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Agence du revenu
du Canada

Public attitudes towards tax avoidance and evasion conducted by High Net Worth Individuals (HNWI)

Final Report

Prepared for the Canada Revenue Agency

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Canada

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September 2022

The Canada Revenue Agency (CRA) commissioned Environics Research to conduct a quantitative telephone (CATI) survey of 1,600 Canadians, 18 years of age and over to explore Canadian public attitudes on the perceived prevalence of non-compliance among high net worth individuals and related entities in the Canadian context and perceptions around the possible consequences involved.

Cette publication est aussi disponible en français sous le titre : Attitudes du public à l'égard de l'évitement fiscal et de l'évasion fiscale des particuliers fortunés.

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Executive summary

1. Background and objectives

Canada has one of the highest voluntary tax compliance rates in the world, but despite this there is a segment of high net worth individuals who use various strategies of tax avoidance and evasion to avoid paying what they owe. (NB: “Tax avoidance” is when someone dodges paying their taxes through schemes that may be technically legal but that push the limits of the law and could still lead to legal trouble. “Tax evasion” is when someone illegally hides income or assets or lies to deliberately avoid paying taxes. Tax evasion can lead to fines or even jail time.)

One of the core mandates of the Canada Revenue Agency (CRA) is ensuring that people and businesses appropriately report and pay the taxes that they owe. The CRA sought to better understand Canadian public perception of tax avoidance and evasion among HNWI and related entities in the Canadian context, awareness of possible consequences, perceptions of the CRA’s effectiveness in addressing tax avoidance and evasion, and awareness and likelihood to participate in the Offshore Tax Informant Program. The results of the research will serve as baseline indicators, which can allow for measuring the impact of efforts under the High Net Worth Compliance Directorate’s 2022-2023 Strategic Plan.

2. Key findings

Perception of prevalence and impact of tax avoidance and evasion

- Four-in-ten (42%) Canadians believe tax avoidance and evasion has become more of a problem over the past couple of years.
- Canadians see two main types of problems with tax avoidance and evasion by wealthy individuals: One set of problems include that it is unfair (24%), illegal (11%), immoral (8%) or causes class divides (5%). Another set of problems identified include that it causes others to have to pay higher taxes (22%), causes a loss of revenue for governments (21%), causes spending and service cuts (8%) and that affects the economy and social benefits (6%). Just six percent feel it is not a problem at all.

CRA performance when it comes to High Net Worth Individuals (HNWIs)

- A slight majority of Canadians think the CRA does an excellent or good job at ensuring individuals pay the taxes they owe (51%); this proportion drops by half when asked about the job the CRA does in making sure wealthy Canadians pay their fair share of taxes (26%) or that large corporations pay the taxes they owe (25%).
- The vast majority agree that the CRA needs to pursue HNWI tax avoiders/evaders and eliminate the tax loopholes they use (90%) and that tax avoidance and evasion by the wealthy leads to higher taxes for everyone else (82%). Three-quarters also agree that the wealthy will always find a way to avoid paying their taxes, no matter what the CRA does (74%). A majority (54%) disagree with the notion that there is nothing wrong with wealthy people finding legal ways to pay as little tax as possible.

- To a majority of Canadians, the CRA identifying and taking action on a multi-million-dollar scheme (57%) and developing new technologies for auditors (55%) have the most positive impact on their opinions of the organization's efforts
- Just over half believe the CRA is putting too little effort into detecting tax evasion by the wealthy (53%), three in ten say CRA is putting the right amount of effort into this (29%). Only five percent believe the CRA is doing too much.

Offshore Tax Informant Program (OTIP)

- There is very low awareness of the Offshore Tax Informant Program (OTIP) with only one in ten Canadians (11%) saying they had heard of it prior to the survey. The OTIP offers financial rewards to individuals who provide information on major international tax evasion and aggressive tax avoidance that leads to the collection of taxes owing.
- Fifty-eight percent of Canadians say they would feel comfortable coming forward if they had information on someone involved in major offshore tax evasion, while thirty-seven percent would not.
- The main reason some people would be uncomfortable coming forward to the OTIP is fear of retribution from the person being informed on (31%); others mention feeling it is none of their business (14%), not knowing all the facts (12%), not wanting to be a "snitch" (11%) or feeling it would be too much trouble (10%).
- About half of Canadians would be more likely to come forward with offshore tax evasion information if done by a large corporation (52%) or by an accountant (47%) and just over four in ten would also be more likely to inform on a wealthy person (43%); Canadians are more divided in the case of informing on tax evasion by a middle-class person with 22 percent saying they would be more likely to inform on them, 25 percent saying they would be less likely and 46 percent saying it would make no difference to them.

Awareness of penalties and consequences

- While half of Canadians believe wealthier people should face heavier penalties for tax evasion/avoidance, four in ten feel that everyone should face the same penalty regardless of income (38%). An additional ten percent say it should depend on the amount of tax involved.
- Most Canadians feel that financial advisors should be held accountable for helping wealthier people avoid taxes, either by facing the same (54%) or heavier penalties (35%) than their clients.

3. Methodology

Environics Research conducted a quantitative computer assisted telephone interview (CATI) survey of 1,601 Canadians, 18 years of age and over. The telephone survey was a probability sample.

The sample was stratified by region as outlined below and the margins of error at the 95% confidence level is also provided.

Region	Actual share of population (Census 2021)	Unweighted Sample	Margin of Error*
Atlantic Canada	7%	160	+/- 7.7
Quebec	23%	401	+/- 4.9
Ontario/Nunavut	38%	480	+/- 4.5
Prairies/NWT	18%	320	+/- 5.5
B.C./Yukon	14%	240	+/- 6.3
CANADA	100%	1,601	+/- 2.4

* In percentage points, at the 95% confidence level

More information about the methodology for this survey is included in Appendix A.

