



2022-2023 Annual Corporate Research – Qualitative Component Final Report

Prepared for the Canada Revenue Agency

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Supplier name: Phoenix Strategic Perspectives Inc.
October 2023

This public opinion research report presents the findings from qualitative research conducted to assess the perceptions and experiences of taxpayers, decision-makers of small businesses, and professionals involved in assisting individual and small business clients on tax-related or payroll matters in the following areas: views of the CRA; income tax filing and interactions with the CRA; service expectations of the CRA; protection of personal information; and compliance related activities. To meet the objectives, 25 focus groups and five in-depth interviews were conducted across the country. Eleven focus groups and five in-depth interviews were conducted online, and the remainder (14 focus groups) were conducted in person. The fieldwork took place between June 5 and July 6, 2023.

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Executive Summary

The Canada Revenue Agency (CRA) commissioned Phoenix Strategic Perspectives (Phoenix SPI) to conduct qualitative public opinion research (POR) as part of the Agency's annual corporate-wide issues public opinion research.

1. Research Purpose and Objectives

The purpose of the research was to assess the perceptions and experiences of taxpayers, decision-makers of small businesses, and professionals involved in assisting individual and small business clients on tax-related or payroll matters in the following areas: views of the Agency; income tax filing and interactions with the CRA; service expectations of the CRA; protection of personal information; and compliance-related activities.

2. Methodology

To meet the objectives, 25 focus groups and five in-depth interviews were conducted across the country. Eleven focus groups and five in-depth interviews were conducted online, and the remainder (14 focus groups) were conducted in person. In-person sessions were held in Calgary, Toronto, Montreal, and Halifax. Online sessions were held with taxpayers residing in the Territories, tax intermediaries working in the Greater Toronto Area, as well as tax intermediaries and small business decision-makers working in western Canada and Atlantic Canada, as well as in smaller communities across the country. In total, 196 individuals participated in the research: 85 taxpayers, 57 decision-makers of small businesses, and 54 tax intermediaries. All sessions were conducted in English, except for the focus groups in Montreal and the five in-depth interviews conducted with taxpayers living in the North. All participants received an honorarium. The fieldwork took place between June 5 and July 6, 2023.

3. Highlights

Overall Impressions of the CRA

Impressions of Canada's tax system tend to be critical with a focus on its perceived complexity. So too were top-of-mind views of the CRA—participants routinely focused on service-related issues when asked what first comes to mind when thinking about the CRA.

The most common impression of Canada's tax system, and the most widespread was its perceived complexity. Asked what words they would use to describe Canada's tax system, participants routinely used terms expressing variations on this theme. This included the following: 'challenging', 'complex', 'confusing', 'convoluted', 'cumbersome', 'difficult to understand', 'frustrating', 'onerous', 'over-complicated', 'overwhelming', 'rule-heavy', and 'scary'.

In addition to complexity, the other impression about Canada's tax system expressed with some frequency was a perceived lack of fairness, which was conveyed through the use of the term itself (i.e., 'unfair'), but also through expressions such as 'unjust', 'taxes too high', 'middle class overtaxed', 'benefits the rich', 'big firms getting away with a lot', 'predatory', 'overburdening', and 'inequitable'. This was an impression widespread among taxpayers, but much less frequent among representatives of small businesses and intermediaries.

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When asked what first comes to mind when thinking about the CRA, participants tended to focus on service-related issues or problems. This included difficulty getting through to an agent by phone, and difficulty resolving an issue or getting a definite answer to questions. The only other thing that came to mind with any frequency when thinking about the CRA was its customer service agents. For the most part, impressions about agents tended to be positive, with a focus on staff being helpful, polite, empathetic, and patient. On occasion, however, participants' impressions were either mixed, describing service as 'inconsistent', or critical, describing service agents as being 'aggressive', 'not nice to deal with', 'not helpful', 'not proactive', or 'unreasonable'.

While top-of-mind views of the CRA tended to be critical, overall impressions of the CRA ranged from neutral to moderately positive.

Impressions of taxpayers and representatives of small businesses tended to range from neutral or mixed to moderately positive, while overall impressions of tax intermediaries tended to be neither positive nor negative. Neutral to mixed assessments focused on service interactions, with an emphasis on uneven or inconsistent service from CRA agents. In other words, service delivery was sometimes good and sometimes not good. Negative impressions focused on two things: the time it takes to get through to an agent, and difficulty getting consistent information and/or resolving an issue in one service interaction.

Digital services and efficient processing of tax returns are viewed as things the CRA does well and reducing wait times was the most frequently identified thing the CRA needs to improve.

There was widespread agreement that the CRA offers good online services and processes returns quickly and efficiently. This includes the Agency's website as well as its digital services: My Account (for individuals) and My Business Account/Represent a Client. Members of all three audiences most often identified reduction of wait times when calling the CRA as something the Agency needs to improve. The only other area of improvement identified frequently was improving the overall knowledge of agents, with a focus on ensuring consistency in the information provided.

The CRA is perceived as trustworthy by most participants, primarily because there is no reason to think that the Agency is not trustworthy. Most, moreover, described their level of trust in the Agency as unchanged over the last few years—that is, nothing has affected their trust in the CRA by either increasing or diminishing it.

Based on their personal experience, or what they may have seen, read, or heard, most participants view the CRA as trustworthy. The most common reason for trusting the CRA was lack of any reason not to. Those who did not express outright trust in the Agency were more likely to have mixed feelings about this than to express outright lack of trust. Mixed assessments were almost entirely based on service interactions with the Agency—specifically, mixed experiences dealing with agents, but also mistakes made by the Agency that had to be brought to its attention, a perceived lack of proactivity on the part of the CRA in terms of providing information, and the need to revisit the same issue periodically.

Service-related Issues

Client-focused service and digital services are seen as being key features of a modern tax organization. The CRA, overall, was more often characterized as more traditional than modern. However, from the perspective of digital services, the CRA was described by many as modern or in the process of modernizing.

Most participants described a modern tax organization as being characterized by two things: client-focused service and technology/online services designed to deliver it. Client-focused service considered ‘modern’ was seen to include service that is consistent, timely, efficient, available 24/7, and tailored to meet the needs of the individual or business in question. ‘Modern’ technology/online services were routinely described as being ‘cutting-edge’, user-friendly, and secure. With an emphasis mainly on the view that a modern tax organization is technologically focused, participants tended to characterize the CRA as a modern tax organization, or expressed mixed views about this, including the impression that it is developing in that direction or trying to modernize.

When asked about the CRA adopting modern processes and new technologies to be responsive to a changing world, participants supported the CRA leveraging artificial intelligence (AI) to be an efficient and responsive organization.

There was widespread, but qualified, support for the use of AI by the CRA. Support for the use of AI was routinely conditional and premised on its use as a support mechanism rather than a decision-making tool. Specifically, AI should be used for such things as providing information, research, and assistance (e.g., answering questions), but not for making decisions and determining complex issues, such as an audit and eligibility for benefits (which should continue to involve/be subject to human oversight). In addition, even where AI is used in a supportive role, many participants felt that it should be implemented gradually and tested through pilot projects, and that any security-related issues be thoroughly addressed (e.g., protecting personal information) before such systems are implemented. A few participants did not support the use of AI by the CRA, even in a supportive role, because of concerns or apprehensions that it might not be controllable through human oversight.

Most taxpayers describe the process of completing and filing their tax returns as easy, and among representatives of small businesses and tax professionals, there was a widespread impression that the process of filing business taxes has become easier in recent years, primarily because of digital services.

Most taxpayers characterized the process of completing and filing their tax returns as easy or relatively easy, and there was a widespread impression that the process has become easier over time (or has not become more difficult). Reasons included the uncomplicated and/or unchanging nature of one’s tax situation, the use of tax software and e-filing, the use of a tax professional, and experience. Reasons for characterizing the process as complicated or difficult usually involved complexities or issues resulting from personal or family circumstances, but also included difficulty keeping track of tax-related documents, finding the correct forms, and understanding some of the language, terms or expressions used in various forms.

