were used or \$10 Million or even \$25million and up and for companies, \$100 million was suggested.

There is a common perception that big fish are able to avoid taxes through various means because they have the resources to hire experts who can identify loopholes for their clients. In addition, they have the means to be able to act on these loopholes. There is some resentment directed at those who can take



advantage of these loopholes, but as long as they are not doing anything illegal, there is little to be done except to close the loopholes.

### **SMEs:**

The concepts of big fish and little fish were understood across SME sessions. Big fish were wealthier and in terms of companies were also bigger. There is some connotation of cheating when the terms big fish is applied, but not always – in most cases, it seems to just imply size. However, the term also suggests that the individual or company has access to expertise that allows them to find tax breaks/loopholes and they also have the resources to take advantage of them and in so doing, avoid paying taxes.

There is a degree of annoyance tinged with enviousness directed at those who can take advantage of these situations and while some will see it as not morally correct, the general feeling is that these people and organizations are within their legal right to use these loopholes.

The actual size of these organizations and what would qualify one as a big fish varied considerably and seemed to be also confused by whether the person was talking about the size of the organization in terms of revenues or in terms of the tax discrepancy in question. However, the names that were offered suggest very large organizations; the size of Apple, Microsoft and Amazon. In terms of the taxes in question alone, several SMEs were talking in terms of \$1 or \$2 million dollars or more to be considered a big fish, with others estimating as low as \$100,000.

It was clear that most participants in the SME sessions were not familiar with any instances where an individual or a business had been convicted of tax fraud. In the Remote East session, there were one or two references to a recent conviction in Cape Breton where GST records had been falsified. In the Western group, there was a reference to Conrad Black (convicted of fraud in 2007). Otherwise, there were fairly vague references to Panama Papers. This inability to recall examples of convictions led to a split in opinions as to whether the CRA is doing enough to catch cheaters. Others felt that the CRA was “working behind the scenes” and enforcing the rules without publicizing what they are doing.

There was some mixed opinion, but there was general agreement that the CRA should be doing more to collect from big fish. There is some sympathy with the little fish that they are struggling to keep their businesses going and that also, the return on any investigation/prosecution is not likely to be “worth it” when resources spent are compared to potential return.

In spite of mixed opinions through much of this discussion about the underground economy and big and little fish, there was considerable agreement and interest in the CRA publicizing the results of efforts to enforce tax regulations. Publicity might act as a deterrent and if citizens knew both how much money is not collected and the results of efforts to collect, there might be pressure to close various loopholes.

### **Intermediaries:**

Intermediaries also immediately understood the concept of the big fish and the little fish with the former being larger companies. Intermediaries were also more likely to assume that the term big fish suggested



the company is cheating in addition to being large. For some Intermediaries, size of the organization meant more than size in terms of revenues or profits. It also meant size of influence in terms of connections to politicians and in the Atlantic session, having a high degree of influence over media (referring to the prominent New Brunswick family who until recently owned most of the newspapers in the province).

As was seen with other target groups, there was little knowledge of the CRA targeting big fish or little fish. In the absence of any evidence to the contrary, there was more of an impression that there was not much being done. Again, there was a recognition that it would be difficult to prove fraud in cases where businesses are dealing in cash. It was also recognized that larger companies could hire the expertise they needed to avoid taxes. Interestingly, of the three target groups, Intermediaries were most accepting of legal ways for their clients to avoid taxes, to the point of feeling it was part of the Intermediary's responsibility to find ways to reduce the tax burden for their clients.

As was the case with the other target groups, there was general acceptance that the CRA should be publicizing more information on their efforts to ensure compliance with tax regulations. This would be general information such as number of prosecutions and taxes collected and not specific information on companies or settlements as examples.

## Education

*There is an expectation that the CRA should educate the public on tax compliance, notably in high school or via a public education campaign.*

### Individual Taxpayers:

Individual taxpayers generally think that the CRA has a role to play in educating Canadians about tax compliance given their role in collecting taxes and applying the Canadian tax laws. Helping Canadians understand their responsibilities in filing taxes was seen as an important component in promoting tax compliance. Many felt that it should be taught early as part of the high school curriculum, or through a public education campaign. Both the best practices and the possible consequences of mis-reporting or cheating were considered to be topics of public interest.

### SMEs:

Although the subject was only briefly discussed with SMEs, there is a general agreement that the CRA should play a role in educating the public about tax compliance. In the Western SME session, it was noted that Canada has an increasing immigrant population and that someone who is new to the country might not be familiar with how the Canadian tax system works. In addition, they may not be familiar with the various services that we receive for those taxes. The example was provided that, "you can take your kids to the doctor whenever you want."



Across SME groups, there was also a common feeling that any education about tax compliance should happen at the high school level, but clearly, there would also have to be additional means to communicate the information for those who come to the country after they have already finished school.

### **Intermediaries:**

There was general agreement that the CRA should have a role in educating Canadians about taxes. Many felt such a topic was appropriate at the high school level, but several would include it for younger age groups in middle school. The topics would include a basic overview, “how to” instruction and also the benefits and services that come from the taxes that are paid. Intermediaries in the Remote Western group thought otherwise, in that the CRA should focus on tax collection and compliance rather than financial literacy education.

### **Tax Avoidance and Tax Evasion**

***Tax evasion is considered a much more serious offense than tax avoidance, although both are viewed as providing unfair advantages to larger businesses and wealthier Canadians.***

### **Individual Taxpayers:**

Taxpayers generally understood the seriousness of the difference between tax evasion and tax avoidance with evasion to be the more serious. Evasion suggests a conscious decision to leave income/revenue out of a tax return to avoid paying taxes. It carries consequences if caught. Avoidance is legitimate and suggests doing what you can to pay as little as you can in taxes. As long as the person or business is not circumventing the rules, avoidance is acceptable to most, although again with some resentment directed at those who can hire the expertise and have the resources to take advantage of this. In the Quebec session, there was greater confusion in the differences between the terms “evasion fiscale” and “évitement fiscal”, although one was perceived as intentionally avoiding taxes while the other was seen as finding ways to pay less taxes, although participants did not agree on which term described which situation.

When asked about the prevalence of evasion and avoidance amongst wealthier Canadians, avoidance was thought to be very common and evasion very much less so. The expectation is that most will avoid as much tax as they can and again, the wealthier Canadians have the means to hire the expertise to find loopholes that they can use.

In general, participants had heard very little about anyone being investigated or convicted of tax fraud. There was usually a reference or two about the Panama papers, but even less recollection of anyone being convicted. Other specific mentions included a family in Cape Breton having been convicted of fraud after overestimating their business’ revenue, or overseas tax havens as a means to avoid paying tax in Canada. As with the big fish/little fish discussion and the underground economy, there is interest in seeing information like the number of prosecutions, convictions and dollar amounts recovered in total, and one taxpayer mentioned a desire for publishing the names of those convicted.



### SMEs:

There is also a good understanding of the difference between tax evasion and tax avoidance among SMEs, in addition to the perception that evasion is a more serious offence. Tax avoidance is considered to be a legal way for taxpayers and businesses to reduce the amount of taxes owed, while tax evasion is viewed as purposefully cheating on tax returns. In the Quebec session, SMEs tended to think that both evasion and avoidance are equally problematic as they provide an unfair advantage to larger corporations, or wealthier Canadians, resulting in lower tax revenues for the country overall. In the English SME sessions, tax evasion was seen as a more serious issue that is less ethical because it is illegal, although tax avoidance was still seen as providing an unfair advantage to select businesses or individuals, despite being legal.

There is very low recall of criminal convictions for tax evasion being communicated to the public.

## Offshore Compliance

### Offshore Tax Havens

*While the concept of offshore tax havens is familiar, there is minimal recall of specific examples in recent years. Many assume that the CRA is doing its best to address the issue, although very little is known as to how this is done. Some are not prepared to give the CRA the benefit of the doubt because of the lack of evidence of results.*

### Taxpayers:

Offshore tax havens are one example of tax avoidance that had previously been mentioned and the discussion here closely followed the more general discussion of avoidance. Participants were aware of tax havens and felt amongst wealthier Canadians and “big fish” the use of tax havens would be fairly prevalent, and in a few instances, a practice considered as unethical. Beyond that, knowledge or facts about how many were involved, amounts of money, investigations and convictions were all basically unknown. In the Ontario session, there was a difference of opinion with two or three participants interested in seeing some statistics regarding offshore tax havens and others being largely indifferent because it did not impact them. In the Western session, there was general agreement that there should be more communication of basic information and more effort to go after “big fish.”

In the absence of any information about investigations and convictions there was a reluctance to give the CRA the benefit of the doubt and to credit them with being active and equally, there was a reluctance to assume that nothing was being done.

Participants also did not seem to have a strong sense of whether those who were using offshore tax havens were just taking advantage of loopholes, and so acting legitimately, or if they were doing something illegal. Again, though, even if legal, there is a general willingness to see loopholes closed.



### **SMEs:**

The discussion of offshore tax havens was similar to the earlier discussions about tax avoidance/evasion and big fish and little fish. Participants were aware of offshore tax havens and felt they were really only available to wealthier individuals and companies who would have the resources and be able to hire the necessary expertise to be able to take advantage of these havens. Again though, participants were generally not sure how much tax money was being lost to these havens and likewise were not sure how much was being done to address the issue.

A distinction was frequently made between moral obligations and legal obligations when it comes to tax havens. As long as someone or some entity that is taking advantage of tax havens is not doing anything illegal, the consensus is that there is little to be done about the situation except to change the rules. Participants might not like the fact that someone has the means to take advantage of a situation that they themselves do not have the resources to pursue, but there is nothing to do from a legal perspective about this. However, if something illegal is happening, this completely changes the situation and the consensus is that something should be done about it.

Morally, it is clear that most participants do not feel it is fair that one group can take advantage of expertise or loopholes to avoid taxes, and a few even thought that this was an unethical practice. And while participants don't know how much money might be involved, there is a clear perception that it is a considerable amount of money. However, it is also clear that those who are able to take advantage of tax havens are also seen as having access to the resources to do so as well as having access to lobbying/politicians to ensure the rules don't change.

### **Intermediaries:**

Only a very small number of Intermediaries across all their sessions self identified as having clients large enough that they were dealing with offshore compliance. Others were speaking from a hypothetical perspective when they not only defended their role in finding legal ways for their clients to avoid paying taxes, but also treated their ability to do so as an indication of how good they are at their jobs.

Several did feel their profession has an obligation to educate clients about compliance in general, but in the case of offshore compliance, almost all of the participants had no clients to whom this applied.

Otherwise, reaction from Intermediaries was similar to the Individual Taxpayers and SMEs. They had heard very little about offshore compliance in the past two years or more and in the absence of any information, had a tendency to feel that not much was being done. Some Intermediaries also questioned whether it would be worthwhile for the CRA to pursue these larger organizations because of the expertise they would have and because of expense involved with the CRA pursuing a legal challenge. One participant in the Ontario compliance session even noted the incentive (or disincentive) for the Intermediary in reporting a big client like this because they might represent a significant portion of the Intermediary's revenues.





As with the other target groups, the Intermediaries generally agreed with the need for more communication from the CRA on their compliance efforts relative to offshore tax havens. In the case of Intermediaries, they already get regular updates on a variety of topics, they feel that the CRA knows who they are and could send updates on offshore compliance as well.

## Voluntary Disclosures

### Scenario

*While all Intermediaries would advise their client to amend their tax return to show the overlooked income, some SMEs would seek advice from their accountant before reporting the situation to the CRA (but would still generally pay) and Individual Taxpayers would generally report it especially if a larger amount is involved.*

Participants were given a scenario of discovering they owed \$1,000 in taxes from two years before. It was described as an honest mistake, but then they were asked what they would do with an open-ended poll where they could describe their answer.

### Individual Taxpayers:

At the \$1,000 level, three or four in the Ontario session suggested they would do nothing upon finding out they owed money from two years ago. They would wait to see what would happen “if” the CRA ever discovered the error. In the other sessions, all but one or two said they would make an adjustment or contact the CRA (or have their accountant contact the CRA) to make a correction and pay. At the \$10,000 level, there is more inclination to notify and pay because the ramifications of the CRA discovering the error might be more serious.

The risk of fines, but also of being on the CRA’s “list or radar,” was a concern for several of those who wanted to notify and pay what they owed right away. Their fear was the CRA might be scrutinizing their return for years in the future if the CRA found the error.

### SMEs:

Most of the participants in the SME sessions suggested they would pay the owed taxes. They might check with their accountant to ensure the money is actually owed or also try to find some offsetting amount (that was also omitted) to try to reduce the amount, but the general response was one of compliance. For some it was a simple matter of peace of mind and for others, they wanted to avoid any situation that might flag them to the CRA.