4. Cost of research

The cost of this research was \$98,672.39 (HST included).

5. Political neutrality statement and contact information

I hereby certify as a senior officer of Environics that the deliverables fully comply with the Government of Canada political neutrality requirements outlined in the Communications Policy of the Government of Canada, and Procedures for Planning and Contracting Public Opinion Research. Specifically, the deliverables do not include information on electoral voting intentions, political party preferences, standings with the electorate, or ratings of the performance of a political party or its leaders.

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Detailed findings

Background

Canada has one of the highest voluntary tax compliance rates in the world, but despite this there is a segment of high net worth individuals who use various strategies of tax avoidance and evasion to avoid paying what they owe. (NB: “Tax avoidance” is when someone dodges paying their taxes through schemes that may be technically legal but that push the limits of the law and could still lead to legal trouble. “Tax evasion” is when someone illegally hides income or assets or lies to deliberately avoid paying taxes. Tax evasion can lead to fines or even jail time.) This deprives Canadian governments of critical revenue sources that help fund essential programs and services such as health care, childcare, education and infrastructure.

Past surveys have indicated a low degree of public awareness of the CRA’s High Net Worth (HNW) individual compliance activities and in recent years there has been criticism of the CRA for not doing enough to address tax avoidance amongst the HNW population. The issue of tax avoidance and evasion within the high wealth population has been amplified more recently by media coverage of such issues as the Pandora, Panama, Paradise, and Bahamas Papers which has given the public a window into the tax behaviours of wealthy, and sometimes high profile, individuals who are using tax havens to avoid paying their fair share of taxes. In addition, the COVID-19 pandemic has also shone a more critical light on wealthy taxpayers and has highlighted the inequities between the rich and the poor both within countries and across borders. It has also shown how international tax avoidance and evasion by HNW individuals has accelerated, further depriving governments of needed revenues.

Research rationale and objectives

The CRA sought to explore Canadian public attitudes on the perceived prevalence of non-compliance among HNWIs and related entities in the Canadian context and perceptions around the possible consequences involved. This research project directly supports the Government of Canada priority to strengthen the work of the CRA to combat aggressive tax planning, tax avoidance and tax evasion that allows the wealthiest to avoid paying the taxes that they owe. It will also support the Corporate Business Plan priorities of maintaining fairness in Canada's tax and benefits administration and fostering an innovative and data-driven organization. The results of the research will serve as baseline indicators, which can allow for measuring the impact of efforts under the High Net Worth Compliance Directorate’s 2022-2023 Strategic Plan.

The research objectives are to explore the following topics:

- If tax avoidance/evasion among HNW individuals is increasing
- Understanding of the impacts resulting from HNW tax avoidance/evasion
- Perceptions of how effective the CRA is at dealing with users of avoidance schemes
- Perceptions on the likelihood that CRA will detect avoidance activity
- Awareness of penalties and consequences of tax avoidance
- Awareness of the Offshore Tax Informant Program and likelihood of coming forward.

Note: Some columns and rows may not add to 100% due to rounding or multiple mentions. Any base sizes not indicated are total sample.

I. Perceptions of prevalence and impact of tax avoidance and evasion

1. Tax evasion by the wealthy as a problem

Canadians are divided as to whether tax evasion, which involves deliberately and illegally hiding income or information to pay less tax, by the wealthy has become more of a problem over the past couple of years or has stayed the same.

Four in ten Canadians (42%) think tax evasion by the wealthy has become more of a problem in the past couple of years; half think it has remained about the same as before (45%) or has improved (3%).

Evolution of tax evasion by the wealthy as a problem

Q6 Over the past couple of years, do you think tax evasion by Canada's wealthy has become...

Problem level	Total (n=1,601)
More of a problem	42%
Less of a problem	3%
Has remained about the same as before	45%
Never has been a problem	<1%
Not sure	9%

Those most likely to think tax evasion has become more of a problem include those aged 55 and over (48%), Quebecers (47%) and those with a high school education or less (47%). Those least likely to think this has become more of a problem include those aged 18-34 (35%), those with a household income of \$150K or higher (37%) and those with a post-graduate degree (32%).

2. Problems caused by tax avoidance/evasion by the wealthy

There are three main problems caused by HNWI tax avoidance and evasion according to Canadians: that it is unfair, that it causes others to pay higher taxes and that it causes a loss of revenue for governments.

When asked about their thoughts on why tax avoidance and evasion is a problem, Canadians responded that they are mostly concerned with the fact that it is unfair, with one-quarter (24%) feeling this way. One-fifth each believe it is a problem because the rest of Canadians end up paying higher taxes (22%) and the government faces a loss of revenue (21%). Just six percent feel tax avoidance/evasion is not a problem.

Problems of tax avoidance/evasion by the wealthy

Q2 When wealthy individuals take part in tax avoidance and tax evasion activities, how is it a problem, if at all?

Problems mentioned	Total (n=1,601)
It is unfair	24%
The rest of us pay higher taxes	22%
Loss of revenue for governments	21%
It is illegal	11%
Causes spending and service cuts	8%
It is immoral/unethical	8%
Affects economy / government/social benefits	6%
Affects the poor / lower & middle class/creates divide between classes	5%
It's a problem (unspecified)	4%
Owe it to society/community / country / citizens	4%
Lax legal system/legislation	2%
Less accountability on the wealthy / Rich get away with it	2%
Other	4%
It is not a problem	6%
Don't know	9%

There is a relatively low demographic or regional variation in the reasons why Canadians feel that tax avoidance/evasion by the wealthy is a problem. Atlantic Canadians are somewhat more likely to mention that it is unfair (30%) and that it means a loss of revenue for governments (30%). Quebecers are less likely than other Canadians to feel that the problem is that it causes the rest of us to pay higher taxes (13%) or that it causes a loss of revenue (16%).