Representatives of small businesses and tax professionals felt that the process of filing business taxes has become easier in recent years, primarily because of their access to digital services, but also because of technology and software. What has become more complicated to some are new

rules and regulations and/or changes to rules and regulations, as well as the use of unclear language in explaining rules and regulations.

There was widespread awareness and use of CRA's digital services, and impressions of these services tended to be positive.

Awareness of My Account for individuals and My Business Account and Represent a Client is widespread as is registration for these services. Reasons for using My Account included receiving email, tracking refunds, setting up direct deposit, viewing the status of one's return, viewing previous tax returns, checking RRSP limits, viewing notices of assessment, viewing tax information slips, submitting documents, and changing personal information, such as one's address. Reasons for using My Business Account and Represent a Client included viewing mail, checking balances, setting up direct deposit, submitting documents, getting tax slips, making payments, and authorizing representatives.

Assessments of these digital services ranged from positive to very positive. Based on their experience, intermediaries routinely observed that Represent a Client makes the process of meeting client's tax filing obligations less burdensome because of its speed, ease of use, and comprehensiveness.

The main perceived challenge of small businesses when dealing with the CRA is the time it takes to reach an agent, followed by unmet information needs. According to tax professionals, being accessible and providing tailored information for small businesses are the top ways in which the CRA can improve relations with small businesses.

The most frequently identified 'biggest' challenge of small businesses when dealing with the CRA was the time it takes to get through to an agent. Another challenge identified relatively frequently was uneven or inconsistent service from CRA agents regarding various issues, i.e., receiving different information from different agents. Other challenges were identified less frequently and included not always knowing where to start/what to ask/what one needs to know when contacting the CRA, difficulty finding information on the Agency's website that is designed for small businesses, and a general sense that the CRA does not understand small businesses.

Asked what the CRA can do to improve its relationship with small businesses, intermediaries identified the following: provide dedicated phone lines for small businesses; provide a chat service; include notes on business owners' files to help track and resolve issues; provide video tutorials or workshops for entrepreneurs, especially those just starting a business; provide tax-related information to entrepreneurs when registering their businesses; and provide consistent information in response to questions/information needs.

Getting through to an agent is also the main challenge tax intermediaries face when dealing with the CRA.

The most frequently identified challenge intermediaries said they face when dealing with the CRA is getting through to an agent, specifically the amount of time spent waiting on the phone to speak to an agent. Another frequently identified challenge dealing with the Agency was inconsistency of service, specifically the challenge of getting through to a knowledgeable agent.

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Among research participants, there was a widespread impression that personal and business information is safe with the CRA. Confidence in the CRA's ability to keep information safe is linked to how it communicates/acts.

There was a widespread impression that information is safe with the CRA. Asked if their feelings about this have shifted over the years, most participants said they had not. Some said that they have been thinking more about safety of information in general, given the increase of (or increased reporting of) incidents of hacking and identity theft, but that this has not affected their feelings regarding the safety of their information with the CRA. Some said their feelings have changed in the direction of increased confidence. This was either because of their direct experience with the CRA's safety measures, or because of the impression that the CRA has increased and/or improved its security measures over time.

Asked if they would feel more or less confident about the CRA's ability to keep information safe when the Agency communicates about events related to vulnerabilities with its tax database, participants observed that it depends on the way in which the Agency communicates and acts. A few said that, regardless of how the Agency reacts, their confidence in it would be shaken because a breach indicates that there are vulnerabilities. Some explained that their confidence in the Agency would likely be affected by factors such as: how quickly the breach was detected, the extent of the breach, the kind of information/data that was compromised, and the speed with which the problem is resolved, and the frequency of such events.

Staff knowledge and prompt service were identified as the most important service attributes when interacting with the CRA. Impressions of CRA staff tend to be mixed, with participants often specifying that the quality of service depends on the agent.

Asked what service qualities are most important to them when they interact with the CRA, participants most often identified the competence and knowledge of CRA agents and the ability to obtain answers and information promptly. Additional service attributes were also identified with some frequency, either on their own or as linked/associated with the latter. These included the ability to complete transactions in one service interaction and consistency in information (identified on their own or associated with the competence/knowledge of staff), and ease of access (identified on its own or associated with quick/efficient service).

Overall impressions of CRA staff tended to be mixed. Among taxpayers, impressions of CRA staff were routinely positive, but there was also a fairly widespread impression that service can vary depending on who one is dealing with. Differences in service were usually associated with the agent's level of knowledge, not their willingness to be helpful, their politeness, or their empathy. Feedback from representatives of small businesses and intermediaries tended to be similar. Impressions of CRA staff were routinely positive when it came to such things as helpfulness, empathy, respect, and politeness (with a few exceptions), but there was a relatively widespread impression that knowledge varies depending on who one is dealing with.

Compliance-related Issues

There were differences in opinions about whether most people follow tax rules and pay their fair share of taxes. The main effects of some not paying their fair share of taxes were seen to be the unfair burden placed on others to pay taxes and fewer public services resulting from less income tax revenue.

Taxpayers tended to be divided on this issue between those who felt most pay their fair share and those who felt they do not or who have their doubts. Among those who felt that most people do not, some suggested that the likelihood of paying one's fair share of taxes varies by income level, with the assumption being that the middle-class carries the main burden when it comes to paying taxes.

As a follow-up to this, taxpayers were asked about the impact, if any, of people not following tax rules and not paying their fair share of taxes. In response, the most frequently identified impacts were an inordinate tax burden placed on others (mainly the middle class), a decline in the nature and quality of public services, as well as a decline in benefits (e.g., rebates, credits).

For their part, representatives of small businesses and intermediaries generally agreed that it is sound for the CRA to proceed on the assumption that most people will meet their tax obligations (though some who thought this also recognized that 'many' will try to avoid fully complying with their obligations if they can).

According to representatives of small businesses and tax intermediaries, the CRA should provide information to help businesses learn about meeting their tax obligations.

Participants emphasized the CRA's role in providing information to businesses with a focus on ensuring that the business information it provides through its agents and on its website is correct and current; that information for and about businesses is accessible/easy to find; and that such information is clear, with a focus on avoiding ambiguity, clarifying grey areas, and keeping language simple. Although representatives of small businesses and tax intermediaries see a role for the CRA in helping businesses learn about meeting their business tax obligations, there is virtually no awareness of any products or services offered by the Agency to help businesses comply.

There was a difference of opinion on whether tax cheating or benefitting from loopholes is the bigger problem for the rest of Canadians who pay their fair share of taxes. Opinions also differed on the perceived effectiveness of the CRA at addressing issues of non-compliance and on whether the CRA treats everyone equally in addressing non-compliance in meeting tax obligations.

Those who identified loopholes as the bigger problem often noted that they privilege the wealthy (with representatives of small businesses sometimes specifying that they favour large companies), and result in massive sums of lost tax revenue (taxpayers sometimes adding that this results in an unfair burden being placed on the middle class). Those who identified cheating as the bigger problem often noted that loopholes, though regrettable, are not illegal while cheating is a blatant disregard of the law. Some also felt that, while the existence and use of loopholes is a problem, they are not available to most people whereas cheating is more widespread (e.g., the underground economy/accepting cash for services).

Opinions on the effectiveness of the CRA at finding and addressing issues involving people not paying their fair share of taxes varied across all three audiences. Among taxpayers, the difference

of opinion tended to be more clear-cut between those who felt the CRA is effective in this regard and those who felt it is not. Among representatives of small businesses and intermediaries, opinion tended to be more mixed, divided between those who described the Agency as effective, those who described it as ineffective, and those who said they do not know.

The reason provided most often to explain why the CRA is perceived as effective in this regard was the impression that the Agency has the power and resources to do this—for example, sophisticated means of tracking and monitoring and the authority to impose penalties or conduct audits. Opinion that the CRA is not effective in this regard was routinely based on a perceived lack of evidence that it is effective, exemplified mainly by the existence of tax havens and the underground economy.