At most one or two in each session suggested they would not notify the CRA and would hope the matter would go no further. If the CRA was to discover the amount later, they would deal with it then and they did not seem overly concerned because they considered the amount to be relatively small. A follow-up question that increased the amount to \$10,000 only cemented the decision for those who planned to pay



at the \$1,000 level and it did seem to convince some of those who were inclined to do nothing about the discovery to change their course of action.

### **Intermediaries:**

Intermediaries were all inclined to advise their client to amend their return and pay the additional taxes owed and the related penalties. One Intermediary in the Quebec session stressed the importance of adjusting the situation when it is found, so as not to cause succession issues later on if or when the business is passed on to new owners. The advice would remain the same regardless of the amount of taxes owed.

### **Voluntary Disclosure Program**

***Awareness of the Voluntary Disclosure Program is low, but across target groups, the consensus was the Program was reasonable.***

Participants were informed of the CRA's Voluntary Disclosure Program that grants relief on a case-by-case basis to taxpayers who voluntarily come forward to fix errors or omissions in their tax filing before the CRA discovers the issue. With this approach, taxpayers and businesses avoid legal prosecution or penalty fines that would be applied if the CRA had found the issue, while the person or business would still have to pay the additional tax owed, with interest that resulted from the correction.

### **Individual Taxpayers:**

Individual Taxpayers generally like the program and believe that it provides some incentive to come forward. Although some felt that there is nothing for the taxpayers to lose by using this program, a few did not appreciate having to pay interest on the amounts owed, if this was an oversight rather than purposefully done. Many understood why you would have to pay some or all of the interest, because if not, people would purposefully leave something off and then catch it themselves to delay payment. It was generally believed that the program should be offered to all Canadians and businesses regardless of size or wealth.

### **SMEs:**

Awareness of the Program was relatively low among SMEs with at most one or two participants per session having heard of it. Reaction to the Program was positive with participants feeling it was a reasonable approach for the CRA to take. They did say that it was unlikely they would ever be reviewing previous returns (and so would be unlikely to uncover a mistake). It was also considered a program that should be available to all, regardless of size or wealth.

### **Intermediaries:**

Awareness of the Voluntary Disclosure Program was also low amongst the Intermediaries with one or two in most sessions having heard of it. Once explained, reaction to the Program was positive and the parameters of the Program (having to notify the CRA before the CRA finds the error, still having to pay



taxes and some or all interest, but avoiding any fines) were considered fair. One Intermediary familiar with the Program mentioned that they sometimes advise some clients to pay the penalty on the additional taxes owed rather than go through the Program, for fear of having the CRA review past returns and find additional mistakes.

## Attitudes Towards Debt

### Debt

*A tax-related debt is deemed as important and similar to one owed to the bank that should be paid promptly.*

#### Individual Taxpayers:

One of the last topics in most sessions was the topic of how participants felt about debt. As a general comment, Individual Taxpayers did not like to have any debt and they tried to pay it off as quickly as they could. For many, taxes were even more serious because interest is added to the amount owing and there could be penalties for non-payment. Debt owed to the CRA was treated by most with the same seriousness as debt to a bank. A small number described debt to the government as a “burden” and again suggested urgency to have it paid.

#### SMEs:

Reactions here were similar to those expressed by the Intermediaries. Some prioritized debt to the CRA because it accumulated interest or because it is an unsecured debt. Others tended to pay the debts that were charging higher interest rates back more quickly and so this meant that credit card debt would take priority over CRA debt.

#### Intermediaries:

Intermediaries were commenting on the feelings of their clients when they discussed debt and there were mixed reactions to the question of whether CRA debt was treated differently than other debt. In each session, a few Intermediaries said their clients felt CRA debt was more of a “burden” than other debt and they wanted to pay it back more quickly than other debt. A few also suggested that CRA debt was treated like any other debt and an economic decision was made regarding which would be paid first. For example, anything that might impact the actual functioning of the business was given higher priority and this might include payments to suppliers as an example. Finally, a minority across groups suggested their clients delayed paying the CRA because they did not perceive any direct benefit for the money (as opposed to a mortgage on their building as an example).



## Tax Payment Options

*There is mixed awareness of payment options for taxes owed, and a general consensus that more flexible options should be available and that all taxpayers should have access to the same options.*

### Individual Taxpayers:

There is limited knowledge of what payment options are offered by the CRA, other than one or two in most of the sessions who believe that a payment plan can be agreed upon with the Agency, and that there is an expectation that the terms would be reasonable. One participant thought that lower interest rates could be applied as part of the repayment plan. It was suggested that the CRA should inform taxpayers of options available, and that the options be the same regardless of the amount owed or the type of taxpayer.

Very few were aware of the recourse they have available if they disagree with a tax amount owing, and awareness of the process among those is very limited. One participant thought that the process could be accessed online, while another believed that there is an ombudsman that can address complaints.

### SMEs:

SMEs offered more suggestions regarding the type of payment alternatives that should be available to them. These included having a choice of a payment period, whether monthly or quarterly, or even based on the business' revenue cycles, providing smaller businesses with lower revenues a longer payment term. Some knew that a taxpayer could set up instalment payments, but there was a general sense across sessions that the CRA would be reasonable if approached by a business.

A few SMEs in some of the groups were aware that an appeals process was available for taxpayers who disagree with the tax amount owed, but no one was able to provide more detailed information on how it works. There was also some sense that appealing might be a costly process. No one in the Quebec session was familiar with any recourse.

### Intermediaries:

All Intermediaries were familiar with the option of tailored payment plans and installments. A few have the impression that poor customer service from CRA collectors makes this option unappealing with business clients. It was suggested that the CRA could set up a payment plan much the same as those for other debts, whereby a minimum payment is required at a certain frequency, and interest would apply to the balance. With this kind of approach, it was felt that ongoing contacts from tax collectors would be unnecessary unless the payments are overdue. It was believed that payment options should be the same across taxpayers. A suggestion was also made to allow for credit card payments.



## Research Methodology

### Target Audience

There were three target audiences:

- **Individual Taxpayers:** Those aged 18 who have lived 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 business tax matters, payroll, GST/HST preparation, or bookkeeping. Acceptable job titles included:
  - President/CEO/Owner
  - CFO/Comptroller
  - Accountant
  - Payroll Manager/Officer
  - Manager
  - Bookkeeper
  - Financial Officer
- **Tax Intermediaries (TIs):** Those who work with small and medium size business clients (<100 employees) on tax-related or payroll matters.

### Qualitative Research Approach

A total of 30 online focus groups were conducted from May 24 to July 6, 2022, namely 10 sessions with each audience. For each audience, the discussion in one of the groups per region focused on service experiences, while the discussion in the second group focused on compliance issues.

The following table provides a breakdown of groups by audience, region and language.

Distribution of Focus Groups						
	English				French	Total
	West	Ontario	Atlantic	North	Quebec	
Individual Taxpayers	2	2	2	2	2	10
Small and Medium Size Enterprises	2	2	2	2	2	10
Tax professionals	2	2	2	2	2	10
<b>Total</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>30</b>

The CRA designed the recruitment screeners. All participants were recruited per the recruitment specifications for the Government of Canada. Recruitment was conducted through qualitative panels



stored on Canadian servers, with follow up calls to confirm the details provided and to ensure quotas were met. In some instances, for Tax Professionals and SMEs, recruitment was conducted by telephone using publicly-available lists. Those with current or past employment in sensitive occupations were excluded from the research, in addition to those living in the household. These sectors included marketing research, media, public relations, governments (whether federal or provincial), advertising and graphic design. In addition, member from the general public excluded those working in the tax preparation and accounting sectors.

Participants from the general population were at least 18 years or older, had lived in their respective markets for at least two years, and were either the head or the co-head of the household. Individuals who had been to at least four qualitative sessions in the past five years and those who had attended a session in the past six months were excluded from the research. Each session included a mix of age, gender, household income, education, and industries among those who are employed. In addition, each Compliance session included a minimum of three individuals considered as being in the “low compliance” segment, and at least three in the “high compliance” segment, based on their agreement rating (on a 10-point scale) on three compliance questions:

- a) Considering the services we receive from the federal government, the public pays too much federal income tax.
- b) The CRA would never find out about income received in cash that is not declared on their tax return.
- c) Given the opportunity most people would hide income to avoid taxes.

Within the business/tax intermediaries focus groups, a mix of business sizes (in number of employees from 1 to 99) were represented. Participants included those who have sole or shared responsibilities in their organization for matters related to taxes, payroll, GST/HST preparation or bookkeeping. In the Service session, all those recruited reported personally dealing with the CRA, while this represented at least six in the Compliance sessions. For the Compliance sessions, participants included a mix of agreement with the following statement: “Considering the services we receive from the federal government, the public pays too much federal income tax.” Tax intermediaries were defined as someone who works with small business clients on tax-related or payroll matters. SMEs and Intermediaries who had been to at least five sessions in the past five year and those who had already been invited to take part in a focus group in the next few weeks were excluded from the research.

The CRA designed the discussion guides. Group discussions were held in English with the exception of those in Quebec which were conducted in French. Each session lasted approximately 2 hours with participants each receiving \$100 (general population) or \$200 (tax intermediaries or businesses) in appreciation of their time. A total of 287 participants were recruited across all 30 groups (specifically between 7 and 10 respondents per session). Across all groups, 240 participants attended the discussions.



## Context of Qualitative Research

Qualitative discussions are intended as moderator-directed, informal, non-threatening discussions with participants whose characteristics, habits and attitudes are considered relevant to the topic of discussion. The primary benefits of individual or group qualitative discussions are that they allow for in-depth probing with qualifying participants on behavioural habits, usage patterns, perceptions and attitudes related to the subject matter. This type of discussion allows for flexibility in exploring other areas that may be pertinent to the investigation. Qualitative research allows for more complete understanding of the segment in that the thoughts or feelings are expressed in the participants' "own language" and at their "own levels of passion." Qualitative techniques are used in marketing research as a means of developing insight and direction, rather than collecting quantitatively precise data or absolute measures. As such, results are directional only and cannot be projected to the overall population under study.

# Appendix A: Recruitment Screeners



**Recruitment Screener**  
**2021-2022 Annual Corporate Survey – SME/INTERMEDIARIES**

Questionnaire # \_\_\_\_\_

Date of Last Group \_\_\_\_\_  
 # of previous groups \_\_\_\_\_

<p><b>Thursday June 23, 2022</b>                  G11: SME Compliance ONTARIO (CP) @ 4:00 pm ET (5:00 pm AT)                  G12: TI Service WEST (CP) @ 3:30 pm PT/4:30 pm SK &amp; MT/5:30PM CT (7:30 pm AT)</p> <p><b>Monday June 27, 2022</b>                  G13: SME Service ATLANTIC (CP) @ 4:00 pm AT/4:30 pm NL                  G14: TI Service ATLANTIC (CP) @ 6:30 pm AT/7:00 pm NL                  G15: SME Service ONTARIO (CW) @ 4:00 pm ET (5:00 pm AT)                  G16: TI Compliance WEST (CW) @ 3:30 pm PT/4:30 pm SK &amp; MT/5:30PM CT (7:30 pm AT)</p> <p><b>Tuesday June 28, 2022</b>                  G17: SME Compliance QUEBEC (CP) @ 4:00 pm ET (5:00 pm AT)                  G18: TI Service QUEBEC (CP) @ 6:30 pm ET (7:30 pm AT)                  G19: TI Compliance ONTARIO (CW) @ 4:00 pm ET (5:00 pm AT)                  G20: SME Compliance WEST (CW) @ 3:30 pm PT/4:30 pm SK &amp; MT/5:30PM CT (7:30 pm AT)</p> <p><b>Wednesday June 29, 2022</b>                  G21: TI Compliance QUEBEC (CP) @ 4:00 pm ET (5:00 pm AT)                  G22: SME Service QUEBEC (CP) @ 6:30 pm ET (7:30 pm AT)                  G23: TI Compliance ATLANTIC (CW) @ 4:00 pm AT/4:30 pm NT                  G24: TI Service ONTARIO (CW) @ 5:30 pm ET (6:30 pm AT)</p> <p><b>Monday July 4, 2022</b>                  G25: SME Compliance ATLANTIC (CW) @ 5:00 pm AT/5:30 pm NL                  G26: SME Service WEST (CW) @ 3:30 pm PT/4:30 pm SK &amp; MT/5:30PM CT (7:30 pm AT)</p> <p><b>Tuesday July 5, 2022</b>                  G27: TI Service REMOTE EAST (CP) @ 4:00 pm ET/5:00 pm AT/5:30 pm NL                  G28: TI Compliance REMOTE WEST (CP) @ 3:30 pm PT/4:30 pm SK &amp; MT/5:30PM CT (7:30 pm AT)</p> <p><b>Wednesday July 6, 2022</b>                  G29: SME Compliance REMOTE EAST (CP) @ 4:00 pm ET/5:00 pm AT/5:30 pm NL                  G30: SME Service REMOTE WEST (CP) @ 3:30 pm PT/4:30 pm SK &amp; MT/5:30PM CT (7:30 pm AT)</p>	<p>Recruit: 10 per group</p> <p>Honorarium: \$200</p> <p>Study#: INSERT</p> <p><u>Definitions:</u>  <b>SME Decision-makers:</b>                  &lt;100 employees, has sole/shared decision-making responsibilities and deals with the CRA.</p> <p><b>Tax Intermediary:</b>                  &lt;100 employees and is a tax intermediary.</p>
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Respondent's name: _____	Interviewer: _____
Respondent's phone #: _____ (home)	Date: _____
Respondent's phone #: _____ (work)	Validated: _____
Respondent's fax #: _____ sent? _____ or	Quality Central: _____
Respondent's e-mail : _____ sent? _____	On List: _____
Sample source ( <i>circle</i> ): panel      random      client      referral	On Quotas: _____

**Introduction**

Hello, my name is \_\_\_\_\_. I'm calling from [supplier name], a national public opinion research firm. First off, let me assure you that we are not trying to sell you anything. On behalf of the Government of Canada we're organizing a series of online discussion groups to explore various issues of importance to the country.