II. CRA performance on HNWI Tax evasion

1. Rating of the CRA’s performance in ensuring taxes owed are paid

Half of Canadians think the CRA does an excellent or good job at ensuring individuals pay the taxes they owe; just one-quarter rate it as doing a good or excellent job of making wealthy Canadians and large corporations pay the taxes they owe.

Half of Canadians (51%) believe the CRA does an excellent or good job at making sure individuals pay the taxes they owe. They give the CRA much lower ratings when it comes to making sure wealthy Canadians (26%) or big companies pay their fair share of taxes (25%). It is notable that one-third of Canadians give the CRA a poor rating on these two attributes.

Rating of CRA performance

Q3 Would you say that the CRA does an excellent, good, just satisfactory or poor job in each of the following areas?

Rating	NET: Excellent/ Good	Excellent	Good	NET: Just Satisfactory/ Poor	Just Satisfactory	Poor	Not sure
Making sure individuals pay the taxes they owe	51%	12%	39%	38%	26%	11%	11%
Making sure that wealthy Canadians pay their fair share of taxes	26%	5%	21%	59%	25%	34%	15%
Making sure big companies pay the taxes they owe	25%	4%	21%	57%	25%	32%	17%

Albertans tend to give the CRA higher ratings when it comes to ensuring that wealthy Canadians pay their fair share of taxes (35% good/excellent) and that corporations pay what they owe (33%), as are those aged 18-34 (33% each).

Those with full-time employment are more likely to say the CRA does a good or excellent job of making sure individuals (54%) and large companies (27%) pay what they owe compared to retirees (45% and 19%, respectively). It is notable that those with household incomes over \$150,000/year give the CRA about the same rating on the job it does of making wealthy Canadians pay their fair share of taxes.

2. Statements about tax avoidance and evasion by the wealthy

Canadians overwhelmingly agree that the CRA needs to pursue wealthy tax avoiders/evaders and close loopholes, even though most also agree that the wealthy will always find a way to avoid paying their fair share of taxes.

Nine in ten agree that the CRA needs to pursue wealthy tax avoiders and evaders and eliminate the tax loopholes they use (90%); eight in ten agree their tax avoidance and evasion leads to higher taxes for everyone else (82%); three-quarters agree at least to some extent that the wealthy will always find a way to avoid paying their fair share of taxes (74%); and most (54%) disagree with the notion that there is nothing wrong with wealthy people finding legal ways to pay as little tax as possible.

Agreement with statements about tax avoidance/evasion by the wealthy

Q4 Do you strongly agree, somewhat agree, somewhat disagree or strongly disagree with each of the following statements?

Agreement with statements	NET Agree	Strongly agree	Somewhat agree	Somewhat disagree	Strongly disagree	Not sure
The CRA needs to pursue wealthy tax avoiders and evaders and eliminate the tax loopholes they use	90%	67%	23%	5%	3%	3%
Tax avoidance and evasion by the wealthy leads to higher taxes for everyone else	82%	58%	24%	8%	5%	5%
No matter what the CRA does, the wealthy will always find a way to avoid paying their fair share of taxes	74%	37%	37%	12%	9%	5%
There is nothing wrong with wealthy people finding legal ways to pay as little tax as possible	43%	19%	24%	18%	36%	2%

Canadians aged 65 and older are more likely than those aged 18-34 to strongly agree with several statements: that the CRA needs to pursue wealthy tax avoiders/evaders and eliminate loopholes (73% vs. 58%); that tax avoidance/evasion by the wealthy leads to higher taxes for everyone else (65% vs. 44%); and that no matter what, the wealthy will always find a way to avoid paying their fair share (43% vs. 27%).

Men (50%) and those with household incomes of \$150K or higher (58%) are more likely than women (38%) and those with household incomes of less than \$40k (38%) to agree that there is nothing wrong with wealthy people finding legal ways to pay as little as possible.

Those with post-graduate degrees are less likely than those with high school education or less (78% compared to 68%) to believe that no matter what the CRA does, wealthy people will always find a way to avoid paying their fair share of taxes.

3. Impact of awareness of CRA activities on overall impressions

Hearing about the CRA's specific efforts to reduce tax avoidance and evasion by the wealthy has a positive impact on overall perceptions of the job the CRA is doing.

To a majority of Canadians, the CRA identifying and taking action on a multi-million-dollar scheme (57%) and developing new technologies for auditors (55%) has the most positive impact on their opinions of the organization's efforts. Just under half feel the CRA building new techniques to identify tax avoiders/evaders (49%), ensuring wealthy taxpayers follow the rules (48%), and hiring new auditors to have more of an impact.

Impact of CRA efforts to reduce tax avoidance/evasion

Q5 I'm going to read you a list of things the CRA is doing to try to reduce tax avoidance and evasion by the wealthy. What impact does hearing each have on your opinion of the job the CRA is doing? Please use a scale of 1 to 5 where "1" means it has no impact at all and "5" means it has an extremely positive impact.

Effort impacts	NET: More impact (4-5)	Extremely positive impact (5)	4	3	2	No impact at all (1)	Negative impact	Not sure
The CRA identified a multi-million-dollar tax scheme and took action against the organizer and 35 participants	57%	34%	24%	21%	7%	7%	<1%	8%
The CRA has developed new technology to help their auditors manage large amounts of data	55%	27%	27%	23%	8%	7%	<1%	7%
The CRA has built new techniques to help identify taxpayers that may be avoiding or evading taxes	49%	24%	25%	27%	10%	7%	<1%	7%
The CRA is taking action to make sure a wealthy taxpayer respects the rules	48%	27%	21%	26%	11%	11%	<1%	4%
The CRA has hired 100 new auditors	45%	23%	22%	28%	10%	10%	<1%	7%

British Columbians (68%) more than Ontarians (55%) and Quebecers (53%) are most positively impacted by the fact that the CRA identified a multi-million-dollar tax scheme.