Most participants did not think that the CRA treats everyone equally when it comes to addressing non-compliance. The most frequently given reason for believing that the CRA does not treat everyone equally was the impression that the Agency's approach varies by income level. Specifically, there was a widespread assumption that the CRA tends to focus its enforcement activities on middle- and lower-income Canadians because they are easier to target. On the other hand, the wealthy and powerful were seen as having ways to avoid compliance, such as loopholes to exploit and offshore accounts to hide earnings.

Opinion was divided as to whether knowing about the CRA's enforcement practices would result in greater trust that the CRA is making sure that everyone is paying their share of taxes.

Most taxpayers did not think that knowing more about the CRA's enforcement practices would not result in greater trust that the CRA is making sure that everyone is paying their share of taxes. A few explained that such trust could only be increased by knowing that the Agency is implementing its enforcement practices. Conversely, most representatives of small businesses and intermediaries think that knowing about CRA enforcement practices would increase their trust that the Agency is making sure everyone pays their share of taxes.

Participants were usually aware of the underground economy, though some were not aware of it by this designation, and a few confused it initially with the black market. The main perceived effect of the underground economy is dealing with a tax shortfall.

There was widespread awareness of, and agreement about, the types of activities that characterize the underground economy. The most frequently provided example was paying cash for goods and services to avoid paying taxes. Ways of characterizing this kind of activity or transaction included 'not declaring revenue', 'not charging tax', and 'providing cash for service'. Factors that taxpayers felt contribute to participation in the underground economy included increases in the cost of living, the impression that people are always looking for deals, a perception that taxes are too high, and a perception that the tax burden falls mainly on lower- and middle-income Canadians. In the opinion of taxpayers, the main effects of the underground economy include the tax burden being unevenly distributed—specifically, that those participating in the underground economy are not paying their fair share of taxes.

Most believe participation in underground economy has become more socially acceptable and that people who participate in these activities will not get caught.

Most participants believe that participation in the underground economy has become more socially acceptable over time. That said, this belief was more widespread among taxpayers, while there was more difference of opinion about this among representatives of small businesses and tax

intermediaries. Reasons for believing that it has become more socially acceptable to do so included things like increases in the cost of living, a desire to save money and/or have more disposable income, the feeling that taxes are too high, and a decline in respect for authority/government, among other reasons.

Not only are these activities viewed as more socially acceptable by most participants, most also think it is unlikely that people who participate in the underground economy will get caught by the CRA. Reasons routinely provided to explain why included the perceived difficulty of monitoring such activities, the impression that the underground economy is willfully ignored, and the fact that one never hears anything about people being caught. The small number of business representatives and tax intermediaries who think it is likely that people who participate in the underground economy will get caught by the CRA usually pointed to the Agency's growing technological sophistication and analytical capabilities to detect involvement in the underground economy.

Few have heard anything recently about offshore tax havens or CRA efforts to stop use of them, and many do not believe the CRA is doing enough to stop offshore non-compliance.

Only a few participants recall having heard anything recently in the media about offshore tax havens. Similarly, very few had heard anything about any measures, tools, or projects the CRA has put in place to stop individuals or businesses from hiding their revenue abroad to avoid paying taxes in Canada. Asked if they believe the CRA is doing enough to stop offshore non-compliance, participants either said no or that they do not know. Taxpayers were more likely to say they believe the Agency is not doing enough, while representatives of small businesses and intermediaries were more likely to say they do not know.

Reaction to the Voluntary Disclosures Program was positive. In addition, participants believe options for paying tax amounts owed should be available.

Perceived benefits of the Voluntary Disclosures Program (VDP) included retrieving tax revenue; incentivising 'doing the right thing'; encouraging honesty in reporting; fostering trust in the tax system; saving the CRA time and resources in pursuing the non-compliant; and providing a cooperative instead of an adversarial approach to compliance. Participants collectively identified a variety of options that should be available to taxpayers when it comes to paying the tax amounts that are owed to the CRA through the VDP. The most frequently identified consideration was financial ability to pay, with participants occasionally suggesting that this could include accommodations, such as repayment plans and lower interest rates (or none at all).

Conclusions and implications

- While satisfaction with My Account, and My Business Account/Represent a Client is widespread, a few suggestions for improving these services were offered by participants. The two mentioned most often for improving these services were the addition of a chat function and the ability to add file notes. Both are noteworthy in the context of this research
 - The suggestion to include a chat function offers the Agency an opportunity to incorporate AI in a way that reflects a widespread desire among participants regarding how it should be used by the Agency—that is, in a supportive rather than a decision-making capacity
 - The suggestion to include file notes on transactions and interactions with the CRA is clearly linked to, and in response to, one of the main issues identified by

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participants when dealing with the CRA—that is, receiving different answers and/or information on the same issue from different agents

- Awareness of anything the CRA is doing to address the underground economy and tax havens is so limited as to be effectively non-existent. Given that this lack of awareness is advanced by many as a reason for believing that these issues are not a priority for the Agency (or that it is doing nothing about these issues), the CRA may want to consider publicizing actions it is taking, if only to correct potential misperceptions on this issue
- Drawing attention to Agency activities as well as providing general information regarding tax havens, in particular, could be beneficial, given the relatively widespread perception that the wealthy do not pay their fair share of taxes and that the CRA does not treat everyone the same in this regard. Among taxpayers, this manifests itself as an assumption that the tax burden falls mainly on the middle class, while among representatives of small businesses, it manifests itself as the impression that large companies can take advantage of loopholes unavailable to small companies
- Although representatives of small businesses and tax intermediaries see a role for the CRA in helping businesses learn about meeting their business tax obligations, there is virtually no awareness of any products or services offered by the CRA to help businesses comply. This lack of awareness is compounded by impressions that such information is difficult to find, that the Agency is not proactive in offering it, and that the Agency does not understand the needs of small businesses. In addition, lack of financial literacy was identified as one of the ‘biggest’ challenges small business clients face when dealing with the CRA according to tax intermediaries
- Related to the preceding bullet, representatives of small businesses and tax intermediaries suggested services that they felt the CRA *should* consider offering to help businesses comply with their tax obligations. These suggested services, for example, webinars, information sessions and liaison officers, may already be offered by the Agency to assist businesses with tax compliance. Representatives of small businesses and tax intermediaries were simply unaware of such services. The research findings, therefore, point to an ongoing need *and* a demand for these types of services to be offered by the CRA

4. Limitations and use of the findings

Qualitative research is designed to reveal a rich range of opinions and generate directional insights rather than to measure what percentage of the target population holds a given opinion. The results of these focus groups and in-depth interviews provide an indication of participants’ views about the issues explored, but they cannot be quantified nor generalized to the full population of taxpayers, small businesses, and tax professionals. As such, the results may be used by the CRA for the following: to gauge trust in, and satisfaction with, the Agency; to provide evidence-based information for strategic decision-making; and to provide information for reporting on engagement and reputation management.

5. Contract Value

The contract value was \$149,915.00 (including applicable taxes).

6. Statement of Political Neutrality

I hereby certify as a Senior Officer of Phoenix Strategic Perspectives 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.



Alethea Woods
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Introduction

Background

In 2005, the CRA launched an annual survey that focusses on corporate-wide issues, with the aim to provide a public opinion context for strategic planning and reporting. An in-depth review of the methodology was conducted in 2010 and, in 2011, the Annual Corporate Research (ACR) was redesigned 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 editions¹ repeated the service-focused module and the 2017 iteration was the first compliance module, repeated in 2019.

In 2021, another in-depth review of the methodology was conducted, and the ACR was again updated to reflect changes in corporate priorities and tax-related themes as well as changes in technology. The redesigned format of the ACR involved a change in design, where following the completion of the quantitative component of the research, a separate qualitative component would be conducted annual covering both service and compliance subject-matter. The annual addition of service and compliance groups will help the Agency explore in greater detail results from the survey component within a qualitative context in the spring following tax-filing season, where participant recall of their filing experiences will be based on recent experiences.