**When connected to the right person, ask:**

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.

- A. We are looking to speak to tax-intermediaries who are individuals who work with small business clients on tax-related or payroll matters. Would you be this person?
  - Yes ..... 1 **CONTINUE TO S1a**
  - No ..... 2 **ASK FOR THE APPROPRIATE CONTACT. IF CONTACT NOT AVAILABLE SCHEDULE CALLBACK. IF DOES NOT EXIST, CONTINUE TO "B".**
  
- B. We are also looking to speak to someone who has shared or sole decision making responsibilities in your organization. Would you be this person?
  - Yes ..... 1 **CONTINUE to S1a**
  - No ..... 2 **ASK FOR THE APPROPRIATE CONTACT. IF CONTACT NOT AVAILABLE SCHEDULE CALLBACK. IF DOES NOT EXIST OR NOT WILLING, TERMINATE.**

**EXPLAIN FOCUS GROUPS.** About six to eight people will be taking part, all of them randomly recruited just like you. The online discussion will last no more than two hours and will take place during the evening. For their time, participants will receive an honorarium of \$200. But before we invite you to attend, we need to ask you a few questions to ensure that we get a good mix and variety of people. May I ask you a few questions? This will take about 5 minutes.

- Yes ..... 1 **CONTINUE**
- No ..... 2 **THANK AND TERMINATE**

Participation is voluntary and individual’s decision to take part will not affect any dealings they may have with the Government of Canada. We are interested in hearing your opinions, no attempt will be made to sell you anything or change your point of view. The format is an online “round table” discussion lead by a research professional. All opinions expressed will remain anonymous and views will be grouped together to ensure no particular individual can be identified in accordance with laws designed to protect your privacy.

**[Si préfère continuer en anglais pour les groupes de Québec qui seront dirigés en français, demandez :]**

The discussion will be held entirely in French, and participants will be asked to review and discuss communication materials written only in French, as well as share their opinions verbally in French. Would you be comfortable with this?

Yes..... 1

No..... 2   **REMERCIER ET TERMINER L’ENTREVUE**

**[If prefers to continue in French for the Atlantic, Ontario, Western or Rural/Remote 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 écrite en anglais seulement, puis d'en discuter en anglais. Seriez-vous à l'aise avec cela ?

Oui..... 1   **CONTINUE**

Non ..... 2   **THANK AND TERMINATE**

**READ TO ALL IF APPLICABLE:** “This call may be monitored or audio taped for quality control and evaluation purposes.”

**ADDITIONAL CLARIFICATION IF NEEDED:**

- to ensure that I (the interviewer) am reading the questions correctly and collecting your answers accurately;
- to assess my (the interviewer) work for performance evaluation;
- to ensure that the questionnaire is accurate/correct (i.e. evaluation of CATI programming and methodology – we’re asking the right questions to meet our clients’ research requirements – kind of like pre-testing).
- If the call is audio taped, it is only for the purposes of playback to the interviewer for a performance evaluation immediately after the interview is conducted or it can be used by the Project Manager/client to evaluate the questionnaire if they were unavailable at the time of the interview – all audio tapes are destroyed after the evaluation.
- To verify it is a legitimate Government of Canada project, they can search online using the terms “CRA public opinion research” or go to [www.canada.ca/por-cra](http://www.canada.ca/por-cra).

- IF ASKED: The personal information you provide to the Canada Revenue Agency is governed in accordance with the Privacy Act. In addition to protecting your personal information, the Privacy Act gives you the right to request access to and correction of your personal information. You also have the right to file a complaint with the Privacy Commissioner of Canada if you think your personal information has been handled improperly.
- The information collected through the research is subject to the provisions of the *Privacy Act*, legislation of the Government of Canada, and to the provisions of relevant provincial privacy legislation.

S1) Do you or any member of your household work in or has retired from: [READ LIST]

	Yes	No
A marketing research firm	1	2
A magazine or newspaper	1	2
A radio or television station	1	2
A public relations company	1	2
The government, whether federal or provincial	1	2
An advertising agency or graphic design firm	1	2

IF “YES” TO ANY OF THE ABOVE, THANK AND TERMINATE

S2) Are you...? (target a 50/50 split male/female in all groups; accept others)

- Male ..... 1
- Female ..... 2
- Non-binary ..... 3
- Another gender not identified above ..... 4
- Prefer not to say/Unsure ..... 5

S3) In which city/town/village and in which province/territory do you currently reside?

City/Town/Village: \_\_\_\_\_  
 Province/Territory: \_\_\_\_\_

S4) Approximately how many employees, including yourself, does your company have? Please think of all full-time and permanent part-time personnel, from all locations or branches if more than one exists.

- 1 ..... 1
  - 2 – 4 ..... 2
  - 5 – 19 ..... 3
  - 20 – 49 ..... 4
  - 50 – 99 ..... 5
  - 100 or more ..... 6
  - Don't know ..... 9
- } **ENSURE GOOD MIX PER GROUP**
- THANK AND TERMINATE**
- THANK AND TERMINATE**

**S5)** Do you have sole or shared responsibilities in your organization for matters related to taxes, payroll, GST/HST preparation or bookkeeping? **[AN OWNER WHO OVERSEES THE WHOLE ORGANIZATION WOULD QUALIFY HERE. PLEASE ENSURE THAT THE GROUPS ARE NOT COMPRISED ONLY OF ACCOUNTANTS AND BOOKKEEPERS.]**

- Yes ..... 1 **GO TO S6**
- No ..... 2 **GO TO S8**

**S6)** What is your job title ? (if acceptable job titles – Go to **S7**)

*[Small and medium-sized businesses (<100 employees) – include decision-makers or those involved in decisions related to tax matters, payroll, GST/HST preparation, or bookkeeping. Acceptable job titles include:]*

- President/CEO/Owner ..... 1
- CFO/Comptroller..... 2
- Accountant ..... 3
- Payroll Manager/Officer ..... 4
- Manager ..... 5
- Bookkeeper..... 6
- Financial Officer ..... 7

**S7)** Do you personally deal with the Canada Revenue Agency (CRA) or does this fall under someone else’s responsibilities?

- Yes, deal personally with CRA ..... 1 **QUALIFIES FOR SME GROUPS  
11, 13, 15, 17, 20, 22, 25, 26, 29, 30**
- No, someone else deal with CRA ..... 2 **MAX 4 PER GROUP for SME Compliance groups  
only. For SME Service groups, all must say yes**

**S8)** Are you a tax-intermediary, that is, someone who works with individuals or small business clients on tax-related or payroll matters? For this study, small businesses are defined as firms with fewer than 100 employees. (IF NEEDED: For example, people working at H&R block, accounting firms, etc)

- Yes ..... 1 **QUALIFIES FOR TAX INTERMEDIARY GROUPS  
12, 14, 16, 18, 19, 21, 23, 24, 27, 28**
- No ..... 2

**INTERVIEWER NOTE:**  
**Respondent qualifies as follows:**  
**SME Groups 11, 13, 15, 17, 20, 22, 25, 26, 29, 30:** <100 employees (S4=1-5), has decision-making responsibilities (S5=1) and deals with the CRA (S7=1).  
**Tax Intermediary Groups 12, 14, 16, 18, 19, 21, 23, 24, 27, 28:** <100 employees (S4=1-5) and is a tax intermediary (S8=1).

**\*If a respondent qualifies for both, place them in the Tax Intermediary Group.**

**FOR SME COMPLIANCE GROUPS (11, 17, 20, 25, 29)**

Q1) [SMEs ONLY:] For the following statement, I would like to know whether you agree or disagree. Please respond using a scale of 1 to 10 where 1 means you strongly disagree and 10 means you strongly agree.

d) Considering the services we receive from the federal government, the public pays too much federal income tax.

**8-10 on the scale = RECRUIT MINIMUM 3 PER GROUP**

**4-7 on the scale = RECRUIT MAXIMUM 4 PER GROUP**

**1-3 on the scale = RECRUIT MINIMUM 3 PER GROUP**

*The discussion groups for this project will be conducted online and will require the use of a laptop or desktop computer connected to high speed Internet and equipped with a webcam, a microphone and speakers. Note that you cannot use a computer tablet or a smartphone to access this online session.*

Q2) Do you have access to a laptop, desktop computer or computer tablet with high-speed Internet to take part in this focus group?

Yes, laptop or desktop computer..... 1

Yes, computer tablet..... 2

No ..... 3 **THANK AND TERMINATE**

Q2a) You will need to participate to the session using a webcam and your computer will need to be equipped with a microphone and speakers. Does the computer you will use for the focus group have a webcam, a microphone and speakers?

Yes ..... 1

No ..... 2 **THANK AND TERMINATE**

Q3) You will need to be in a place that is quiet and free of distractions for the duration of the session. This includes ensuring to the extent possible, you are able to be on your own, without pets, children or other people nearby, and in a room in your home or office that is as quiet as possible. You will not be able to take part in the focus group from an outdoor area, a vehicle, or a public place, as these locations are too noisy. Are you able to secure a quiet environment without distractions or noises for the duration of the focus group session?

Yes ..... 1

No ..... 2 **THANK AND TERMINATE**

**THANK & TERMINATE SCRIPT FOR Q2-Q3: Based on your responses, we are unable to invite you to take part in this online focus group, as you do not meet the technical requirements. We thank you for your interest in this research.**

Q4 Before we ask you further qualification questions, would you be available to attend an online focus group on **Date, at Time**? It will last no more than 2 hours, and as mentioned, you would be receiving \$200.

- Yes ..... 1 **CONTINUE**
- No ..... 2 **THANK AND TERMINATE**
- DK (do not read) ..... 3 **ARRANGE CALLBACK**

Q5) **[SME ONLY]** Participants in online group discussions are asked to voice or type their opinions and thoughts. How comfortable are you doing this online? Are you (read list)

- Very comfortable ..... 1 **minimum 5 per group**
- Fairly comfortable..... 2
- Comfortable..... 3
- Not very comfortable..... 4 **THANK AND TERMINATE**
- Very uncomfortable..... 5 **THANK AND TERMINATE**

Q6) Have you participated in a focus group before? A focus group brings together a few people in order to know their opinion about a given subject.

- Yes ..... 1 **ASK Q6A AND Q6B**
- No ..... 2 **SKIP TO INVITE**
- DNK / DNA ..... 9 **THANK AND TERMINATE**

Q6a) And how many of these sessions have you attended in the past five years?

\_\_\_\_\_ **IF 5 OR MORE THANK AND TERMINATE. OTHERWISE CONTINUE**

Q6b) Have you been invited to participate in one of these sessions in the next few weeks?

- Yes ..... 1 **THANK AND TERMINATE**
- No ..... 2 **CONTINUE**

**Invitation**

Sometimes participants are asked to read text, review images or write down things during the discussion. Is there any reason why you could not participate?

- Yes ..... 1 **THANK AND TERMINATE**
- No ..... 2 **CONTINUE**
- DK ..... 3 **THANK AND TERMINATE**

**TERMINATE IF RESPONDENT OFFERS ANY REASON FOR NOT BEING ABLE TO COMMUNICATE EFFECTIVELY OR TAKE PART IN THE DISCUSSION IN ANY WAY, SUCH AS SIGHT OR HEARING PROBLEM, A WRITTEN OR VERBAL LANGUAGE PROBLEM.**

**ALSO TERMINATE IF YOU HAVE ANY CONCERNS ABOUT PARTICIPANTS' ABILITY TO BE UNDERSTOOD IN THE LANGUAGE TO BE USED DURING SESSION.**

As I mentioned earlier, the online group discussion will take place on **Date at Time**. Would you be willing to attend?