Quebecers find most efforts had more of an impact on their perceptions than those living in other provinces, particularly efforts related to new technologies (61% vs. 54%) and techniques (57% vs. 47%), ensuring wealthy taxpayers follow the rules (55% vs. 46%), and hiring new auditors (52% vs. 43%).

Developing technologies for auditors is more impactful for those aged 18-34 (60%) than those over 55 (50%).

Building new techniques for identifying tax avoiders/evaders has more of an impact for women (53%) than men (46%), and less of an impact for people making between \$100-150K (42%). Similarly, Canadians with university (55%) or post-graduate (54%) education find this to have more of an impact than those with a high school education (45%).

4. The CRA’s level of effort in detecting tax evasion by the wealthy

The majority of Canadians believe the CRA is making too little effort in detecting tax evasion , the deliberate and illegal hiding of income or information to pay less tax, by the wealthy.

Just over half say the CRA is putting too little effort into detecting tax evasion by the wealthy (53%), three in ten say CRA is putting the right amount of effort into this (29%). Only five percent believe the CRA is doing too much.

Effort by the CRA in detecting tax evasion by the wealthy

Q7 Do you think the CRA is currently putting too much, too little, or about the right amount of effort into detecting tax evasion by wealthy Canadians?

Level of effort	Total (n=1,601)
Too much effort	5%
Too little effort	53%
About the right amount of effort	29%
Depends (e.g., on business vs. personal taxpayers)	1%
Don’t know/Refused	12%

Those most likely to think the CRA is putting too little effort into detecting tax evasion by the wealthy include Quebecers (61%), British Columbians (57%) and those over the age of 55 (61%). In contrast, this sentiment is lower among Albertans (43%), residents of Manitoba and Saskatchewan (46%) and 18 to 34 year olds (43%). It is also notable that 65 percent of those who speak French at home think the CRA is making too little effort, compared to 53 percent of English speakers and just 34 percent of those who speak other languages at home.

III. Offshore Tax Informant Program (OTIP)

5. Awareness of Offshore Tax Informant Program

There is low awareness of the OTIP with one-in-ten of Canadians saying they had heard of it before the survey.

The CRA has an Offshore Tax Informant Program (OTIP), which offers financial rewards to those who provide information on major international tax non-compliance that leads to the collection of at least \$100,000 in federal taxes owing. The identity and confidentiality of informants is protected. One-in-ten Canadians (11%) say they were aware of the OTIP before the survey. Nine in ten (88%) were not previously aware of it.

Awareness of OTIP

Q8 The CRA has an Offshore Tax Informant Program, which offers financial rewards to individuals who provide information on major international tax evasion that leads to the collection of taxes owing. The identity and confidentiality of informants is protected. Were you aware of this program before today?

If aware of the OTIP	Total (n=1,601)
Yes	11%
No	88%
Not sure	1%

Awareness of the OTIP is consistently low across all demographic and regional segments. Awareness is somewhat higher among men (15%) and those 65 and over (20%) and somewhat lower among women (8%) and those aged 18 to 34 (7%).

6. Comfort in coming forward with information to the OTIP

Just under six in ten Canadians say they would be at least somewhat comfortable coming forward to the OTIP if they had information.

Fifty-eight percent of Canadians say they would feel very (22%) or somewhat (36%) comfortable coming forward if they had information on someone involved in major offshore tax evasion, while 37 percent would be very (16%) or somewhat (22%) uncomfortable.

Level of comfort coming forward to the OTIP

Q9 How comfortable would you be about coming forward to the CRA's Offshore Tax Informant Program if you had information on a taxpayer who may be involved in major offshore tax evasion? Would you be...

Level of comfort in coming forward	Total (n=1,601)
NET comfortable	58%
Very comfortable	22%
Somewhat comfortable	36%
NET uncomfortable	37%
Somewhat uncomfortable	22%
Very uncomfortable	16%
Not sure	5%

Among people who say they were aware of the OTIP before the survey, 62 percent say they would be comfortable coming forward, compared to 58 percent among those who were not aware of it.

7. Reasons for discomfort in coming forward to OTIP

Fear of retribution is the main reason for being uncomfortable about coming forward to the OTIP.

The main reason some people would be uncomfortable coming forward to the OTIP is fear of retribution (31%); others mention feeling it is none of their business (14%), not knowing all the facts (12%), not wanting to be a “snitch” (11%) or feeling it would be too much trouble (10%).

Reasons for discomfort

Q10 Why would you not feel comfortable coming forward?

BASE: Those somewhat or very uncomfortable with coming forward to the Offshore Tax Informant Program (n=602)

Reasons for not coming forward to OTIP	Those uncomfortable with coming forward (SUBSAMPLE n=602)
Fear of retribution from the person informed on	31%
None of my business	14%
Might not know all the facts	12%
I am not a tattler/snitch	11%
Too much trouble	10%
Depends on the situation / person (general)	5%
Don't know if identity will be hidden / Confidentiality issue	5%
Don't know the procedure / how the system works	4%
Don't trust the system / CRA / government	4%
Not comfortable with it / Don't want to do it	4%
It's the government's job	3%
It's of no use / Will not make a difference	2%
Could cause the CRA to come after me	1%
Other	7%
Not sure	6%

Quebecers (22%) are much less likely to choose fear of retribution as a reason compared to British Columbians (37%), Ontarians (35%), and Atlantic Canadians (37%). Fear of retribution is also higher among women (34% compared to 27% of men).