Research Objectives

In this context, the CRA was interested in assessing perceptions of taxpayers, decision-makers of small businesses, and professionals involved in assisting individual and small business clients on tax-related or payroll matters (i.e., tax intermediaries). The specific objectives of this research were to explore the following:

- Overall perceptions of the CRA
- Trust in the CRA
- Experience with income tax filing
- Perceptions of contacts and dealings with the CRA
- Attitudes about services and service expectations
- Views on the protection of personal information
- Attitudes about compliance related activities

The results provide the CRA with better contextual information regarding public and business perceptions of the CRA. With this information, the CRA may gauge factors such as trust in, and satisfaction with, the CRA, contextualize other study information, provide evidence-based information for strategic decision-making, and provide information for reporting on engagement and reputation management.

There were three target audiences:

¹ The ACR was not conducted in 2012, 2014 and 2015.

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.

Methodology

To meet the objectives, 25 focus groups and five in-depth interviews were conducted across the country. Eleven focus groups and five in-depth interviews were conducted online, and the remainder (14 focus groups) were conducted in person. In total, 196 individuals participated in the research: 85 taxpayers, 57 decision-makers of small businesses, and 54 tax intermediaries. Nine focus groups and five in-depth interviews were conducted with taxpayers and eight focus groups each were conducted with representatives of small businesses and tax intermediaries. The distribution of the groups was as follows:

Location		Audience		
		Taxpayers	Small businesses	Tax intermediaries
Calgary	In person	2 groups	--	--
Toronto	In person	2 groups	2 groups	1 group
	Online	--	--	1 group
Montreal	In person	2 groups	2 groups	2 groups
Halifax	In person	2 groups	--	--
North	Online	1 group 5 interviews		
Western provinces	Online	--	1 group	1 group
Small communities (west)	Online	--	1 group	1 group
Small communities (east)	Online	--	1 group	1 group
Atlantic provinces	Online	--	1 group	1 group

All sessions were conducted in English, except for the focus groups in Montreal and the five in-depth interviews conducted with taxpayers living in northern and smaller communities which were conducted in French. The sessions with each audience were segmented, with one session focused on service-related issues and the other on compliance-related issues. To ensure an appropriate mix of participants for each of the issue areas, participants were segmented according to their views on

taxation and compliance. All participants received an honorarium. The fieldwork took place between June 5 and July 6, 2023.

Notes to readers

- Qualitative research is designed to reveal a rich range of opinions and generate directional insights. The results of these focus groups and in-depth interviews provide an indication of participants' views about the issues explored, but they cannot be quantified nor generalized to the full population of taxpayers, small businesses, and tax professionals.
- The research instruments can be found in the [Appendix](#) along with more information about the technical specifications of research.

Detailed Findings

1. Overall impressions

This section reports on overall impressions of the Canada Revenue Agency and Canada's tax system. For the most part, these issues were explored in all focus groups and in-depth interviews. Where this was not the case, the relevant specifications are identified.

Impressions of Canada's tax system tend to be critical with a focus on its perceived complexity

Top-of-mind impressions of Canada's tax system tended to be critical. The most common impression of Canada's tax system, and the most widespread among members of all three audiences, was its perceived complexity.² Asked what words they would use to describe Canada's tax system, participants routinely used terms expressing variations on this theme. This included the following: 'challenging', 'complex', 'confusing', 'convoluted', 'cumbersome', 'difficult to understand', 'frustrating', 'onerous', 'over-complicated', 'overwhelming', 'rule-heavy', and 'scary'.

In addition to complexity, the only other impression about Canada's tax system expressed with any frequency was a perceived lack of fairness. This was an impression widespread among taxpayers but much less frequent among representatives of small businesses and intermediaries. This impression was conveyed through the use of the term itself (i.e., 'unfair'), but also through expressions such as 'unjust', 'taxes too high', 'middle class overtaxed', 'benefits the rich', 'big firms getting away with a lot', 'predatory', 'overburdening', and 'inequitable'.

Impressions of Canada's tax system identified infrequently, i.e., by no more than a small number of participants, ran the gamut, from positive to negative. Positive impressions included the perception that Canada's tax system is ...

- flexible
- lenient
- progressive
- equitable
- user-friendly
- efficient, and that it
- provides benefits/credits/rebates

Critical impressions included the opinion that the system is redundant (in the sense that it requires one to provide information the government already has on record), and that it does not provide adequate services across the country given the amount of taxes paid by Canadians.

Mixed impressions included the perception that the system is challenging but fair, and that taxes are high but used to ensure public benefits.

² All members of the general public were asked how they would describe Canada's tax system, but among representatives of small businesses and tax intermediaries this question was asked only in groups where the focus was on compliance-related issues.

Top-of-mind impressions of the CRA tend to be critical with a focus on service-related issues

Top-of-mind impressions of the CRA also tended to be critical among participants from the three research audiences, with a focus on service-related issues. Two particular issues routinely came to mind among participants when thinking about the CRA. This included difficulty getting through to an agent by phone (i.e., long wait times), and difficulty resolving an issue/getting a definite answer to questions. The latter was seen to involve getting different answers from different agents, being passed from one agent to another, and having to revisit the same issue periodically (i.e., ‘wasn’t this resolved during the last phone call?’). Representatives of small businesses and tax professionals also typically thought about tax collection or paying taxes (including the obligation to do so) when thinking about the CRA.

The only other thing that came to mind with any frequency when thinking about the CRA was its customer service agents. For the most part, impressions about agents tended to be positive, with a focus on staff being helpful, polite, empathetic, and patient. On occasion, however, participants’ impressions were either mixed, describing service as ‘inconsistent’, or critical. Those with negative impressions attributed them to agents being ‘aggressive’, ‘not nice to deal with’, ‘not helpful’, ‘not proactive’, or ‘unreasonable’.

Additional things common to members of all three audiences included the following, though none was identified with any frequency:

- CRA website: For some, thinking about the CRA brought to mind the Agency’s website, though assessments of it were mixed. In some instances, impressions were positive as conveyed by expressions such as ‘user-friendly’, ‘comprehensive’, ‘useful’, and ‘providing all the information needed in one place’. In others, impressions were critical as conveyed by expressions such as ‘frustrating’, ‘old’, ‘out-of-date’, and ‘not user-friendly’
- Outdated modes of communication: For some participants thinking of the CRA brought to mind the use of outdated modes of communication, specifically fax and mail
- Positive experiences: For other participants, positive thoughts came to mind when they thought about the CRA. This included references to positive experiences in general, the Agency being easy to deal with, smooth/efficient service, fast processing of returns, and security

Other things that came to mind when participants thought about the CRA varied by audience.

Among taxpayers/members of the general public, several individuals thought about the following when thinking about the CRA:

- Lack of fairness in the way the Agency makes decisions about benefits, such as child tax benefits and the disability tax credit, based on experiences applying for such benefits
- The assumption that the Agency is ‘top-heavy’, based on an impression that the level and quality of service is not proportionate to the size of the organization, i.e., such a large organization should provide more efficient service
- The perception that certain processes involve too much red tape, specifically when filling out forms, given that the CRA already has much of the required information about taxpayers
- The perception that the Agency is slow when it comes to amending income tax returns

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Among representatives of small businesses, a few thought about the following when thinking about the CRA:

- Fear/apprehension when contacted by the CRA, based on the feeling that one may have done something wrong
- The impression that the CRA is a big organization that is difficult to understand in all its parts
- A sense of frustration at not always knowing where to start/what to ask/what one needs to know when contacting the CRA. This was compounded by the impression that the CRA is not proactive when it comes to providing information

Among intermediaries, a few thought about the following when thinking about the CRA:

- The need to constantly stay on top of changes to rules/regulations/laws when dealing with the CRA
- A feeling that dealing with the CRA can involve burdensome reporting requirements (i.e., lots of data/information)

Taxpayers see the CRA as tax collector and benefit distributor

Members of the general public (i.e., taxpayers) were asked to explain, in their own words, what it is that the CRA does. Perceptions of what the Agency does routinely included collecting taxes and processing returns, distributing benefits and rebates, enforcing rules and regulations, and administering the tax system in general. The only other thing identified with any frequency was providing tax-related information.