- Yes ..... 1 CONTINUE  
No ..... 2 THANK AND TERMINATE

<b>Thursday June 23, 2022</b>	
G11: SME Compliance ONTARIO (CP)	@ 4:00 pm ET ( <b>5:00</b> pm AT)
G12: TI Service WEST (CP)	@ 3:30 pm PT/4:30 pm SK & MT/5:30PM CT ( <b>7:30</b> pm AT)
<b>Monday June 27, 2022</b>	
G13: SME Service ATLANTIC (CP)	@ <b>4:00</b> pm AT/4:30 pm NL
G14: TI Service ATLANTIC (CP)	@ <b>6:30</b> pm AT/7:00 pm NL
G15: SME Service ONTARIO (CW)	@ 4:00 pm ET ( <b>5:00</b> pm AT)
G16: TI Compliance WEST (CW)	@ 3:30 pm PT/4:30 pm SK & MT/5:30PM CT ( <b>7:30</b> pm AT)
<b>Tuesday June 28, 2022</b>	
G17: SME Compliance QUEBEC (CP)	@ 4:00 pm ET ( <b>5:00</b> pm AT)
G18: TI Service QUEBEC (CP)	@ 6:30 pm ET ( <b>7:30</b> pm AT)
G19: TI Compliance ONTARIO (CW)	@ 4:00 pm ET ( <b>5:00</b> pm AT)
G20: SME Compliance WEST (CW)	@ 3:30 pm PT/4:30 pm SK & MT/5:30PM CT ( <b>7:30</b> pm AT)
<b>Wednesday June 29, 2022</b>	
G21: TI Compliance QUEBEC (CP)	@ 4:00 pm ET ( <b>5:00</b> pm AT)
G22: SME Service QUEBEC (CP)	@ 6:30 pm ET ( <b>7:30</b> pm AT)
G23: TI Compliance ATLANTIC (CW)	@ <b>4:00</b> pm AT/4:30 pm NT
G24: TI Service ONTARIO (CW)	@ 5:30 pm ET ( <b>6:30</b> pm AT)
<b>Monday July 4, 2022</b>	
G25: SME Compliance ATLANTIC (CW)	@ <b>5:00</b> pm AT/5:30 pm NL
G26: SME Service WEST (CW)	@ 3:30 pm PT/4:30 pm SK & MT/5:30PM CT ( <b>7:30</b> pm AT)
<b>Tuesday July 5, 2022</b>	
G27: TI Service REMOTE EAST (CW)	@ 4:00 pm ET/ <b>5:00</b> pm AT/6:00 pm NL
G28: TI Compliance REMOTE WEST (CW)	@ 3:30 pm PT/4:30 pm SK & MT/5:30PM CT ( <b>7:30</b> pm AT)
<b>Wednesday July 5, 2022</b>	
G29: SME Compliance REMOTE EAST (CW)	@ 4:00 pm ET/ <b>5:00</b> pm AT/5:30 pm NL
G30: SME Service REMOTE WEST (CW)	@ 3:30 pm PT/4:30 pm SK & MT/5:30PM CT ( <b>7:30</b> pm AT)

**Privacy Questions**



Now I have a few questions that relate to privacy, your personal information and the research process. We will need your consent on a few issues that enable us to conduct our research. As I run through these questions, please feel free to ask me any questions you would like clarified.

P1) First, we will be providing the online focus group platform hosts and session moderator with a list of respondents' names and profiles (screener responses) so that they can allow you into the group. This information will not be shared with the Government of Canada department organizing this research. Do we have your permission to do this? I assure you it will be kept strictly confidential.

- Yes ..... 1 **GO TO P2**
- No ..... 2 **READ RESPONDENT INFO BELOW**

We need to provide the online focus group platform hosting the session and the moderator with the names and background of the people attending the focus group because only the individuals invited are allowed access to the session and the facility and moderator must have this information for verification purposes. Please be assured that this information will be kept strictly confidential. **GO TO P1A**

P1a) Now that I've explained this, do I have your permission to provide your name and profile to the hosts and moderator?

- Yes ..... 1 **GO TO P2**
- No ..... 2 **THANK & TERMINATE**

P2) An audio and video recording of the group session will be produced for research purposes. The recordings will be used by the research professional to assist in preparing a report on the research findings.

Do you agree to be audio and video recorded for research purposes only?

- Yes ..... 1 **THANK & GO TO P3**
- No ..... 2 **READ RESPONDENT INFO BELOW**

It is necessary for the research process for us to record tape the session as the researcher needs this material to complete the report.

P2a) Now that I've explained this, do I have your permission for audio and video recording?

- Yes ..... 1 **THANK & GO TO P3**
- No ..... 2 **THANK AND TERMINATE**

P3) Employees from the Government of Canada may observe the groups remotely through the secure website. They will not take part in the discussion in any way, and they will not be given your name or the name of the business.

Do you agree to having Government of Canada employees observe the session?

- Yes ..... 1 **THANK & GO TO INVITATION**
- No ..... 2 **GO TO P3A**

P3a) It is standard qualitative procedure to invite clients, in this case, Government of Canada employees, to observe the groups. They will be there simply to hear your opinions first hand although they may take their own notes and confer with the moderator on occasion to discuss whether there are any additional questions to ask the group.

Do you agree to having Government of Canada employees observe the session?

- Yes ..... 1 **THANK & GO TO INVITATION**
- No ..... 2 **THANK & TERMINATE**

**Invitation:**

Could we please confirm the email address where we can send you the detailed instructions for logging in to the group?

**Record email address (and verify):** \_\_\_\_\_.

We will send you the instructions by email at least 1 day in advance of the group. The group discussion will begin promptly at <TIME> and will end at <TIME>, and last up to 2 hours. Please log in on time to ensure that the session is not delayed. If you arrive late, we will not be able to include you in the discussion, and will not provide you with the incentive.

As mentioned, we will be pleased to provide everyone who participates with **\$200**, provided by e-Transfer or cheque, as you'd prefer. It takes approximately 3 business days to receive an incentive by e-Transfer or approximately 2-3 weeks following your participation to receive an incentive by cheque.

Would you prefer to receive your incentive by e-Transfer or cheque?

- e-Transfer ..... 1
- Cheque ..... 2

**IF PREFER TO RECEIVE INCENTIVE BY E-TRANSFER:**

Could you please confirm the e-mail address where you would like the e-transfer sent after the focus groups?

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

And please confirm the spelling of your name: \_\_\_\_\_

The e-transfer password will be provided to you via email following the group.

**IF PREFER TO RECEIVE INCENTIVE BY CHEQUE:**

Could I have the mailing address where you would like the cheque mailed after the focus groups?

Mailing address: \_\_\_\_\_  
City: \_\_\_\_\_  
Province: \_\_\_\_\_ Postal Code: \_\_\_\_\_  
And please confirm the spelling of your name: \_\_\_\_\_

As these are very small groups and with even one person missing, the overall success of the group may be affected, I would ask that once you have decided to attend that you make every effort to do so. If you are unable to take part in the study, please call \_\_\_\_\_ (collect) at \_\_\_\_\_ as soon as possible so a replacement may be found. **Please do not arrange for your own replacement.**

**IF PREFER TO RECEIVE INCENTIVE BY E-TRANSFER:**

As we are only inviting a small number of people, your participation is very important to us. If for some reason you are unable to attend, please call us so that we may get someone to replace you. Please do not arrange for your own replacement. You can reach us at **[number]** at our office. Please ask for **[name]**. Someone will also call you the day before to remind you about the discussion.

So that we can call you to remind you about the focus group or contact you should there be any changes, can you please confirm your name and contact information for me? **[READ INFO WE HAVE AND CHANGE AS NECESSARY.]**

First name \_\_\_\_\_  
Last Name \_\_\_\_\_  
Email \_\_\_\_\_  
Day time phone number \_\_\_\_\_  
Night time phone number \_\_\_\_\_

**If the respondent refuses to give his/her first or last name or phone number please assure them that this information will be kept strictly confidential in accordance with the privacy law and that it is used strictly to contact them to confirm their attendance and to inform them of any changes to the focus group. If they still refuse THANK & TERMINATE.**

## 2021-2022 Annual Corporate Research – Gen Pop Screener Questions

Questionnaire # \_\_\_\_\_

Date of Last Group \_\_\_\_\_

# of previous groups \_\_\_\_\_

<p><b>Tuesday May 24, 2022 (CW)</b>                  Group 1: Compliance ONTARIO @ 5:30 pm ET (<b>6:30</b> pm AT)                  Group 2: Service WEST @ 5:00 pm PT/6:00 pm MT/7:00PM CT (<b>9:00</b> pm AT)</p> <p><b>Thursday May 26, 2022 (CW)</b>                  Group 3: Service ONTARIO @ 5:30 pm ET (<b>6:30</b> pm AT)                  Group 4: Compliance WEST @ 5:00 pm PT/6:00 pm MT/7:00PM CT (<b>9:00</b> pm AT)</p> <p><b>Monday May 30, 2022 (CP)</b>                  Group 5: Service ATLANTIC @ <b>5:30</b> pm AT/6:00 pm NT                  Group 6: Compliance ATLANTIC @ <b>8:00</b> pm AT/8:30 pm NT</p> <p><b>Tuesday May 31, 2022 (CP)</b>                  Group 7: Service REMOTE EAST @ 5:30 pm ET/<b>6:30</b> pm AT/7:00 pm NT                  Group 8: Compliance REMOTE WEST @ 5:00 pm PT/6:00 pm MT/7:00PM CT (<b>9:00</b> pm AT)</p> <p><b>Thursday June 2, 2022 (French - CP)</b>                  Group 9: Service QUEBEC @ 5:30 pm ET (<b>6:30</b> pm AT)                  Group 10: Compliance QUEBEC @ 8:00 pm ET (<b>9:00</b> pm AT)</p>	Recruit: 10 per group  Honorarium: <b>\$100</b>  Study#: <b>INSERT</b>
Respondent's name: _____ Respondent's phone #: _____ (home) Respondent's phone #: _____ (work) Respondent's fax #: _____ sent? _____ or Respondent's e-mail : _____ sent? Sample source ( <i>circle</i> ): panel      random      client      referral	Interviewer: _____ Date: _____ Validated: _____ Quality Central: _____ On List: _____ On Quotas: _____

Hello, my name is \_\_\_\_\_. I'm calling from [SUPPLIER NAME], a national public opinion research firm. First off, let me assure you that we are not trying to sell you anything. On behalf of the Government of Canada, we're organizing a series of discussion groups to explore various issues of importance to the country.

**When connected to the right person, ask:**

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.

**EXPLAIN FOCUS GROUPS.** About six to eight people will be taking part online, all of them randomly recruited just like you. The discussion will last no more than two hours and will take place during the evening. For their time, participants will receive an honorarium of \$100. But before we invite you to attend, we need to ask you a few questions to ensure that we get a good mix and variety of people. May I ask you a few questions? This will take about 5 minutes.

- Yes.....1 **CONTINUE**  
No.....2 **ASK IF ANYONE ELSE IN THE HOUSEHOLD MIGHT BE INTERESTED  
IF NOT, THANK AND TERMINATE**

Participation is voluntary and individual’s decision to take part will not affect any dealings they may have with the Government of Canada. We are interested in hearing your opinions, no attempt will be made to sell you anything or change your point of view. The format is an online “round table” discussion lead by a research professional. All opinions expressed will remain anonymous and views will be grouped together to ensure no particular individual can be identified in accordance with laws designed to protect your privacy.

**[If prefers to continue in English for the Quebec-language focus groups, ask:]** The discussion will be held entirely in French, and participants will be asked to review and discuss written communication materials written only in French, as well as share their opinions verbally in French. Would you be comfortable doing this?

- Yes.....1  
No.....2 **THANK AND END THE INTERVIEW**

**[If prefers to continue in French for the Atlantic, Ontario, Western or Rural/Remote English-language focus groups, ask:]** The discussion will be held entirely in English, and participants will be asked to review and discuss written communication materials written only in English, as well as share their opinions verbally in English. Would you be comfortable doing this?

- Yes.....1  
No.....2 **THANK AND END THE INTERVIEW**

**READ TO ALL IF APPLICABLE:** “This call may be monitored or audio taped for quality control and evaluation purposes.”

**ADDITIONAL CLARIFICATION IF NEEDED:**

- to ensure that I (the interviewer) am reading the questions correctly and collecting your answers accurately;
- to assess my (the interviewer) work for performance evaluation;

- to ensure that the questionnaire is accurate/correct (i.e. evaluation of CATI programming and methodology – we’re asking the right questions to meet our clients’ research requirements – kind of like pre-testing).
- If the call is audio taped, it is only for the purposes of playback to the interviewer for a performance evaluation immediately after the interview is conducted or it can be used by the Project Manager/client to evaluate the questionnaire if they were unavailable at the time of the interview – all audio tapes are destroyed after the evaluation.
- To verify it is a legitimate Government of Canada project, they can search online using the terms “CRA public opinion research” or go to [www.canada.ca/por-cra](http://www.canada.ca/por-cra).
- IF ASKED: The personal information you provide to the Canada Revenue Agency is governed in accordance with the Privacy Act. In addition to protecting your personal information, the Privacy Act gives you the right to request access to and correction of your personal information. You also have the right to file a complaint with the Privacy Commissioner of Canada if you think your personal information has been handled improperly.
- The information collected through the research is subject to the provisions of the *Privacy Act*, legislation of the Government of Canada, and to the provisions of relevant provincial privacy legislation.