8. The type of evader and how that impacts the likelihood an individual would come forward to the CRA

Canadians would be most likely to come forward to the CRA with information about an offshore tax evasion scheme by a large corporation and least likely to do so in the case of a middle class person.

About half of Canadians would be more likely to come forward with offshore tax evasion information if done by a large corporation (52%) or by an accountant (47%) and just over four in ten would also be more likely to inform on a wealthy person (43%). In contrast, just 22 percent would be more likely to come forward with information about a middle-class person and one quarter (25%) would be less likely to do so.

Likelihood of coming forward

Q11 If you had information about someone being involved in an offshore tax evasion scheme, would you be more likely or less likely to come forward to the CRA, or would it make no difference if that person was:

Likelihood of coming forward to report:	More likely	Less likely	Make no difference	Would never come forward at all	Not sure
A large corporation	52%	7%	34%	2%	4%
An accountant and/or financial advisor	47%	7%	38%	2%	4%
A wealthy person	43%	8%	42%	2%	4%
A middle-class person	22%	25%	46%	3%	4%

Canadians with household incomes below \$40K (50%) are more inclined to inform on a wealthy person than those with incomes above \$150K (36%).

IV. Awareness of penalties and consequences

1. Penalties for wealthy tax evaders

Half think wealthier people who evade taxes should face heavier penalties than those with middle or lower incomes.

Half of Canadians (50%) believe wealthier people who avoid or evade their taxes should face heavier penalties. Four in ten (38%) feel that everyone should face the same penalty regardless of income. An additional ten percent say it should depend on the amount of tax involved.

Differential penalties for tax evasion by the wealthy

Q12 *Some people say that [ROTATE] wealthy people who avoid or evade taxes should face heavier penalties than those with middle or lower incomes. Other people say that [ROTATE] all people who avoid or evade their taxes should face the same penalties, regardless of their income. Which is closest to your view?*

Level of penalty	Total (n=1,601)
Wealthy people should face heavier penalties	50%
Everyone should face the same penalties	38%
Depends on how much tax is involved	10%
Not sure	3%

Fifty-eight percent of people who think tax evasion by the wealthy is becoming more of a problem also think wealthy tax evaders should face stiffer penalties than others.

It should also be noted that response to this question is consistent across all income brackets. Those in the highest income bracket in this study with annual household incomes over \$150,000 are just as likely as those with the lower household incomes to believe that wealthy people should face heavier penalties for tax evasion or avoidance.

2. Penalties for financial advisors of tax evaders

Most feel that financial advisors who help wealthier people avoid taxes should face the same penalties as their clients. One-third feel they should face heavier penalties.

A majority of Canadians (54%) feel that financial advisors who help their wealthy clients exploit the law to evade taxes should face the same penalties as their clients; one-third (35%) think they should face heavier penalties and just five percent think they should face lighter penalties.

Penalties for financial advisors of tax evaders

Q13 *Should professional financial advisors who exploit the law to help their wealthy clients evade taxes face heavier penalties than their clients, the same penalties, or lighter penalties?*

Level of penalty	Total (n=1,601)
The same penalties as their clients	54%
Heavier penalties than their clients	35%
Lighter penalties than their clients	5%
No penalties	1%
Only the advisors should face penalties, not their clients	<1%
Not sure/Refused	4%

Forty-one percent of those who think tax evasion is getting worse also think financial advisors should face heavier penalties than their clients.

There is no significant variation by income bracket in response to this question. Those in the highest income bracket in this study with annual household incomes over \$150,000 are just as likely as those with lower incomes to believe that professional financial advisors should face the same penalties as their clients.

Appendix A: Methodology

Per the Statement of Work (SOW), the research consisted of a **telephone survey** of adult Canadians in the 10 provinces.

Sample design and weighting

The qualifying population for this research was Canadians aged 18 and over. Targets were set to ensure a distribution of interviews across the country and for age and gender. The telephone survey was a probability sample utilizing industry standard RDD techniques; the margin of sampling error on the total of n=1,601 telephone interviews is ± 2.4 at the 95% confidence interval.

The study used a proportionate sample distribution by region. The following table shows the number of completed interviews by jurisdiction:

Interviews by jurisdiction	Total	BC/YK	Prairies/NT	Ontario/NV	Quebec	Atlantic
# of completed interviews	1,601	240	320	480	401	160
% of completed interviews	100%	14%	18%	38%	23%	8%
% of Canadian population	100%	14%	18%	39%	23%	7%
Margin of sampling error at 95% confidence interval	+/- 2.4	+/- 6.3	+/- 5.5	+/- 4.5	+/- 4.9	+/- 7.7

The data were weighted based on available census data to ensure the overall results are proportionate to the population on relevant dimensions for province, age and gender.

Questionnaire design

Environics designed a questionnaire in consultation with Canada Revenue Agency to ensure its research objectives were met. Upon approval of the English questionnaire, CRA arranged for the questionnaire to be translated into French.

The study was fielded via Elemental Data Collection Inc. (EDCI). EDCI data analysts programmed the questionnaires, then performed thorough testing to ensure accuracy in set-up and data collection. This validation ensured that the data entry process conformed to the surveys' basic logic. The data collection system handles quotas and questionnaire completion (skip patterns, branching, and valid ranges).

Prior to fieldwork, a pretest was conducted with 23 Canadians (12 English, on June 1, 11 French, on June 4). Standard government-accepted probing questions on comprehension and appropriateness of language were asked at the end of each pretest interview, and CRA was given the pre-test results for review prior to full launch. The questionnaire averaged 18.5 minutes to deliver by telephone. CRA provided information on questions that could be removed and the study was tested again for length with 10 additional respondents, with the new average length coming in at 15 minutes. The final survey questionnaire is included in Appendix B.

Survey administration

The telephone survey was conducted from June 12 to July 11, 2022. The final average survey length was 14.5 minutes.