Other things associated with the CRA that were identified by no more than a few participants included the following:

- Protecting personal information of taxpayers
- Dealing with financial fraud
- Collecting arrears
- Helping Canadians when they need help
- Not going after the wealthy, high income earners and tax havens

Overall impressions of the CRA range from neutral to moderately positive

All participants were asked for their overall impression of the CRA, using a scale ranging from negative to positive. In response, impressions of taxpayers and representatives of small businesses tended to range from neutral or mixed to moderately positive, while overall impressions of intermediaries tended to be neither positive nor negative. Smaller numbers across all audiences placed themselves at the negative end of the scale, holding critical overall impressions of the Agency.

There were two consistent findings across all three audiences when it came to overall impressions of the CRA:

- Neutral to mixed assessments tended to focus on service interactions, with an emphasis on uneven or inconsistent service from CRA agents. In other words, neutral/mixed assessments were most often explained by emphasizing that service received was sometimes good and sometimes not good or not as good.

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- Critical/negative assessments tended to focus on two things: the time it takes to get through to an agent (with the occasional added aggravation of the call being dropped and having to start over again), and difficulty getting consistent information and/or resolving an issue in one service interaction (e.g., receiving different answers/information from different agents, being put on hold and passed from one agent to another, having to revisit the same issue periodically).

Beyond these, reasons underlying overall assessments of the CRA tended to vary by audience or were not mentioned with a similar frequency by various audiences. These differences are presented below.

Taxpayers

Among members of the general public, positive impressions of the CRA tended to focus on efficient/timely processing of returns as well as a general lack of problems/issues when dealing with the Agency. The only other reason for positive impressions identified with any frequency was the ease of filing one's income tax return. Other reasons informing positive impressions of the Agency included the following:

- Receipt of benefits/credits
- The speed with which COVID-19 benefits were rolled out
- The helpfulness and politeness of agents
- The impression that the Agency is flexible/understanding when dealing with tax-related issues
- The Agency's website
- The ease of use of the Agency's electronic services

In addition to uneven or inconsistent service from CRA agents, middling impressions of the CRA were based on the following:

- Having neither very good nor very bad experiences interacting with the Agency
- Occasional difficulties/problems finding information on the Agency's website
- Recognition that the CRA's role is only to implement tax policy (while disagreeing with aspects of the latter)
- The impression that agents are not very proactive with information

In addition to wait times to get through to an agent and difficulty resolving an issue in one service interaction, critical overall impressions of the CRA were based on the following:

- Problems when applying for various benefits, with a focus on eligibility requirements
- Problems dealing with the Agency regarding a deceased relative
- Lack of notes/tracking on individual file; occasionally, this was linked to difficulty resolving an issue in one service interaction
- Receipt of correspondence from the Agency perceived as menacing and/or aggressive
- The fact that the Agency requires people to provide information it already has on file
- The impression that the middle class is overtaxed; this was mentioned despite the fact that participants recognized (and were reminded) that the CRA is not responsible for tax levels
- The impression that the CRA is punitive and too strict in some of its income reporting requirements (e.g., having to report tips)

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- The impression that the roll-out of the Canada Emergency Response Benefit (CERB)³ was not handled properly—specifically that the Agency was too lenient with the disbursement of COVID-19 benefits, resulting in overpayments
- Resentment at having to hire a tax professional to file an income tax return because it is too complicated to complete without assistance
- Knowing people who have had bad experiences with the Agency
- The impression that tax filing should be simpler given all the information the government already has on file, i.e., the CRA should be able to tell people what they owe in taxes/the amount being refunded each year

Representatives of small businesses

Among representatives of small businesses, positive overall impressions of the CRA most often focused on lack of problems/issues when dealing with the Agency and the ease of use of the Agency's electronic services. Other reasons informing positive impressions of the Agency included the following:

- The helpfulness and politeness of agents
- The realization that agents have a difficult/challenging job and are doing their best
- The Agency's website
- The Agency's use of good security features/standards

In addition to uneven or inconsistent service from CRA agents, middling or neutral impressions of the CRA were based on the following:

- Difficulty finding information on the website related to/tailored for small businesses
- Lack of familiarity with CRA terminology, resulting in difficulty knowing what to ask about or what is important to know when dealing with the Agency
- The impression that the CRA does not understand small businesses and their needs
- The impression that the CRA is more likely to monitor small businesses than large businesses, which is compounded by the impression that the latter are less likely to pay their fair share of corporate taxes
- Difficulty accessing My Business Account

In addition to wait times to get through to an agent and difficulty resolving an issue in one service interaction, critical impressions of the CRA were based on the following: lack of notes on one's file to record reasons for contacting the CRA, which was occasionally linked to difficulty resolving an issue in one service interaction; and an impression that the Agency has no idea what it is like running a small business.

Tax intermediaries

Intermediaries' positive impressions of the CRA focused on most of the same areas identified by representatives of small businesses. The only difference was their view that it has been easier to get through to the CRA by phone over time (this impression was not shared by representatives of small businesses).

³ Members of the general public were also asked if they received COVID-19 benefits administered by the CRA to provide temporary income support to eligible Canadians. In response, only a relatively small number reported having received these benefits.

In addition to uneven or inconsistent service from CRA agents, middling overall or neutral impressions of the CRA were based on the following:

- Cumbersome processes/long forms
- Time waiting on hold, especially during tax season (occasionally provided as a reason for middling as opposed to critical overall impressions of the Agency)
- The impression that the Agency can be strict/unyielding on various issues, including not acknowledging its own mistakes/errors

Negative impressions of the CRA were based on the view that agents do not know the legislation that they are administering, which results in more work on the part of intermediaries who need to recontact the Agency in search of an answer/ruling, slow response times, and inefficiency (having to provide the same information each year for a client's file).

CRA perceived as having reputation for being hard to reach

As a follow-up to being asked for their overall impressions of the CRA, representatives of small businesses and intermediaries were asked how they would complete the following sentence: *The CRA has a reputation for being ...*

The most frequent way in which this sentence was completed was with words like 'difficult to reach' or 'slow', with a focus on the time it can take to get through to an agent. This sentence was also routinely completed with words like 'hard to deal with', 'frustrating', and 'inefficient', with a focus on the difficulty of getting consistent information, getting passed around from one agent to another, and resolving an issue in one service interaction.

Other ways of completing this sentence were identified by no more than a few participants and included the following:

- 'Difficult/hard to deal with' because of technical problems experienced when trying to access My Business Account (e.g., login issues, the time it takes to receive a new password), and the difficulty of answering certain security questions (e.g., Where did you live 5 years ago?)
- 'Intimidating/bureaucratic' because of all the rules/regulations, reporting requirements, and complexities of the tax system
- 'Intransigent/aggressive' because the Agency can be strict/unyielding on various issues
- 'Opaque' because of the difficulty finding information on the Agency website, difficulty understanding its language/terminology, and difficulty understanding what to ask/what one needs to know
- 'Ready to help/helpful' because this is a common experience when dealing with CRA agents
- 'Polite', also because this is a common experience when dealing with CRA agents
- 'Thorough' because the Agency is endlessly at work making sure people pay what they owe
- 'Honest' because if the Agency discovers that it owes someone more money than initially received it will correct its mistake
- 'Up-to-date technologically' because of the quality of its online services

CRA described as good in terms of digital services and efficient processing returns

There was widespread agreement among members of all three audiences that the CRA offers good online services and processes returns quickly and efficiently. This includes the Agency's website as well as its digital services: My Account (for individuals) in the case of members of the general public and My Business Account/Represent a Client in the case of representatives of small businesses and intermediaries.

Members of the general public (i.e., taxpayers) also routinely identified the CRA as being good at efficient distribution of benefits and rebates. Security features/maintaining security of information was also something many participants said the CRA is good at, but this was much more likely to be emphasized by representatives of small businesses and intermediaries than by taxpayers.