S1) Do you or any member of your household work in or has retired from: **READ LIST.**

	Yes	No
A marketing research firm	1	2
A magazine or newspaper	1	2
A radio or television station	1	2
A public relations company	1	2
The government, whether federal or provincial	1	2
An advertising agency or graphic design firm	1	2
A tax preparation company	1	2
Accounting	1	2

**IF “YES” TO ANY OF THE ABOVE, THANK AND TERMINATE**

S2) Are you a Canadian citizen at least 18 years old?

- Yes ..... 1 **CONTINUE**  
 No ..... 2 **THANK AND TERMINATE**

S2a) In which city/town/village and in which province/territory do you currently reside?

City/Town/Village: \_\_\_\_\_  
 Province/Territory: \_\_\_\_\_

S3) How long have you lived in [INSERT PROVINCE/TERRITORY FROM S2a]? \_\_\_\_\_

**TERMINATE IF LESS THAN 2 YEARS**

S4) Are you the head or co-head of your household?

Yes ..... 1 **CONTINUE**

No ..... 2 **THANK AND TERMINATE.**

S5) Have you ever attended a consumer group discussion, an interview or survey which was arranged in advance and for which you received a sum of money?

Yes ..... 1 **MAX. 4 PER GROUP**

No ..... 2 **GO TO Q1**

S6) How long ago was it? \_\_\_\_\_

**TERMINATE IF IN THE PAST 6 MONTHS**

S7) How many consumer discussion groups have you attended in the past 5 years? \_\_\_\_\_

**TERMINATE IF MORE THAN 4 DISCUSSION GROUPS**

•

#### ASK ALL

Q1) For each of the following statements, I would like to know whether you agree or disagree. Please respond using a scale of 1 to 10 where 1 means you strongly disagree and 10 means you strongly agree. How about ...

e) Considering the services we receive from the federal government, the public pays too much federal income tax.

**6-10 on the scale = Low**

**1-5 on the scale = High**

f) The CRA would never find out about income received in cash that is not declared on their tax return.

**6-10 on the scale = Low**

**1-5 on the scale = High**

g) Given the opportunity most people would hide income to avoid taxes.

**6-10 on the scale = Low**

**1-5 on the scale = High**

**INTERVIEWER NOTE:**  
**For Compliance Groups (1, 4, 6, 8, 10)**

Score of LOW (6-10) on at least 2 of 3 at Q1a-c } **RECRUIT MINIMUM 3 PER GROUP**  
 Score of HIGH (1-5) on at least 2 of 3 Q1a-c } **RECRUIT MINIMUM 3 PER GROUP**

Q2) Could you please tell me what age category you fall in to? Are you...

- |                   |   |                            |                                    |
|-------------------|---|----------------------------|------------------------------------|
| Under 18.....     | 1 | <b>THANK AND TERMINATE</b> |                                    |
| 18-24 years ..... | 2 |                            | } <b>ENSURE GOOD MIX PER GROUP</b> |
| 25-34 years ..... | 3 |                            |                                    |
| 35-44 years ..... | 4 |                            |                                    |
| 45-54 years ..... | 5 |                            |                                    |
| 55-64 years ..... | 6 |                            |                                    |
| 65+ years .....   | 7 |                            |                                    |
| Refuse .....      | 8 | <b>THANK AND TERMINATE</b> |                                    |

Q3) What is your current employment status?

- |                            |    |   |
|----------------------------|----|---|
| Working full-time .....    | 1  |   |
| Working part-time .....    | 2  |   |
| Self-employed.....         | 3  |   |
| Retired .....              | 4  | <b>MAX 2 PER GROUP</b>                                  |
| Currently not working..... | 5  | <b>SKIP TO Q5 – MAX 3 PER GROUP OF 5 AND 6 COMBINED</b> |
| Student .....              | 6  | <b>SKIP TO Q5 – MAX 3 PER GROUP OF 5 AND 6 COMBINED</b> |
| Other.....                 | 7  |   |
| DK/RF .....                | 99 |   |

Q4) And what sector of the economy (**IF EMPLOYED:** do you currently work in) (**IF RETIRED:** were you employed in before retirement)?

**ENSURE A GOOD MIX FOR THOSE CURRENTLY EMPLOYED**

- |   |    |
|---|----|
| Agriculture, Forestry, Fishing and Hunting .....      | 1  |
| Mining and oil and gas extraction .....               | 2  |
| Construction .....                                    | 3  |
| Manufacturing .....                                   | 4  |
| Wholesale Trade .....                                 | 5  |
| Retail Trade.....                                     | 6  |
| Transportation and warehousing.....                   | 7  |
| Information and cultural industries .....             | 8  |
| Finance and Insurance .....                           | 9  |
| Real estate and rental and leasing.....               | 10 |
| Professional, scientific and technical services ..... | 11 |



Management of companies and enterprises ..... 12  
 Administrative and support, waste management and remediation services..... 13  
 Education services ..... 14  
 Utilities..... 15  
 Health care and social assistance..... 16  
 Arts, entertainment and recreation ..... 17  
 Accommodation and food services..... 18  
 Public administration ..... 19  
 Other services (specify) ..... 20

Q5) Including yourself, how many people above the age of 18 are there in your household?

- One ..... 1
- More than one..... 2

Q6) What was your household’s income for 2021?

- Under \$20,000 ..... 1
- Between \$20,000 and \$39,999 ..... 2
- Between \$40,000 and \$59,999 ..... 3
- Between \$60,000 and \$79,999 ..... 4
- Between \$80,000 and \$99,999 ..... 5
- Between \$100,000 and \$149,999 ..... 6
- Over \$150,000 ..... 7

} ENSURE GOOD MIX PER GROUP FOR COMPLIANCE AND REMOTE GROUPS. SEE NOTE FOR SERVICE GROUPS

**INTERVIEWER NOTE:**  
 For **SERVICE** groups (2, 3, 5, 9):  
**ATLANTIC & QUEBEC (5, 9):** recruit good mix of 1 to 5  
**ONTARIO & WESTERN (2, 3):** recruit mix of 6 & 7

Q7) Could you please tell me what is the highest level of education that you have attained?

- Some high school only ..... 1
- Completed high school ..... 2
- Some College/University..... 3
- Complete College/University ..... 4
- RF/DK ..... 8

} ENSURE GOOD MIX PER GROUP

Q8) Are you...

- Male ..... 1
- Female ..... 2
- Gender diverse ..... 3

} TRY TO ENSURE 50-50 SPLIT IN EACH GROUP  
 CONSIDER FOR ANY GROUP

The discussion groups for this project will be conducted online and will require the use of a laptop or desktop computer connected to high speed Internet and equipped with a webcam, a microphone and speakers. Note that you cannot use a computer tablet or a smartphone to access this online session.

Q9) Do you have access to a laptop or desktop computer, or a computer tablet, with high-speed Internet to take part in this focus group?

- Yes, laptop or desktop computer..... 1
- Yes, computer tablet..... 2
- No ..... 3 **THANK AND TERMINATE**

Q10) You will need to participate to the session using a webcam and your computer will need to be equipped with a microphone and speakers. Does the computer you will use for the focus group have a webcam, a microphone and speakers?

- Yes ..... 1
- No ..... 2 **THANK AND TERMINATE**

Q11) You will need to be in a place that is quiet and free of distractions for the duration of the session. This includes ensuring to the extent possible, you are able to be on your own, without pets, children or other people nearby, and in a room in your home or office that is as quiet as possible. You will not be able to take part in the focus group from an outdoor area, a vehicle, or a public place, as these locations are too noisy. Are you able to secure a quiet environment without distractions or noises for the duration of the focus group session?

- Yes ..... 1
- No ..... 2 **THANK AND TERMINATE**

**INSTRUCTIONS FOR Q9-11 THANK & TERMINATE: Based on your responses, we are unable to invite you to take part in this online focus group, as you do not meet the technical requirements. We thank you for your interest in this research.**

**INVITATION**

Q12) Great, you qualify for one of our focus group sessions. Would you be available to attend an online focus group on **(DATE @ TIME)?** It will last approximately 2 hours.

- Yes ..... 1 **CONTINUE**
- No ..... 2 **THANK AND TERMINATE**
- DK (do not read) ..... 3 **ARRANGE CALLBACK**

Q13) Participants in group discussions are asked to voice their opinions and thoughts, how comfortable are you in voicing your opinions in front of others (IF APPROPRIATE: In English/French)? Are you (read list)

- Very comfortable ..... 1 **MINIMUM 5 PER GROUP**
- Fairly comfortable..... 2
- Comfortable..... 3
- Not very comfortable..... 4 **THANK AND TERMINATE**
- Very uncomfortable..... 5 **THANK AND TERMINATE**

Q14) Sometimes participants are asked to read text, review images or write down things online during the discussion. Is there any reason why you could not participate?

- Yes ..... 1 **THANK AND TERMINATE**
- No ..... 2 **CONTINUE**
- DK ..... 3 **THANK AND TERMINATE**

**TERMINATE IF RESPONDENT OFFERS ANY REASON FOR NOT BEING ABLE TO COMMUNICATE EFFECTIVELY OR TAKE PART IN THE DISCUSSION IN ANY WAY, SUCH AS SIGHT OR HEARING PROBLEM, A WRITTEN OR VERBAL LANGUAGE PROBLEM.**

**ALSO TERMINATE IF YOU HAVE ANY CONCERNS ABOUT PARTICIPANTS' ABILITY TO BE UNDERSTOOD IN THE LANGUAGE TO BE USED DURING SESSION.**

Q15) As I mentioned earlier, the online group discussion will take place on **Date at Time** and will last up to 2 hours. Participants will receive an incentive of **\$100** as a thank you for their time. Would you be willing to attend?

- Yes ..... 1 **CONTINUE**
- No ..... 2 **THANK AND TERMINATE**

**Tuesday May 23, 2022 (CW)**

- Group 1: Compliance ONTARIO @ 5:30 pm ET (6:30 pm AT)
- Group 2: Service WEST @ 5:00 pm PT/6:00 pm MT/7:00PM CT (9:00 pm AT)

**Thursday May 26, 2022 (CW)**

- Group 3: Service ONTARIO @ 5:30 pm ET (6:30 pm AT)
- Group 4: Compliance WEST @ 5:00 pm PT/6:00 pm MT/7:00PM CT (9:00 pm AT)

**Monday May 30, 2022 (CP)**

- Group 5: Service ATLANTIC @ 5:30 pm AT/6:00 pm NT
- Group 6: Compliance ATLANTIC @ 8:00 pm AT/8:30 pm NT

**Tuesday May 31, 2022 (CP)**

- Group 7: Service REMOTE EAST @ 5:30 pm ET/6:30 pm AT/7:00 pm NT

Group 8: Compliance REMOTE WEST @ 5:00 pm PT/6:00 pm MT/7:00PM CT (9:00 pm AT)

**Wednesday June 1, 2022 (French - CP)**

Group 9: Service QUEBEC @ 5:30 pm ET (6:30 pm AT)

Group 10: Compliance QUEBEC @ 8:00 pm ET (9:00 pm AT)

## PRIVACY QUESTIONS

Now I have a few questions that relate to privacy, your personal information and the research process. We will need your consent on a few issues that enable us to conduct our research. As I run through these questions, please feel free to ask me any questions you would like clarified.

- P1) First, we will be providing the online focus group platform hosts and session moderator with a list of respondents' names and profiles (screener responses) so that they can allow you into the group. This information will not be shared with the Government of Canada department organizing this research. Do we have your permission to do this? I assure you it will be kept strictly confidential.

Yes ..... 1 **GO TO P2**

No ..... 2 **READ RESPONDENT INFO BELOW**

We need to provide the online focus group platform hosting the session and the moderator with the names and background of the people attending the focus group because only the individuals invited are allowed access to the session and the facility and moderator must have this information for verification purposes. Please be assured that this information will be kept strictly confidential. **GO TO P1A**

- P1a) Now that I've explained this, do I have your permission to provide your name and profile to the hosts and moderator?

Yes ..... 1 **GO TO P2**

No ..... 2 **THANK & TERMINATE**

- P2) An audio and video recording of the group session will be produced for research purposes. The recordings will be used by the research professional to assist in preparing a report on the research findings.

Do you agree to be audio and video recorded for research purposes only?

Yes ..... 1 **THANK & GO TO P3**

No ..... 2 **READ RESPONDENT INFO BELOW**

It is necessary for the research process for us to record the session as the researcher needs this material to complete the report.

P2a) Now that I've explained this, do I have your permission for audio and video recorded?