Environics assumed overall responsibility for all aspects of the survey fieldwork. The survey was conducted according to the following steps:

- Recruitment to the telephone survey was attempted via industry-standard random digit dialing (RDD) techniques). Up to eight attempts were made to reach a contact before replacing a telephone number.
- All survey responses were captured as they were submitted and combined into an electronic data file that was coded and analyzed (including open-ended responses).

For this assignment, the telephone survey was subcontracted to Elemental Data Collection Inc. (EDCI), a field house located in Ottawa, Ontario. EDCI uses state of the art Computer Aided Telephone Interviewing (CATI) technology. Field supervisors monitored the calls at all times to ensure accurate interviewing and recording of responses. A minimum of ten percent of each interviewer's work was unobtrusively monitored for quality control in accordance with government and industry standards. All respondents were offered the opportunity to complete the survey in their official language of choice.

All research work was conducted according to best practices in the industry, such as the Standards for the Conduct of Government of Canada Public Opinion Research – Telephone Surveys (<https://www.tpsgc-pwgsc.gc.ca/rop-por/telephone-eng.html>), as well as applicable federal legislation (Personal Information Protection and Electronic Documents Act, or PIPEDA). Environics is a founding member of the Canadian Research Insights Council (CRIC) and registered the survey with CRIC's Research Verification System, which permits the public to verify a survey call, inform themselves about the industry and/or register a complaint. For more information about CRIC: <https://www.canadianresearchinsightscouncil.ca/>.

Data coding and tabulation

Following data collection and prior to analysis, data analysts performed a data-cleaning and validation process, in accordance with the highest industry standards. Open-ended question data were coded and Environics designed banner tables in consultation with the project authority. Data tables were submitted in CSV format.

The data from this survey are statistically weighted to ensure the sample is as representative of this population as possible according to the most recently available Census information (age, gender and region).

Completion results

The completion results for survey are presented in the following table.

Telephone survey contact disposition

Disposition	N	Landline	Cell
Total numbers attempted	111,921	34,037	80,884
Out-of-scope - Invalid	48,295	10,559	37,736
Unresolved (U)	50,939	15,155	35,784
No answer/Answering machine	50,939	15,155	35,784
In-scope - Non-responding (IS)	1,680	918	762
Language barrier	276	139	137
Incapable of completing (ill/deceased)	168	126	42
Callback (Respondent not available)	1236	653	583
Total Asked	14,007	7,405	6,602
Refusal	11,972	6,357	5,615
Termination	365	117	248
In-scope - Responding units (R)	1,679	931	748
Completed Interview	1,601	922	679
NQ - Quota Full	24	9	15
NQ - Under 18 years of age	45	0	45
NQ - Refused region	9	0	9
Response Rate (R/U+Total Asked+IS)	3%	4%	2%
Incidence	96.78	100.00	92.78

Respondent profile

The following table presents the weighted distribution of survey participants by key demographic and other variables.

Variable	Total sample %
Age	
18-34	27
35-44	17
45-54	18
55-64	17
65+	21
Gender	
Female	51
Male	48
Other	<1%
Education	
High school or less	28
Apprentice/college/some university	30
University graduate/post-graduate	41
Total annual household income	
Under \$40,000	19
\$40,000-<\$60,000	12
\$60,000-<\$100,000	21
\$100,000-<\$150,000	17
\$150,000 or more	15
Prefer not to say	16
Language spoke most at home	
English	71
French	22
Other	10

Non-response bias analysis

The table below presents a profile of the final sample, compared to the actual population of Canada (2016 Census information). As is the case with most surveys, the final sample underrepresents those with high school or less education, which is a typical pattern for public opinion surveys in Canada (e.g., those with more education are more likely to respond to public opinion surveys).

Sample profile (unweighted)

Profile	Sample*	Canada (2016 Census)
Gender (18+) ^α		
Male	50%	49%
Female	50%	51%
Age		
18-34	27%	29%
35-54	34%	24%
55-64	17%	26%
65+	21%	21%
Education level ^β		
High school diploma or less	28%	35%
Trades/college/post sec no degree	34%	36%
University degree	38%	29%

* Data are unweighted and percentaged on those giving a response to each demographic question.

^α Less than one percent of respondents either volunteered that they had an “other” gender identity (n = 7) or opted not to answer this question (n = 8)

^β Actual Census categories differ from those used in this survey and have been recalculated to correspond. Statistics Canada figures for education are for Canadians aged 25 to 64 years.

Appendix B: Quantitative research instrument

Canada Revenue Agency
Public attitudes towards tax avoidance and evasion
conducted by High Net Worth Individuals (HNWI)
FINAL Questionnaire

Hello/Bonjour, my name is _____ and I am calling from Environics on behalf of the Government of Canada. We are conducting a survey of attitudes and opinions of Canadians 18 years of age and over related to the fairness of Canada's tax system. Would you prefer that I continue in English or French? Préférez-vous continuer en français ou en anglais ? (**IF NEEDED:** Je vous remercie. Quelqu'un vous rappellera bientôt pour mener le sondage en français.)

English	1
Français	2

The survey takes about 15 minutes, and your responses will be kept entirely confidential and anonymous. If at any time during the survey you would prefer not to answer a specific question, you are allowed to do so.

Your decision to participate is voluntary. This call may be monitored or recorded for quality control purposes. The information provided will be administered according to the requirements of the Privacy Act.

IF ASKED: If you want to validate the authenticity of the survey, it is registered with the Canadian Research Insights Council's survey verification service as survey code # [20220531-EL450]

IF NEEDED: If you have any questions regarding this survey or would like to verify the legitimacy of this research, you can contact **Mike Way at (613) 236-6941** or visit canada.ca/por-cra.