Other things the CRA was perceived as being good at were identified infrequently and included the following:

- Human interaction/professionalism—for example, polite/helpful staff/agents
- Impartiality—that is, it is a neutral/non-partisan organization
- Easy to deal with, e.g., flexible/accommodating when dealing with tax-related issues
- Offering different service channels options for interaction
- Hours of operation of its call centers

Reducing wait times - most frequently identified thing the CRA needs to improve

Members of all three audiences most often identified reduction of wait times when calling the CRA as something the Agency needs to improve. The only other area of improvement identified frequently was improving the overall knowledge of agents, with a focus on ensuring consistency in the information provided. Although this was identified across audiences, it was most likely to be identified by intermediaries. Other perceived areas for improvement identified across audiences included the following:

- Offering proactive information, such as eligibility for benefits, information for small businesses
- Simplifying language/explanations
- Including notes on files to help track and resolve issues
- Offering an online chat option for interaction with the Agency
- Making the website more user-friendly, including improving the interface, getting rid of broken hyperlinks, and improving the search engine by narrowing search options
- Easier access to information/assistance for niche audiences, such as small businesses or students
- Faster/quicker provision of new access codes to access My Account and My Business Account

A few taxpayers suggested that the CRA should offer free tax filing software for taxpayers. For their part, a few intermediaries suggested that the Agency needs to improve the following:

- Communication, by reducing its reply time by mail and eliminating communication by fax, which was described as outdated
- Processing times for certain interactions/transactions, such as trust returns
- The capacity to upload and send additional information/documents to the Agency
- The simplicity of forms

CRA perceived as trustworthy, primarily because there is no reason to think it is not

Based on their personal experience, or what they may have seen, read, or heard, participants were asked how trustworthy the CRA is, using a scale with 'not at all trustworthy' on one end and 'very trustworthy' on the other. In response, there was a widespread impression across all three audiences that the CRA is trustworthy, and those who did not express outright trust in the Agency were more likely to have mixed feelings about this than to express outright lack of trust.

The most common reason across all audiences for trusting the CRA was lack of any reason not to, with participants often adding that their experiences with the Agency have been good overall or that they have not experienced problems or any issues that would lead them to lack trust in the Agency. This included observing that there is nothing that would lead them to believe that the Agency or its employees engage in unethical or dubious behaviour on the job. Many participants also specified that their trust in the Agency was due in part to measures the CRA takes to ensure the security of Canadians' information, though this was much more likely to be specified by representatives of small businesses and intermediaries than by taxpayers.

Some participants across all three audiences ascribed their trust in the Agency to the impression that they have no choice but to trust the CRA or identified their trust as a hope or expectation. Additional reasons for trusting the Agency were identified infrequently and included the following:

- The impression that the Agency is politically neutral/non-partisan
- The Agency's recordkeeping/paper trails that help ensure accountability
- The impression that the Agency's rules/regulations/processes are consistent
- The fact that the Agency will voluntarily draw attention to and correct its mistakes or errors
- The fact that the Agency is open and receptive to making adjustments when issues are brought to its attention. An example of this, identified by an intermediary, is the Agency's Voluntary Disclosures Program
- Assistance with issues/problems received from staff/personnel

Among members of all three audiences, mixed assessments were almost entirely based on personal service interactions with the Agency. This usually involved mixed experiences dealing with agents, but it also included mistakes made by the Agency that had to be brought to its attention, a perceived lack of proactivity in terms of providing information, and having to revisit the same issue periodically. One factor not based on personal experience, but identified by a few participants as contributing to mixed assessments of the Agency's trustworthiness, was the fact that the Agency has been subject to hacking/data breaches.

A few representatives of small businesses attributed their mixed impressions of the trustworthiness of the Agency to the perception that it does not seem interested in going after large businesses that do not pay their fair share of taxes, including closing loopholes and pursuing those taking advantage of offshore accounts/tax havens. For their part, a few taxpayers attributed their mixed impressions of the Agency's trustworthiness to the following:

- Fear of being audited which is rooted in the impression that the issue comes down to the Agency's word against one's own
- Perceptions that the roll-out of the CERB was not properly handled
- Apprehension that the Agency may be unduly influenced by the government of the day

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Very few participants indicated that they lack trust in the Agency. Reasons for lack of trust included the following:

- Serious mistakes/errors made by the Agency regarding payments—for example, saying a payment had not arrived when in fact the Agency recorded the payment incorrectly
- Problems/issues related to applications/eligibility for benefits, including the impression that decisions regarding the latter cannot be effectively challenged
- The impression that employees have a lot of discretion when it comes to conducting audits, with some letting things slide while others are overly stringent
- Having to revisit the same issue/problem—for example, mistakes with benefits/rebates
- Concern over data breaches

Most describe their level of trust in the Agency as unchanged over the last few years

Most participants across all three audiences indicated that nothing over the last few years has affected their trust in the CRA by either increasing or diminishing it. The few who indicated that their level or degree of trust has either increased or decreased pointed to the following to explain why.

Reasons for increased trust included ...

- The Agency's constant concern with security and security features designed to protect confidentiality of information—for example, the process involved in retrieving one's CRA password demonstrates the Agency's concern with security
- The assistance (CERB) provided through the Agency during the pandemic
- Review of the CERB payments made to those who did not qualify for them
- Assistance with arrears
- Ads/communication from the Agency reminding people that they must file a return to receive benefits/rebates

Reasons for diminished trust included ...

- Perceptions that CRA employees working from home during the pandemic could potentially compromise the confidentiality of information
- Being denied certain benefits after having qualified for them for years
- Dispensing of the CERB to people who did not qualify
- Lack of clarity around who qualified for the CERB
- Stories in the media about the CRA making decisions based on the mistaken assumption that someone has died
- Stories in the media about data breaches at the CRA

2. Service-related issues

This section reports on service-related issues. These issues were explored in 13 focus groups and two in-depth interviews. Topics explored included perceptions of what characterizes a modern tax organization, filing habits and use of online services, protection of personal information, and service experiences.

2.1 Perceptions of a modern tax organization

Client-focused service and digital services – key features of a modern tax organization

There was a widespread impression across all audiences that a modern tax organization is characterized by two things: client-focused service and technology/online services (including websites) designed to deliver it. Client-focused service considered ‘modern’ was seen to include service that is ...

- Consistent, which requires effective training of agents to ensure knowledgeability
- Timely
- Efficient
- Available 24/7
- Personalized; that is, tailored to meet the needs of the individual or business in question

‘Modern’ technology/online services were routinely described as being advanced/cutting-edge (‘à la fine pointe’), user-friendly, and secure (the latter feature more likely to be emphasized by representatives of small businesses and intermediaries than by taxpayers). In addition to the importance assigned to digital services in a modern tax organization, there was a widespread assumption that such a modern organization is also characterized by two things: versatility in service options; that is, providing services that meet the needs of everyone, including those not comfortable with technology/online services; and human contact/interaction.

Another characteristic of a modern tax organization, as identified by a few participants, is its neutrality/objectivity. This was seen to include being politically non-partisan as well as treating everyone the same way.

CRA described as modern/modernizing from the perspective of technologically-focused services

With an emphasis mainly on the view that a modern tax organization is technologically-focused, participants tended to characterize the CRA as a modern tax organization/up-to-date, or expressed mixed views about this, including the impression that it is developing in that direction or making an effort to modernize. It is perhaps worth recalling that there was widespread agreement among members of all three audiences that the CRA offers good online services/technology when asked what, if anything, the Agency does well.

Those who expressed mixed views about the CRA as a modern tax organization tended to fall into three groups.