- Yes ..... 1 **THANK & GO TO P3**
- No ..... 2 **THANK AND TERMINATE**

P3) Employees from the Government of Canada may observe the groups but they will not take part in the discussion, and they will not be given your last name.

Do you agree to having Government of Canada employees observe the session?

- Yes ..... 1 **THANK & GO TO INVITATION**
- No ..... 2 **GO TO P3A**

P3a) It is standard qualitative procedure to invite clients, in this case, Government of Canada employees, to observe the groups. They will be there simply to hear your opinions first hand although they may take their own notes and confer with the moderator on occasion to discuss whether there are any additional questions to ask the group.

Do you agree to having Government of Canada employees observe the session?

- Yes ..... 1 **THANK & GO TO INVITATION**
- No ..... 2 **THANK & TERMINATE**

**Invitation:**

Could we please confirm the email address where we can send you the detailed conference call instructions for logging in to the group?

**Record email address (and verify):** \_\_\_\_\_.

We will send you the instructions by email at least 1 day in advance of the group. The group discussion will begin promptly at <TIME> and will end at <TIME>, and last up to 2 hours. Please log in on time to ensure that the session is not delayed. If you arrive late, we will not be able to include you in the discussion, and will not provide you with the incentive.

As mentioned, we will be pleased to provide everyone who participates with **\$100**, provided by e-Transfer or cheque, as you'd prefer. It takes approximately 3 business days to receive an incentive by e-Transfer or approximately 2-3 weeks following your participation to receive an incentive by cheque.

Would you prefer to receive your incentive by e-Transfer or cheque?

- e-Transfer ..... 1

Cheque .....2

**IF PREFER TO RECEIVE INCENTIVE BY E-TRANSFER:**

Could you please confirm the e-mail address where you would like the e-transfer sent after the focus groups?

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

And please confirm the spelling of your name: \_\_\_\_\_

The e-transfer password will be provided to you via email following the group.

**IF PREFER TO RECEIVE INCENTIVE BY CHEQUE:**

Could I have the mailing address where you would like the cheque mailed after the focus groups?

Mailing address: \_\_\_\_\_

City: \_\_\_\_\_

Province: \_\_\_\_\_ Postal Code: \_\_\_\_\_

And please confirm the spelling of your name: \_\_\_\_\_

**ALL :**

As these are very small groups and with even one person missing, the overall success of the group may be affected, I would ask that once you have decided to attend that you make every effort to do so. If you are unable to take part in the study, please call \_\_\_\_\_ (collect) at \_\_\_\_\_ as soon as possible so a replacement may be found. Please do not arrange for your own replacement.

So that we can call you to remind you about the focus group or contact you should there be any changes, can you please confirm your name and contact information for me? **[CONFIRM INFORMATION ALREADY COLLECTED AND CHANGE/COMPLETE AS NECESSARY]**

First Name: \_\_\_\_\_

Last Name: \_\_\_\_\_

Email: \_\_\_\_\_

Cell Phone: \_\_\_\_\_

Home Phone: \_\_\_\_\_

Work Phone: \_\_\_\_\_

If the respondent refuses to give his/her first or last name or phone number please assure them that this information will be kept strictly confidential in accordance with the privacy law and that it is used strictly to contact them to confirm their attendance and to inform them of any changes to the focus group. If they still refuse **THANK & TERMINATE.**

Thank you for your interest in our study. We look forward to hearing your thoughts and opinions!

Appendix B:  
Moderator's Guides

## ACR DISCUSSION GUIDE (SME/Tax Intermediaries)

### Introduction (10 Minutes)

- Thank participants for attending
- Guidance for how online sessions will take place
- Advise on the length of the session (up to 2 hours)
- Explain topic: discussing the Canadian tax system and the Canada Revenue Agency (CRA)
- Highlight recording of the discussion, government observers (participants are anonymous - observers do not know any personal information, are observing the groups to increase general understanding of the topics to be discussed)
- Highlight the fact that results are entirely confidential and reported all together/individuals are not identified/participation is voluntary
- Explain the role of moderator: to ask questions, to be timekeeper, to ensure everyone participates, and to be objective
- Assure participants that the moderator has no special interest in, or knowledge of, the issues discussed
- Explain role of participants: not expected to be experts, no need to agree with each other, speak openly and frankly about opinions and remember that there are no wrong answers
- Make sure participants are comfortable and in a quiet spot where they can be (mostly) uninterrupted
- Invite participants to introduce themselves: first name; where they live; and what type of business/organization they work for (NOTE: very high-level)

### Impressions of the CRA (15 Minutes)

Tonight, we are going to be speaking about the Canadian tax system and the Canada Revenue Agency, or the CRA. One thing you all have in common is you are all [INSERT SME: decision-makers for a small or medium business, INSERT TI: tax professionals who work with small or medium business clients].

*The Canada Revenue Agency is the agency of the federal government responsible for such things as: the collection of income tax, administration of the GST/HST (Goods and Services Tax/Harmonized Sales Tax), and the Canada Child Benefit Program. We are interested in talking with you tonight about the **business side** of your relationship with the CRA – we will be talking to others about the personal income taxes.*



- What are your impressions of the CRA, that is, the agency responsible for the implementation or operational function of managing the tax system? Imagine a scale from negative to positive; where do you stand on that scale in terms of your impressions of the CRA? Are you in the bottom half; top half? [Show scale on the screen – only positive, negative and neutral half-way point shown]
- Regardless of how you feel towards the CRA, what does the CRA do well?
- As far as you know, are there things that the CRA has improved in recent years?
- What can the CRA improve upon going forward?

## SERVICE GROUPS (total of 75 minutes)

### Current behaviour (15 minutes)

We will now move on to talk in more detail about business tax filing and your interactions with the CRA.

- **(SME) [POLL S1]** Answer a quick poll question before our discussion: Choose one of the following two statements that applies to your business: Our business taxes are completed and filed by someone outside of the organization (e.g., an accountant or tax filer); or an employee of the business is responsible for completing and filing the organization's taxes.
  - Why do you choose to have someone do them for you?
- **(Intermediary)** What are the biggest challenges you face when dealing with small business owners when it comes to taxes?
- **(Intermediary)** What do you think are the biggest challenges that small businesses face in dealing with the CRA? How do you feel the CRA can improve their relationship with small businesses?
- **(Intermediary)** And what are the biggest challenges you face as a tax intermediary in dealing with the CRA?
- **(All)** Do you find the process of filing taxes easier/more difficult in recent years? Why? Examples?
- **(SME)** What are your biggest challenges as a small business in interacting with the CRA?
- **(SME)** In your business, who normally receives and opens letters/mail? [deal with it themselves, read it and give to accountant/finance area, give it to accountant/finance area without reading]

- Is the process the same for business documents that come in the mail and those that are received electronically?  
What about correspondence from the CRA? Is this handled the same way in your business or is it treated differently?

## Online services (15 minutes)

As you know, the internet has become an increasingly important way that businesses operate and interact with their clients.

- In terms of your business operations, how have your online activities changed or evolved over the past few years? Explore: interactions, invoicing/payments, record-keeping, maintain website
- And in the past few years, how have your online habits changed in terms of preparing or filing **(SME)** your business taxes / **(TI)** taxes for your clients?
- Do you use My Business Account or Represent a Client?

### If yes:

- How often do you use it?
- What are your general impressions of My Business Account/Represent a Client?
- Does it have everything you need on there or is it missing anything you can think of?
- How confident are you in the security aspects of My Business Account/Represent a Client?
- Do you receive [**SME**: your/**TI**: the businesses you work with's] Corporation Notice of Assessment through My Business Account/Represent a Client or do you receive it by mail?
  - By mail: Is there a reason you choose to receive it by mail?

### If no:

- What would encourage you to sign up for My Business Account/Represent a Client?

### **ASK ALL**

- **[POLL S2]** Take a moment to answer a short poll question: Which of the following CRA online services do you use?:
  - Attach-a-document or Submit-a-document
  - Mobile application CRA BizApp
  - Auto-fill my return (available through certified tax software)

- Electronic payments
  - GST/HST Netfile
  - Business Registration Online
  - None of the above
- Which online service do you use?

## Protection of information (10 minutes)

The protection of taxpayer and personal information is a priority for the CRA. The Agency has strict safeguards in place to ensure that this information is protected from unauthorized access.

- Do you believe your personal and/or business information is safe with the CRA, or do you have doubts about its safety?
- What tools are you aware of that the CRA provides for taxpayers so they can keep their information safe? (eg. Two-stage authentication – verifying login with an email/text confirmation, account alerts [email notifications], etc)
  - If aware: Have you registered to receive email alerts when changes are made to your account?
  - If no: Is there a reason you have not registered?
- Do you feel that the CRA does enough to detect and prevent identity theft in the tax system?
  - **(SME)** If you thought your business may have been impacted by fraudulent activity, where would you go to find information or advice about what to do?
- Do you think the CRA does a good job explaining the way it operates to Canadian businesses (idea of transparency in processes)?

## CRA service experiences (35 minutes)

**[POLL S3]** Let's spend some time looking at various ways to interact with the CRA. Before we talk about this together, take a moment to answer a poll question:

- How have you been interacting with the CRA in the past couple of years? Choose all that apply from the options in a-f, or choose g if you have not had any interaction.

- a. I have corresponded with the CRA by mail
  - b. I have asked the CRA to send me documents by mail
  - c. I have been in contact with someone at the CRA (in-person, by mail, by phone)
  - d. I have visited the CRA website
  - e. I have reached out to the CRA through My Business Account/Represent a Client
  - f. I have corresponded with the CRA using social media
  - g. I have not been in contact with the CRA in the past couple of years, other than to file **(SME)** my business taxes/**(TI)** taxes for my clients
- Without going into too many details, why did you have to contact the CRA? **PROBE:** Was it to get general information relating to businesses? Were you seeking clarifications on information sent to you by the CRA? Other reasons?

**IF RELEVANT:** Some of you have been in touch with the CRA by mail or have asked to receive forms or guides by mail.

- If these documents were available through the CRA website or through My Business Account/Represent a Client as downloadable documents, would you access them through one of these options or would you still request a printed copy be mailed to you?
  - [IF PRINT] Why do you prefer receiving a printed copy by mail?
- Corresponding online with the CRA through My Business Account/Represent a Client is a feature that is currently available. Do you see any pros or cons to corresponding online or by mail? [NOTE FOR MODERATOR: THE CORRESPONDENCE IS SIMILAR TO EMAIL, IT IS NOT CHAT-BASED FUNCTIONALITY]
- When it comes to technology and services, do you perceive the CRA to be modern/up-to-date or outdated?
  - What do they do well in terms of using technology?
  - What is lacking?
- Do you consider the CRA to be efficient in how it generally operates?
- What role should the CRA should play in helping businesses learn about meeting their business tax obligations?
  - Is anyone aware of any products or services offered by the CRA to help businesses comply?

- What types of products or services do you feel would be valuable to small businesses?

Now, let's look at contacts you have had with the CRA and your service experience. **IF RELEVANT:** I see from the exercise you completed earlier that some of you have interacted with people at the CRA.

- How did this contact happen: by phone, by fax, by mail, by email/through My Business Account/Represent a Client?
- How was your service experience? What exceeded your expectations? What failed to meet your expectations?
  - Probe on the following service attributes: Wait time; Employee knowledge or understanding of the issue; Ease of understanding the information they provided to you; Consistency of the information provided; Feeling valued and respected; Resolving the issue in a timely fashion and to their satisfaction (e.g., reducing feelings of stress or frustration)
  - If expectations not met: In what way did the experience fall short of your expectations?
- What were your impressions of CRA staff in terms of how they served you?
  - Probe on the following service attributes: empathy; feeling valued and respected, helpful
  - **[ASK ALL]** What sorts of service attributes in an interaction with the CRA would leave you feeling satisfied with your experience?
- Were you assured that your transaction was completed (or would be completed within a specified timeframe)?
- Did you ever receive conflicting information?
  - What do you do if you feel as if the information given to you is incorrect? Do you verify elsewhere? If yes, where?

**[POLL S4]** Take a moment to answer another poll question (Moderator to use the chat function for this if it works better/participants cannot see the poll):

- Type in the three service qualities that are most important to you when you personally interact with the CRA (that could be by phone, fax, mail, email, or through My Business Account/Represent a Client).

- What are the top-3 service attributes most important to you when interacting with someone at the CRA?

Thinking about all the times you interacted with the CRA over the past few years...

- Following your interactions, did you feel more confident with what you had to do or with the information you were provided?
- Do you get the impression that the CRA's client service focus is improving, declining or remaining about the same?
  - (If declining) What should the CRA focus on to improve the client experience?
- Has anyone used the CRA's automated phone service?
  - **IF YES:** For what purpose? How was your experience?
  - **IF NO:** The automated phone service allows a caller to get quick answers to general questions without having to wait to talk to an agent. This is all automated and you navigate through the system by pressing numbers on your phone. Would you ever consider using the automated phone service? Why or why not?
  - Is there anything specific you would like to be able to do through the automated phone service?