IF LANDLINE SAMPLE: May I please speak with the person in your household who is 18 years of age or older and who has had the most recent birthday? Would that be you? [**IF THAT PERSON IS NOT AVAILABLE ARRANGE CALLBACK**]

IF CELLPHONE SAMPLE ASK: Are you at least 18 years old?

ASK ALL CELLPHONE RESPONDENTS

A. Are you in a safe place to talk – for example not operating a motor vehicle?

Yes [RE-INTRODUCE YOURSELF, IF NECESSARY]

No [ARRANGE CALLBACK DATE/TIME]

B. At home, do you have a traditional telephone line other than a cell phone?

Yes CHECK AGAINST QUOTA

No CHECK AGAINST QUOTA

[IF LANDLINE RECORD REGION FROM SAMPLE]

[IF CELL PHONE SAMPLE ASK]

Is there a reason that prevents you from answering this survey by phone?

IF REASON IS DISABILITY, OFFER ALTERNATE FORMAT (ONLINE QUESTIONNAIRE OR PDF VIA EMAIL), WHERE APPROPRIATE. IF ACCEPTED, TAKE RESPONDENT EMAIL ADDRESS]

C. In which province or territory do you live?

DO NOT READ LIST

Newfoundland and Labrador	1
Prince Edward Island	2
Nova Scotia	3
New Brunswick	4
Quebec	5
Ontario	6
Manitoba	7
Saskatchewan	8
Alberta	9
British Columbia	10
Yukon	11
Northwest Territories	12
Nunavut	13

ASK ALL

D. What is your gender?

DO NOT READ

Female	1
Male	2
Other	3
Prefer not to answer	99

E. In what year were you born?

(RECORD YEAR - XXXX)

9999 – **DO NOT READ:** Don't know/Refused

[IF RESPONDENT PREFERS NOT TO PROVIDE A PRECISE BIRTH YEAR, ASK:]

F. Would you be willing to tell me in which of the following age categories you belong?

READ LIST

18 to 34	1
35 to 44	2
45 to 54	3
55 to 64	4
OR 65 or older?	5
[DO NOT READ] Prefer not to answer	99

PERCEPTIONS OF PREVALENCE OF TAX AVOIDANCE AND EVASION.

Today I would like to ask you some questions about taxation in Canada. As you may know, the Canada Revenue Agency, or CRA, is the agency of the federal government responsible for such things as:

[READ OUTSIDE OF QUEBEC: the collection of income tax, administration of the GST (or goods and services tax), and the Canada child benefit program]

[READ IN QUEBEC ONLY: the collection of federal income tax and the Canada child benefit program]

The CRA does not set the actual tax rates. As the Government's revenue service, it administers tax law by delivering benefit programs and tax credits, as well as collecting taxes from those who do not pay what they owe on time.

I am now going to ask you some questions about your views on tax avoidance and tax evasion. Please note that your answers will be used for data collection purposes only.

Tax avoidance is when someone dodges paying their taxes through schemes that may be technically legal but that push the limits of the law and could still lead to legal trouble.

Tax evasion is when someone illegally hides income or assets or lies to deliberately avoid paying taxes. Tax evasion can lead to fines or even jail time.

2. When wealthy individuals take part in tax avoidance and tax evasion activities, how is it a problem, if at all?

DO NOT READ – DO NOT PROBE FOR ADDITIONAL MENTIONS BUT ACCEPT ANY THAT APPLY.

The rest of us pay higher taxes	1	
Loss of revenue for governments	2	
Causes spending and service cuts	3	
It Is immoral/unethical	4	
It Is illegal	5	
It Is unfair	6	
It Is not a problem	97	SINGLE MENTION
Other (SPECIFY)_____	98	
Don't know	99	SINGLE MENTION

3. Would you say that the CRA does an excellent, good, just satisfactory or poor job in each of the following areas?

RANDOMIZE - REPEAT SCALE AS NEEDED

- a) Making sure individuals pay the taxes they owe
- b) Making sure big companies pay the taxes they owe
- c) Making sure that wealthy Canadians pay their fair share of taxes

Excellent	1
Good	2
Just satisfactory	3
Poor	4

VOLUNTEERED - DO NOT READ

Not sure	99
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4. Do you strongly agree, somewhat agree, somewhat disagree or strongly disagree with each of the following statements?

RANDOMIZE - REPEAT SCALE AS NEEDED

- a) Tax avoidance and evasion by the wealthy leads to higher taxes for everyone else
- b) No matter what the CRA does, the wealthy will always find a way to avoid paying their fair share of taxes
- c) There is nothing wrong with wealthy people finding legal ways to pay as little tax as possible
- d) The CRA needs to pursue wealthy tax avoiders and evaders and eliminate the tax loopholes they use

Strongly agree	1
Somewhat agree	2
Somewhat disagree	3
Strongly disagree	4

VOLUNTEERED - DO NOT READ

Not sure	99
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5. **I'm going to read you a list of things the CRA is doing to try to reduce tax avoidance and evasion by the wealthy. What impact does hearing each have on your opinion of the job the CRA is doing? Please use a scale of 1 to 5 where "1" means it has no impact at all and "5" means it has an extremely positive impact.**

RANDOMIZE - REPEAT SCALE AS NEEDED

- a) The CRA has developed new technology to help their auditors manage large amounts of data
- b) The CRA has built new techniques to help identify taxpayers that may be avoiding or evading taxes
- c) The CRA is taking action to make sure a wealthy taxpayer respects the rules
- d) The CRA has hired 100 new auditors
- e) The CRA identified a multi-million dollar tax scheme and took action against the organizer and 35 participants

No impact at all	1
	2
	3
	4
Extremely positive impact	5

VOLUNTEERED - DO NOT READ

Negative impact	6
Not sure	99

Now some questions specifically on tax evasion, which is when individuals or businesses deliberately and illegally hide income or information to pay less tax