- Some participants acknowledged/recognized the CRA’s adoption of technologically-focused services while emphasizing things about those services that need improvement or modernization. This included the following impressions

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- Clients should be able to do more through the CRA’s digital services than they currently can—for example, use an online chat function, upload more documents, and track service interactions with the Agency
- The CRA website needs to be updated/made more user-friendly by, for example, narrowing search options, making it easier to find information and forms, and eliminating broken hyperlinks
- Various technical problems with online services need to be ironed out, such as difficulties logging into accounts or being locked out of accounts
- Some participants drew attention to the co-existence in the CRA of modern technological services and more traditional service channels including phone, fax, and mail (usually characterizing these traditional vehicles as outdated)
- Some participants felt that the CRA is a modern tax organization in terms of its digital service offerings, but has problems delivering client-focused service, specifically consistency in service and the time it takes to get service, i.e., access an agent

Widespread, but qualified, support for the use of AI and sharing of taxpayer information

There was widespread, but qualified, support across all audiences for the use of artificial intelligence (AI) by the CRA. Participants routinely recognized that AI is a development that cannot be ignored and that could have beneficial effects when it comes to interacting with the CRA and making service more efficient.

That being said, support for the use of AI was routinely conditional, and premised on its use as a support mechanism rather than a decision-making tool. Specifically, the general consensus was that AI should be used for such things as providing information, research, and assistance (e.g., answering questions), but that it should not be used for making decisions and determining complex issues, such as an audit and eligibility for benefits (which should continue to involve/be subject to human oversight). In addition, even where AI is used in a supportive role, many participants felt that it should be implemented gradually and tested through pilot projects, and that any security-related issues be thoroughly addressed (e.g., protecting personal information) before such systems are implemented.

A few participants did not support the use of AI by the CRA, even in a supportive role, because of concerns or apprehensions that it might not be controllable through human oversight.

Likewise, there was widespread, but conditional support, among taxpayers⁴ regarding sharing taxpayer information with other levels of government or government departments to streamline service. Specifically, support for the sharing of information was usually conditional upon getting informed consent from the people in question, making clear what kind of information would be shared and why, and protecting personal information.

⁴ Representatives of small businesses and intermediaries were not asked about this.

2.2 Tax filing and online services

Taxpayers

All file tax returns, on their own or with assistance, and nearly all do so electronically

All members of the general public involved in this research said they have filed personal income tax returns in the past, including this past tax season (i.e., their 2022 taxes or taxes for a previous year). The proportions of participants who reported doing their taxes on their own or doing so with assistance were similar. Some who said they do their taxes on their own volunteered that they use some form of tax software to assist them.

Those whose taxes are done by someone else typically said they use an accountant or professional tax preparer, though some receive assistance from family members, such as a spouse/partner or parent. Reasons for using an accountant or receiving assistance from someone else included the following:

- Complexities/issues resulting from personal or family circumstances—for example, income splitting, allowable expenses and deductions for self-employment, changes in the nature of one's income
- A desire to avoid making mistakes, to take advantage of all benefits/credits/deductions for which one is eligible, and to avoid stress/worries
- Because it saves time and effort

Nearly everyone said their last return was completed and filed electronically and that this is how they usually do so, i.e., this has not changed in the last few years. Those who file their returns electronically usually explained that they do so for reasons of speed, simplicity, and efficiency. Some said they file electronically because this is the way their accountant/professional tax preparer operates. The few who file their return by paper said they do so out of habit.

Most describe the process of completing and filing their tax returns as easy

Most taxpayers characterized the process of completing and filing their tax returns as easy or relatively easy, and there was a widespread impression that the process has become easier over time (or has not become more difficult). Reasons for this impression included the uncomplicated and/or unchanging nature of one's tax situation, the use of tax software, the use of an accountant/tax professional, e-filing, and experience/habit.

Reasons for characterizing the process as complicated or difficult usually involved complexities or issues resulting from personal or family circumstances, but also included difficulty keeping track of tax-related documents, finding the correct form(s), and understanding some of the language, terms or expressions used in various forms.

Widespread awareness and use of My Account

Awareness of My Account for individuals is widespread and most participants are registered users of the service. Frequency of use of the service varies considerably, ranging from rarely (i.e., 2-3 times a year, at tax time only), to occasionally, to often. Some also said they use the service on an 'as needed' basis. Reasons for using the service also varied, and included receiving email, tracking

refunds, setting up direct deposit, viewing the status of one's return, viewing/reviewing previous tax returns, checking RRSP limits, viewing notices of assessment, viewing tax information slips, submitting documents, and changing personal information, such as one's address.

Overall positive impressions of My Account

Overall impressions of My Account ranged from positive to very positive. Things that cannot be done on My Account that participants would like to be able to do included a chat function service and file notes documenting a record of interactions with the CRA. It was also suggested that it would be helpful if there could be direct links from My Account to other government programs for which individuals are registered. The example that was offered was the Ontario Student Assistance Program.

The small number of participants aware of My Account but not registered for it could not think of anything that would encourage them to sign up for the service (though neither did they express a clear unwillingness of reticence to do so).

Representatives of small businesses

Frequency of interactions between representatives of small business and CRA varies

The frequency of contact and/or interactions between representatives of small businesses and the CRA varied considerably, ranging from 'rarely', to 'sometimes', to 'often', to 'as needed'.

Widespread use of accountant/tax professional to interact with CRA

Almost all representatives of small businesses said they use someone outside their business, like an accountant or tax professional, to handle certain interactions or transactions with the CRA. The main reason they do so is because accountants or tax professionals are seen as having professional knowledge/knowledge of the tax system that the business representatives themselves do not. Related to this, it was also often noted that tax-related issues related to their businesses can be complicated. It was also often observed by representatives of small businesses that they do not have the time to devote to such issues and that using outside sources frees them up to focus on their business.

Things that accountants or tax professional do on behalf of small businesses include filing business taxes, filing GST/HST returns, and payroll source deductions.

Main perceived challenge when dealing with CRA is the time it takes to reach an agent

The most frequently identified 'biggest' challenge as a small business when dealing with the CRA was the time it takes to get through to an agent. Another challenge identified relatively frequently was uneven or inconsistent service from CRA agents regarding various issues, i.e., receiving different information/answers from different agents. Other challenges were identified less frequently and included the following:

- Not always knowing where to start/what to ask/what one needs to know when contacting the CRA (compounded by the impression that the Agency tends to use jargon/technical language and/or is not proactive when it comes to providing information)
- Difficulty finding information on the Agency's website related to/tailored for small businesses

- A general sense that the CRA does not understand small businesses and their needs

Tax intermediaries

Poor record keeping and limited tax-related literacy – main challenges when dealing with small business clients

Intermediaries most often identified one or the other of the following as the biggest challenge they face when dealing with small business clients on tax-related matters: poor record keeping (including incomplete and/or disorganized records/documents) and limited tax-related literacy. The latter, limited tax-related literacy, was seen to result in intermediaries often having to do the following:

- Explain a lot to their clients—for example, the difference between an audit and a review, business requirements/why they have to do certain things
- Correct misunderstandings/misinformation resulting from clients relying too much on what others/non-professionals have told them

Additional challenges included clients bringing matters to their attention at the last minute, inconsistency in business claims, and clients not using software packages for tax-related matters.

Intermediaries identified several challenges small businesses face when dealing with CRA

Intermediaries collectively identified a variety of things they see as the ‘biggest’ challenges their small business clients face when dealing with the CRA. These included the following:

- Lack of financial literacy/not knowing what to ask (especially new entrepreneurs)
- Not understanding the reason they are required to do certain things
- Getting through to an agent/the amount of time spent on hold when contacting the Agency
- Getting consistent/clear answers to their questions
- In the case of businesses in Quebec, understanding what is related to the CRA and what is related to Revenu Quebec

Provision of information and accessibility – top ways the CRA can improve relations with small businesses

Asked what the CRA can do to improve its relationship with small businesses, intermediaries identified the following:

- Provide dedicated phone lines for small businesses
- Provide video tutorials/workshops for entrepreneurs, especially those just starting a business
- Provide a chat service
- Provide assistance to entrepreneurs in registering their businesses
- Provide consistent information in response to questions/information needs
- Include notes on business owners’ files to help track and resolve issues

Getting through to an agent – main challenge intermediaries face when dealing with CRA

The most frequently identified challenge intermediaries said they face when dealing with the CRA is getting through to an agent, specifically the amount of time spent waiting on the phone to speak

to an agent. Another frequently identified challenge dealing with the Agency was inconsistency of service, specifically the challenge of getting through to a knowledgeable agent. Other perceived challenges were identified infrequently and included the following:

- Cumbersome processes/long forms—for example, the disability tax credit (DTC) form
- The Agency being strict/unyielding on various issues, including not acknowledging its mistakes/errors
- Having to revisit/re-explain issues periodically, attributed occasionally to the absence of notes/information on client files
- Delays in adjustments to tax returns

Cryptocurrency

Only a few intermediaries said they deal with crypto-asset activities or transactions when managing tax affairs for their clients. As a result, most felt they could not provide meaningful feedback on whether or not they have information on how the CRA treats cryptocurrency and tax-related obligations to file for clients with crypto-assets. The few who deal with such activities felt that they do have such information, while a few who do not deal with such activities said they would like to know how such assets are taxed—that is, when it is taxed as income and when it is taxed as a capital gain.