## COMPLIANCE GROUPS (total of 75 minutes)

### Integrity of the tax system (20 minutes)

(SME) **[POLL C1]** Take a moment to answer a poll question:

- Here is a list of several things people could do that could be perceived as wrong. I would like you to mark the two you feel are the most serious.
  - a) Filing an inaccurate tax return in order to avoid paying what you really owe.
  - b) Paying cash for goods or services to avoid paying sales tax.
  - c) Running an Airbnb and not declaring it as income.
  - d) Not declaring profit earned from crypto-currency transactions.
  - e) Not declaring donations or gifts received from working as a social media influencer.
  - f) Selling products and/or services through online platforms without reporting the profits.

- Which ones are generally considered the most serious? Why is that – what makes them more serious?
- For the ones that were not chosen as often, why are they less serious?
- Let's focus on the last four (c,d,e,f) for a moment. Are there differences between them in terms of seriousness, or do you think of them as essentially the same thing?
  
- **(ALL)** Does anyone deal with crypto-asset activities or transactions [**SME:** in their business operations] [**TI:** when managing tax affairs for your clients]? One example of a crypto-asset would be crypto-currency, such as bitcoin.
- What types of practices [**SME:** does your business have] [**TI:** do your clients have] that involve crypto-assets?
- (SME) Do you feel knowledgeable on how different crypto-assets are taxed?
- (TI) How do you see the role of tax professionals, like yourselves, when it comes to crypto-asset compliance?

**(ALL)** The taxes Canadians pay is based on the amount of income they voluntarily disclose to the Government.

- Do you believe that most people you know follow tax rules, or not?

**(SME)** **[POLL C2]** Take a moment to answer another poll question – note that your answer will remain confidential; other participants will not see it:

- If you suspected someone you knew of tax cheating – say another business, what is the likelihood that you would report this person? 1-10 scale from 1 (not at all likely) to 10 (very likely).
  - Why would someone be likely to report this situation?
  - Why would someone be unlikely to report this situation?
  - What circumstances would affect your decision to report someone who is cheating?  
PROBE: Amount of money involved, person related to you, how well you know the person, how long the cheating has been going on.
  - [For unlikely to report] Would you report if you were certain that this person was tax cheating? Why/why not?
  - How would you go about reporting someone who is cheating on their taxes?
  
- **(TI)** Have you dealt with the CRA at all in the course of a client being audited? How was that experience? [PROBE on complexity/hassle/interpretation of tax laws]
  - How could the CRA better support [**SME:** you] / [**TI:** your clients] through an audit process?
  - How could CRA improve the experience?

## Underground economy and tax compliance/evasion (20 minutes)

As you may be aware, there is something called the underground economy<sup>1</sup>. A good example of this is a company that does not charge sales tax for goods or services they sell specifically to avoid declaring it as business revenue.

- Are you familiar with the term “underground economy”, or are there other terms you would use to describe this kind of behaviour/cheating?
- Do you feel that tax cheating amongst businesses is more common in certain sectors compared to others?
- How effective do you think the CRA is at finding and addressing issues involving people and businesses not paying their fair share of taxes?
- When it comes to compliance and how tax cheating is addressed, do you think that the CRA continually improves its enforcement approaches or use the most up-to-date tools, or do they continue to keep the same methods? What gives you this impression? What do you think the CRA is currently doing to address tax cheating?
- How do you feel about the CRA using publicly available information when investigating suspected cases of tax avoidance or evasion?
  - In what sorts of circumstances do you think this would be justified?
- Sometimes taxpayers or corporations that could owe large amounts of income taxes are referred to as “big fish”. What would it take to make you think the “big fish” are being adequately targeted and paying their “fair share” of income tax?
  - What would you want to know about these situations?
  - How would you expect to hear about it?

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<sup>1</sup> If necessary, clarify difference between “black market = illegal business activity – admittedly also not claimed for tax purposes” versus “underground economy = legal business activity but not claimed under tax reporting”



- If you were to hear about a local person or business prosecuted for tax evasion, what sounds like a big enough number to make you think it's a "big fish" that got caught?
- Are the terms "tax evasion" and "tax avoidance" referring to the same thing, or are they different concepts to you?
  - If no, how are they different?
  - Is one concept more serious or problematic than the other?
- When it comes to taxes, people can 'evade' paying taxes, so deliberately cheating, or they can 'avoid' paying taxes, where they benefit from finding loopholes in tax laws and pay less taxes.
  - Do you think one is a bigger problem than the other for the rest of Canadians who pay their fair share of taxes?
  - Do you think one is 'more wrong' than the other, perhaps not from a legal perspective, but from an ethical perspective?
- How serious of a problem do you think tax evasion by wealthy Canadians is?
  - What do you feel the impact is of this on all Canadians?
- Do you recall ever seeing a media release for a CRA criminal tax conviction?
  - Where do you recall seeing it? (newspaper, online, television, social media, other)
  - Do you think the CRA does an adequate job in communicating criminal convictions for tax evasion to the public?
- What role should the CRA play in educating Canadians about tax compliance?
  - How do you feel about the CRA asking a taxpayer to review and correct a previously filed tax return instead of just starting an audit? Is this a fair approach?

## Offshore compliance (15 Minutes)

You may have heard of multiple ways some people avoid or evade paying income tax...

- What, if anything, have you heard recently in the media about offshore tax havens? ***IF NEEDED, EXPLAIN:*** holding an offshore account does not necessarily mean an individual is evading taxes, but offshore tax havens are countries or places with low or no corporate taxes that allow outsiders to easily set up businesses there. They also typically limit public disclosure

about businesses and their owners. This makes it attractive for Canadian taxpayers or businesses to hide their revenues in those countries to avoid paying income tax in Canada.]

- How do you feel about those individuals and businesses who hide revenues offshore, in tax havens? Is this a big problem or a minor problem?
- Have you heard of any measures, tools or projects the CRA has put in place to stop individuals or businesses from hiding their revenue abroad to avoid taxes?
- Do you believe the CRA is doing enough to stop such offshore non-compliance? What makes you say that?
- How could the CRA better address this situation?
- How do you hear about news/developments relating to tax havens? How else/What else could the CRA do to communicate what is being done?
- **(TI)** How do you see the role of tax practitioners, like yourselves, when it comes to offshore compliance?
  - Are there any differences between smaller businesses with accountants and large accounting firms? Explain.
  - When there is media coverage about offshore tax havens, do you feel this affects the reputation of your industry?
  - Do you see your industry as a first line of compliance?

## Voluntary disclosures (15 minutes)

**[POLL C3]** Take a moment to answer another poll question – note that your answer will remain confidential; other participants will not see it:

- **(SME)** If you happened to look back at your business taxes from two years ago and discovered you should have paid another \$1,000, what would you do? Type in a few words to explain how you would react in this situation.
  - What would you do in this situation? [Probe on motivations for anything that sounds like compliant behaviour versus “It’s the CRA’s problem to follow up” or similar]
  - What if the amount was \$10,000?

- **(TI)** If a client of yours came to you with some overlooked income from two years ago that would mean they owed another \$1,000, what would you do? Type in a few words to explain how you would react in this situation.
  - What would you do in this situation? [Probe on motivations for anything that sounds like compliant behaviour versus “It’s the CRA’s problem to follow up” or similar]
  - What if the amount was \$10,000?

[**TI:** As some of you may be aware,] The CRA has a program called the Voluntary Disclosures Program. It grants relief on a case-by-case basis to taxpayers or registrants who voluntarily come forward to fix errors or omissions in their tax filing before the CRA discovers the issue. With this approach, taxpayers and businesses avoid legal prosecution or penalty fines that would be applied if the CRA had found the issue, while the person or business would still have to pay the additional tax owed, plus interest (either in part of in full) that results from the correction.

- How do you feel about this program? What are the benefits? What are the drawbacks?
- Should the program (and forgiveness) be different for average Canadians compared to very wealthy Canadians?

## **Attitudes towards debt (10 minutes)**

I’d like to talk about debt for a few minutes...

- **(SME)** Without sharing anything about your personal circumstances, how do you feel in general towards debt?
- **(SME)** How does a tax amount owing to the CRA compare to other debt?
- **(TI)** In general, how do you think your clients see tax amounts owing to the CRA? Do you think it is perceived the same or differently than any other type of business-related debt?
- What options should taxpayers have when it comes to paying the tax amounts they owe to the CRA?
  - Should those options be different depending on the amount owed? And depending on the type of taxpayer – big fish/little fish?

- **(SME)** Do you know what recourses you have available to you if you disagree with a tax amount owing?

### **Conclusion (5 minutes)**

We have covered a lot of topics today and I really appreciate you taking the time and energy to give your opinion. Your input is very important and insightful!

- To conclude, I wanted to ask you whether you have any last thoughts that you want to provide to the CRA.

[INSTRUCTIONS FOR INCENTIVE]

Mention final report from the research will be available through Library and Archives Canada in about 6 months.

Thank you very much and have a wonderful evening!

# DISCUSSION GUIDE- ANNUAL CORPORATE RESEARCH (General Population)

## SERVICE & COMPLIANCE

### **Introduction (10 Minutes)**

- Thank participants for attending
- Guidance for how online sessions will take place
- Advise on the length of the session (up to 2 hours)
- Explain topic: discussing the Canadian tax system and the Canada Revenue Agency (CRA)
- Highlight recording of the discussion, government observers (participants are anonymous - GoC observers do not know any personal information, are observing the groups to increase general understanding of the topics to be discussed)
- Highlight the fact that results are entirely confidential and reported all together/individuals are not identified/participation is voluntary
- Explain the role of moderator: to ask questions, to be timekeeper, to ensure everyone participates, and to be objective
- Assure participants that moderator has no special interest in, or knowledge of, the issues discussed
- Explain role of participants: not expected to be experts, no need to agree with each other, speak openly and frankly about opinions and remember that there are no wrong answers
- Make sure participants are comfortable and in a quiet spot where they can be (mostly) uninterrupted
- Invite participants to introduce themselves: first name; where they live; and what they like to do in their spare time

### **Impressions of CRA (15 Minutes)**

Tonight, we are going to be speaking about the Canadian tax system and the Canada Revenue Agency, or the CRA.

- Overall, what are your impressions of Canada's tax system? What kinds of words would you use to describe our system?
- Now, let's focus on the Canada Revenue Agency, or the CRA, more specifically. From what you know, what does the CRA do exactly?

Here is a brief overview of what the CRA does, just so everyone is on the same page:

*The Canada Revenue Agency is the agency of the federal government responsible for such things as: the collection of income tax, administration of the GST/HST (or Goods and Services Tax), and the*

*Canada Child Benefit Program. The CRA does not determine the level of taxation, it only administers our tax system.*

- What are your general impressions of the CRA, either from personal experience or based on what you have seen, read or heard? Imagine a scale from negative to positive; where do you stand on that scale in terms of your impressions of the CRA? Are you in the bottom half; top half? [Show scale on the screen – only positive, negative and neutral half-way point shown]
- Regardless of how you feel towards the CRA, what does the CRA do well?
- What can the CRA improve upon?
- As far as you know, are there things the CRA has improved in recent years?

## SERVICE GROUPS (total of 75 minutes)

### Current behaviour (15 minutes)

We will now move on to talk in more detail about tax filing and your interactions with the CRA. I'd like to ask you to try to keep in mind throughout the remaining questions how your previous [pre-COVID] opinions and impressions may have changed based on your experiences relating to the services you received from the CRA over the past year. I won't specifically ask about the emergency benefits in each section, but encourage you to share any related thoughts you have when it's relevant.

Let's talk for a few minutes about tax filing. I am interested in learning a bit more about the process that you go through each year when you do your taxes.

- **Raise your hand** (virtually) if you have someone else do your taxes for you
  - If someone does it for you, who are they? Why do you get them to do it? [DON'T GIVE INDIVIDUAL OR COMPANY NAMES]
- Do you usually file your taxes on time, or submit them late? [Probe for reasons]
- How do you usually file your taxes? (online, mail, etc.)
  - For online: Do you purchase a tax software or use a free one? What helps you decide which product to use?
- Do you find the process easier or more difficult in recent years? Why?
- [ASK ALL] Do you recall having received correspondence from the CRA? If so, how? [PROBE FOR ONLINE VS. MAIL, PROBE FOR IF THEY REQUESTED IT OR THE CRA ASKED FOR IT]
  - Just in a general sense without revealing specifics, what was this information about?
  - What did you do with it? How useful was it to you, if at all?
- Have you experienced personal circumstances that affected your ability to file your income tax or access benefits?

- Do you think the CRA is doing enough to make sure that their services are equally available to all Canadians? What could they do differently?

## Online services (15 minutes)

As you know, the internet has become an increasingly important what that people communicate and interact with institutions.