6. **[ACS 2010/Q25 variation] Over the past couple of years, do you think tax evasion by Canada's wealthy has become...**

READ

More of a problem	1
Less of a problem, or	2
Has remained about the same as before	3

VOLUNTEERED

Never has been a problem	4
Not sure	99

7. **Do you think the CRA is currently putting too much, too little, or about the right amount of effort into detecting tax evasion by wealthy Canadians?**

Too much effort	1
Too little effort	2
About the right amount of effort	3

VOLUNTEERED - DO NOT READ

Depends (e.g., on business vs. personal taxpayers)	4
DK/NA	99

- 8. The CRA has an Offshore Tax Informant Program, which offers financial rewards to individuals who provide information on major international tax evasion that leads to the collection of taxes owing. The identity and confidentiality of informants is protected. Were you aware of this program before today?**

Yes	1
No	2

VOLUNTEERED - DO NOT READ

Not sure	99
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- 9. How comfortable would you be about coming forward to the CRA's Offshore Tax Informant Program if you had information on a taxpayer who may be involved in major offshore tax evasion? Would you be...**

Very comfortable	1	
Somewhat comfortable	2	
Somewhat uncomfortable	3	ASK Q10
Very uncomfortable	4	ASK Q10

VOLUNTEERED - DO NOT READ

Not sure	99
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- 10. IF VERY OR SOMEWHAT UNCOMFORTABLE IN Q 9, ASK: Why would you not feel comfortable coming forward?**

DO NOT READ – ACCEPT ANY THAT APPLY

None of my business	1	
Might not know all the facts	2	
Could cause the CRA to come after me	3	
Fear of retribution from the person informed on	4	
Too much trouble	5	
I am not a tattler/snitch	6	
Other (SPECIFY)_____	98	
Not sure	99	SINGLE MENTION

ASK ALL

11. **If you had information about someone being involved in an offshore tax evasion scheme, would you be more likely or less likely to come forward to the CRA, or would it make no difference if that person was:**

RANDOMIZE - REPEAT SCALE AS NEEDED

- a) A middle-class person
- b) A wealthy person
- c) A large corporation
- d) An accountant and/or financial advisor

More likely	1
Less likely	2
Make no difference	3

VOLUNTEERED - DO NOT READ

Would never come forward at all	4
Not sure	99

Awareness of penalties and consequences

12. **Some people say that [ROTATE] wealthy people who avoid or evade taxes should face heavier penalties than those with middle or lower incomes. Other people say that [ROTATE] all people who avoid or evade their taxes should face the same penalties, regardless of their income. Which is closest to your view?**

Wealthy people should face heavier penalties	1
Everyone should face the same penalties	2

VOLUNTEERED - DO NOT READ

Depends on how much tax is involved	3
Not sure	99

13. **Should professional financial advisors who exploit the law to help their wealthy clients evade taxes face *heavier* penalties than their clients, the *same* penalties, or *lighter* penalties?**

IF ASKED: Financial advisors include financial planners, accountants, lawyers and wealth managers.

Heavier penalties than their clients	1
The same penalties as their clients	2
Lighter penalties than their clients	3

VOLUNTEERED - DO NOT READ

No penalties	4
Only the advisors should face penalties, not their clients	5
Not sure	99

DEMOGRAPHICS

READ TO ALL: And now a few final questions for demographic purposes.

H. What is the highest level of formal education that you have completed?

READ LIST IF NECESSARY– STOP READING WHEN REACHING THE RESPONDENT’S CATEGORY

Less than a High School diploma or equivalent	1
High School diploma or equivalent	2
Registered Apprenticeship or other trades certificate or diploma	3
College, CEGEP or other non-university certificate or diploma	4
University certificate or diploma below bachelor’s level	5
Bachelor’s degree	6
Post graduate degree above bachelor’s level	7

VOLUNTEERED - DO NOT READ

Prefer not to answer	99
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I. What language do you speak most often at home? Is it...? READ LIST — ACCEPT ALL THAT APPLY

English	1
French	2
Another language	3

VOLUNTEERED - DO NOT READ

Prefer not to answer	99
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J. Which of the following categories best describes your current employment status? Are you...

READ LIST – ACCEPT ONE ANSWER ONLY – STOP READING WHEN REACHING THE RESPONDENT’S CATEGORY

Working full-time, that is, 35 or more hours per week	1
Working part-time, that is, less than 35 hours per week	2
Self-employed	3
Unemployed, but looking for work	4
A student attending school full-time	5
Retired	6
Not in the workforce [CODE IF FULL-TIME HOMEMAKER, UNEMPLOYED, NOT LOOKING FOR WORK]	7

VOLUNTEERED - DO NOT READ

Other [DO NOT SPECIFY]	98
Prefer not to answer	99

- K. Which of the following categories best describes your total household income? That is, the total income of all persons in your household combined, before taxes**

READ LIST – STOP READING WHEN REACHING THE RESPONDENT’S CATEGORY

Under \$20,000	1
\$20,000 to just under \$40,000	2
\$40,000 to just under \$60,000	3
\$60,000 to just under \$80,000	4
\$80,000 to just under \$100,000	5
\$100,000 to just under \$150,000	6
\$150,000 and above	7

VOLUNTEERED - DO NOT READ

Prefer not to answer	99
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- L. And, finally, to better understand how results vary by region, may I have the first three-digits postal code?**

__ __ __ [FORMAT A4A]

999999 – DK/NA

READ TO ALL: This survey was conducted on behalf of *Canada Revenue Agency*. In the coming months, the report will be available from *Library and Archives Canada*. Thank you very much for your participation.

- M. RECORD: Language of interview**

English	1
French	2