- In terms of your personal finances, how have your online habits changed over the past few years? Explore: receiving bills online versus mail, banking, purchases
- And in the past few years, how have your online habits changed in terms of preparing or filing your income taxes? And how about in terms of accessing other government services online?
- What do you think caused or encouraged this change? [NOTE TO MODERATOR: pandemic will likely be raised, caution to not spend too much time outside scope of research]

**[POLL 1-2]** Take a moment to answer a couple of poll questions:

The CRA's "My Account" is a secure portal that lets you view your personal income tax and benefit information and manage your tax affairs online.

- Have you heard of the CRA online service called MyAccount before today? Yes/No
- Have you set up MyAccount for yourself? Yes/No/Cannot recall

If yes:

- How often do you use it?
- What are your general impressions of MyAccount?
- Does it have everything you need on there or is it missing anything you can think of?
- What confidence do you have in the security aspects of MyAccount?
- Do you receive your Notice of Assessment through MyAccount or do you receive it by mail?
  - If by mail: Why do you choose to receive it by mail?

If no:

- What would encourage you to sign up for My Account?

## Protection of information (10 minutes)

The protection of taxpayer and personal information is a priority for the CRA. The Agency has strict safeguards in place to ensure that this information is protected from unauthorized access.

- Do you believe your personal and/or business information is safe with the CRA, or do you have doubts about this?

- What tools are you aware of that the CRA provides for taxpayers so they can keep their information safe? (eg. Two-stage authentication – verifying login with an email/text confirmation, account alerts [email notifications], etc)
  - If aware: Have you registered your email to receive alerts when changes are made to your account?
  - If no: Is there a reason you have not registered?
- Do you feel that the CRA does enough to detect and prevent identity theft in the tax system?
  - If you thought you may have been a victim of identity theft, where would you go to find information or advice about what to do?
- Do you think the CRA does a good job explaining the way it operates to Canadians (idea of transparency in processes)?

### **CRA Service Experiences (25 minutes)**

**[POLL 3]** Let's spend some time looking at various ways to interact with the CRA. Before we talk about this together, take a moment to answer a poll question:

- How have you been interacting with the CRA in the past couple of years? Choose all that apply from the options in a-f, or choose g if that is your response.
  - a. I have corresponded by mail with the CRA
  - b. I have asked the CRA to send me forms or guides by mail
  - c. I have been in contact with someone at the CRA (in-person, by mail, by phone)
  - d. I have visited the CRA website
  - e. I have reached out to the CRA through MyAccount
  - f. I have corresponded using social media
  - g. I have not been in contact with the CRA in the past couple of years, other than to file my taxes

**IF RELEVANT:** Some of you have been in touch with the CRA by mail or have asked to receive forms or guides by mail.

- If these documents were available through the CRA website or through MyAccount as downloadable documents, would you access them through one of these options or would you still request a printed copy be mailed to you?
  - [IF PRINT] Why do you prefer receiving a printed copy by mail?
- Corresponding online with the CRA through MyAccount is a feature that is currently available. Do you see any pros or cons to corresponding online or mail? [NOTE FOR MODERATOR: THE CORRESPONDENCE IN MY ACCOUNT IS SIMILAR TO EMAIL, IT IS NOT CHAT-BASED FUNCTIONALITY]



- When it comes to technology and services, do you perceive the CRA to be modern/up-to-date or outdated?
  - What do they do well in terms of using technology?
  - What is lacking?
- Do you consider the CRA to be efficient in how it generally operates?

Now, let's look at contacts you have had with the CRA and your service experience. **IF RELEVANT:** I see from the exercise you completed earlier that some of you have interacted with people at the CRA.

- How did this contact happen: by phone, by fax, by mail, by email/through MyAccount?
- How was your service experience? What exceeded your expectations? What failed to meet your expectations?
  - Probe on the following service attributes: Wait time; Employee knowledge or understanding of the issue; Ease of understanding the information they provided to you; Consistency of the information provided; Feeling valued and respected; Resolving the issue in a timely fashion and to their satisfaction (e.g., reducing feelings of stress or frustration)
  - If expectations not met: In what way did the experience fall short of your expectations?
- What were your impressions of CRA staff in terms of how they served you?
  - Probe on the following service attributes: empathy; feeling valued and respected, helpful
- Were you assured that your transaction was completed (or would be completed within a specified timeframe)?
- Did you ever receive conflicting information?
  - What do you do if you feel as if the information given to you is incorrect? Do you verify elsewhere? If yes, where?

**[POLL 4]** Take a moment to answer another poll question:

- Type in the three service qualities that are most important to you when you personally interact with the CRA (that could be by phone, fax, mail, email, or through MyAccount).
- What are the top-3 service attributes most important to you when interacting with someone at the CRA?

Thinking about all times you interacted with the CRA over the past few years...

- Following your interactions, did you feel more confident with what you had to do or with the information you were provided?
- Do you get the impression that CRA's client service focus is improving, declining or remaining about the same?

- (If declining) What should the CRA focus on to improve the client experience?

## Teaching taxes/Tax education (10 minutes)

- Thinking as far back as you can, how did you learn about doing your income taxes?
- What would be the best way for someone to learn about this? And at what age? Probe for: parents; school; online
- Are there programs/services currently in place that do this?
- For you personally, what do you feel would be most worthwhile to be taught? (i.e. the filing process alone, benefits/credits available, different ways to file, etc.)
- When you need information/advice about taxes, where do you look?

## COMPLIANCE GROUPS (total of 75 minutes)

### Integrity of the Tax System (20 minutes)

[POLL C1] Take a moment to answer a poll question:

- Here is a list of several tax-related things people could do that could be perceived as wrong. I would like you to mark the two you feel are the most serious.
  - a) Filing an inaccurate tax return in order to avoid paying what you really owe.
  - b) Paying cash for goods or services to avoid paying sales tax.
  - c) Running an Airbnb and not declaring it as income
  - d) Not declaring profit earned from crypto-currency transactions
  - e) Not declaring donations or gifts received from working as a social media influencer
  - f) Selling products and/or services through online platforms without reporting the profits
- Which ones are generally considered the most serious? Why is that – what makes them more serious?
- For the ones that were not chosen as often, why are they less serious?
- Let's focus on the last four (c,d,e,f) for a moment. Are there differences between them in terms of seriousness, or do you think of them as essentially the same thing?

The income tax Canadians pay is based on the amount of income they voluntarily disclose to the Government.

- Do you believe that most people you know follow tax rules, or not?
- What are the implications of people not paying their fair share of taxes? What are the impacts on you/Canada/CRA when people do not pay their fair share?

**[POLL 2]** Take a moment to answer another poll question – note that your answer will remain confidential; other participants will not see it:

- If you suspected someone you knew of tax cheating – say a family member, friend or colleague, what is the likelihood that you would report this person? 1-10 scale from 1 (not at all likely) to 10 (very likely).
  - Why would someone be likely to report this situation?
  - Why would someone be unlikely to report this situation?
  - What circumstances would affect your decision to report someone who is cheating? PROBE: Amount of money involved, person related to you, how well you know the person, how long the cheating has been going on.
  - Would you report someone close to you – a family member you live with for example - if you were certain that this person was tax cheating? Why/why not?
  - How would you go about reporting someone who is cheating on their taxes?

## **Underground Economy and Tax Compliance/Evasion (20 minutes)**

As you may know, there is something called the underground economy<sup>2</sup>. A good example of this is paying cash for a service or a product specifically to avoid paying the sales tax (e.g., home improvement, car repair) or making side income from selling or providing goods or services that isn't reported on income taxes.

- Are you familiar with the term “underground economy”, or are there other terms you would use to describe this kind of behaviour/cheating?
- Do you feel that tax cheating is more common in certain income brackets compared to others?
- How effective do you think the CRA is at finding and addressing issues involving people not paying their fair share of taxes?
- In your opinion, is the CRA better/worse than tax administrations in other developed countries?
- When it comes to compliance and how tax cheating is addressed, do you think that the CRA continually improves its enforcement approaches or use the most up-to-date tools, or do they continue to keep the same methods? What gives you this impression? What do you think the CRA is currently doing to address tax cheating?

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<sup>2</sup> If necessary, clarify difference between “black market = illegal business activity – admittedly also not claimed for tax purposes” versus “underground economy = legal business activity but not claimed under tax reporting”

- How do you feel about the CRA using publicly available information when investigating suspected cases of tax avoidance or evasion?
  - In what sorts of circumstances do you think this would be justified?
- Sometimes taxpayers or corporations that could owe large amounts of income taxes are referred to as “big fish”. What would it take to make you think the “big fish” are being adequately targeted and paying their “fair share” of income tax?
  - What would you want to know about these situations?
  - How would you expect to hear about it?
  - If you were to hear about a local person or business prosecuted for tax evasion, what sounds like a big enough number to make you think it's a “big fish” that got caught?
- What role should the CRA play in educating Canadians about tax compliance?
  - How do you feel about the CRA asking a taxpayer to review and correct a previously filed tax return instead of just starting an audit? Is this a fair approach?
- Are the terms “tax evasion” and “tax avoidance” referring to the same thing, or are they different concepts to you?
  - If no, how are they different?
  - Is one concept more serious or problematic than the other?
- How serious of a problem do you think tax evasion by wealthy Canadians is?
  - What do you feel the impact is of this on Canadians?
- Do you recall ever seeing a media release for a CRA criminal tax conviction?
  - Where do you recall seeing it? (newspaper, online, television, social media, other)
  - Do you think the CRA does an adequate job in communicating criminal convictions for tax evasion to the public?

## Offshore compliance (15 Minutes)

You may have heard of multiple ways some people avoid or evade paying income tax...

- What, if anything, have you heard recently in the media about offshore tax havens? **[IF NEEDED, EXPLAIN:** holding an offshore account does not necessarily mean an individual is evading taxes, but offshore tax havens are countries or places with low or no corporate taxes that allow outsiders to easily set up businesses there. They also typically limit public disclosure about companies and their owners. This makes it attractive for Canadian taxpayers or companies to hide their revenues in those countries to avoid paying income tax in Canada.]

- How do you feel about those individuals and companies who hide revenues offshore, in tax havens? Is this a big problem or a minor problem?
- Have you heard of any measures, tools or projects the CRA has put in place to stop individuals or companies from hiding their revenue abroad to avoid taxes?
- Do you believe the CRA is doing enough to stop such offshore non-compliance? What makes you say that?
- How could the CRA better address this situation?
- How do you hear about news/developments relating to tax havens? How else/What else could the CRA do to communicate what is being done?
- When it comes to taxes, people can 'evade' paying taxes, so deliberately cheating, or they can 'avoid' paying taxes, where they benefit from finding loopholes in tax laws and pay less taxes.
  - Do you think one is a bigger problem than the other for the rest of Canadians who pay their fair share of taxes?
  - Do you think one is 'more wrong' than the other, perhaps not from a legal perspective, but from an ethical perspective?

## **Voluntary disclosures (15 minutes)**

Let's make things a bit more personal...

**[POLL 3]** Take a moment to answer another poll question – note that your answer will remain confidential; other participants will not see it:

- If you happened to look back at your taxes from two years ago and discovered you should have paid another \$1,000 in income tax, what would you do? Type in a few words to explain how you would react in this situation.
  - What would you do in this situation? [Probe on motivations for anything that sounds like compliant behaviour versus "It's the CRA's problem to follow up" or similar]
  - What if the amount was \$10,000?

The CRA has a program called the Voluntary Disclosure Program. It grants relief on a case-by-case basis to taxpayers who voluntarily come forward to fix errors or omissions in their tax filing before the CRA discovers the issue. With this approach, taxpayers and businesses avoid legal prosecution or penalty fines that would be applied if the CRA had found the issue, while the person or business would still have to pay the additional tax owed, plus interest (either in part or in full) that results from the correction.

- How do you feel about this program? What are the benefits? What are the drawbacks?
- Should the program (and forgiveness) be different for average Canadians compared to very wealthy Canadians?

- If a mistake is caught by the CRA, a corrected tax return is provided and a revised refund/amount owing is automatically provided. How do you feel about this way of notifying taxpayers about errors on prior tax returns?

## **Attitudes towards debt (10 minutes)**

I'd like to talk about debt for a few minutes...

- Without sharing anything about your personal circumstances, how do you feel in general towards debt?
- How does a tax amount owing to [the CRA](#) compare to other debt?
- What options should taxpayers have when it comes to paying the tax amounts they owe to the CRA?
  - Should those options be different depending on the amount owed? And depending on the type of taxpayer – big fish/little fish?
- Do you know what recourses you have available to you if you disagree with a tax amount owing?

## **Conclusion (5 minutes)**

We have covered a lot of topics today and I really appreciate you taking the time and energy to give your opinion. Your input is very important and insightful!

- To conclude, I wanted to ask you whether you have any last thoughts that you want to provide the CRA.

[INSTRUCTIONS FOR INCENTIVE]

Mention final report from the research will be available through Library and Archives in about 6 months.

Thank you very much and have a wonderful evening!