Representatives of small businesses and intermediaries

Perception that tax-filing has become easier

There was a widespread impression that the process of filing business taxes has become easier in recent years, primarily as a result of technology/software/online services. In addition, many representatives of small businesses volunteered that the process is facilitated by the fact that they use accountants/tax professionals. That being said, what has become more complicated to some are new rules/regulations and/or changes to rules/regulations, as well as the use of jargon/unclear language in explaining rules/regulations.

Widespread awareness and use of My Business Account/Represent a Client

Awareness of My Business Account/Represent a Client is widespread, as is registration for these services. The frequency of use of the service varies widely, with intermediaries more likely to use it frequently than representatives of small businesses. Uses of the service included viewing mail, checking balances, setting up direct deposit, submitting documents, getting tax slips, making payments, and authorizing representatives.

Positive overall impressions of My Business Account/Represent a Client

Assessments of the service ranged from positive to very positive. Based on their experience, intermediaries routinely observed that Represent a Client makes the process of meeting client's tax filing obligations less burdensome because of its speed, ease of use, and comprehensiveness. Things participants would like to see added to this service included a chat function, service notes on file providing a record of interactions with the CRA, the ability to get customized information by sector, such as benefits available to businesses in certain sectors, and auto-complete/pre-filled forms.

A few participants who were aware of the service but not registered for it felt that a tutorial on the service might encourage them to sign up for it.

2.3 Protection of personal information

Widespread impression that personal and business information is safe with the CRA

There was a widespread impression across all audiences that information is safe with the CRA (personal information in the case of taxpayers and business/client information in the case of representatives of small businesses and intermediaries). On occasion, participants conveyed these impressions as a hope or an expectation. Asked if they have any concerns or questions in this regard, no one identified anything specific.

That being said, there was occasionally acknowledgement/recognition that there is always a risk—that is, no system is foolproof/impenetrable and hackers are becoming ever more sophisticated in their campaigns. Beyond this however, participants did not express definite preoccupations about the safety of their information with the CRA.

Asked if their feelings about this have shifted over the years, most participants said they had not. Some said that they have been thinking more about safety of information in general, given the increase of (or increased reporting of) incidents of hacking and identity theft, but that this has not affected their feelings regarding the safety of their information with the CRA. Some said their feelings have changed in the direction of increased confidence regarding the safety of their information. This was either because of their direct encounters/experience with the CRA's safety measures including two-stage authentication and security questions, or as a result of the impression or assumption that the CRA has increased and/or improved its security measures over time.

Awareness of measures or safeguards used by the CRA to keep taxpayer information safe

Awareness of measures or safeguards used by the CRA to keep taxpayer and business information safe included passwords, use of two-stage authentication, security questions when speaking with an agent (i.e. confirming one's identity), email warnings/alerts/notifications, communication from the CRA that the Agency will never contact anyone by phone, being asked to verify personal information, e.g., 'what is the amount on line X in your last tax return', and being timed-out if one makes repeated mistakes trying to log in to My Account.

Representatives of small businesses and intermediaries more likely to think CRA does enough to detect/prevent identity theft

Representatives of small businesses and intermediaries were more likely than taxpayers to think CRA does enough to detect and prevent identity theft. Most taxpayers were unsure about this, with many noting that they assume the Agency does or hope it does. Conversely, among representatives of small businesses and intermediaries there was a widespread impression that the CRA does enough to detect and prevent identity theft.

Few participants felt that the CRA does not do enough in this regard. Those who felt this way noted that CRA systems have been hacked/breached in the past. Asked where they would go if they

thought their business had been impacted by fraudulent activity surrounding their tax filings or identity with the CRA, representatives of small businesses said they would go to the Agency itself.

Most either think the CRA is not open and transparent about its processes or do not know

Asked if they think the CRA does a good job explaining the way it operates to Canadians (i.e., is it open and transparent about its processes), participants across all audiences were most likely to either say no or that they do not know. Those who felt the CRA does **not** do a good job in this regard provided the following reasons to explain why they think this.

- Experience of the CRA not being proactive when it comes to providing information, i.e., if you do not ask, they do not tell
- Never having seen, read, or heard anything from the CRA about this
- Impression that the CRA is focused on collecting taxes and enforcing compliance, not explaining the way it operates to Canadians
- Lack of interest in/demand for such information in general, i.e., who looks for this/wants it?

A few participants were of the opinion that when it comes specifically to security/safety measures, the CRA should not be too open and transparent about its processes. The assumption underscoring this view was that not revealing such measures helps the Agency ensure their effectiveness.

Various measures expected in response to vulnerabilities in CRA databases

Participants collectively identified a variety of measures they would expect from the CRA in response to vulnerabilities in its databases. Similar measures were identified across all audiences, and routinely included the following:

- Alerting the individuals/businesses affected as well as posting an alert on the Agency website, and issuing general alerts to the media. While many felt that such alerts should also be posted on social media, some were of the opinion that this could be potentially problematic due to the widespread practice of scammers claiming to be contacting people from the CRA
- Being prompt and transparent in its alerts
- Being precise—that is, what happened, who is affected, what information/data was hacked, and what could potentially be done with it
- Taking immediate action, such as shutting down system, blocking servers, locking access to accounts
- Identifying next steps, such as what the CRA is doing, what people affected need to do, and the timelines for resolving the issue
- Offering services to those affected—for example, a paid subscription for credit monitoring
- Not penalizing individuals/businesses for any delays/problems occasioned by such events
- Liaising with other government departments that might be affected
- Indemnifying individuals/businesses for any financial losses resulting from the breach

Confidence in CRA’s ability to keep information safe linked to how it communicates/acts

Asked if they feel more or less confident about the CRA’s ability to keep information safe when the Agency communicates about such events, participants routinely observed that it depends on the way in which the Agency communicates and acts, including taking the kinds of measures identified above. A few said that regardless of how the Agency reacts their confidence in it would be shaken because if its systems had been breached this indicates that there are vulnerabilities. Some

explained that their confidence in the Agency would likely be affected by factors such as the following: how quickly the breach was detected, the extent of the breach, the kind of information/data that was compromised, the speed with which the problem is resolved, and the frequency of such events.

2.4 Service experiences

Interactions with CRA conducted mostly by telephone

Most taxpayers have interacted with the CRA for reasons other than just filing their tax returns over the last few years, with contact usually taking place by telephone. Other means of communication included the Agency's website, via My Account, in-person/at an office, and by fax, though the website was the only medium other than phone that was identified with any frequency.

Asked how they typically contact the CRA⁵, representatives of small businesses and intermediaries routinely identified the telephone, though some also said they also use the website regularly. Common reasons for which representatives of small businesses and intermediaries contact the CRA included tax information, issues related to notices of assessments, delays in processing, errors/mistakes (e.g., account reconciliation, misallocated payments), and payroll issues.

For most, the pandemic has not changed ways of interacting with Agency

Participants across all three audiences routinely observed that the pandemic has not changed anything in terms of how they contact or interact with the CRA. Those who did identify changes most often pointed to more frequent use of the Agency's website or a greater likelihood of using the website as a first resort instead of contacting the Agency by phone. Some intermediaries said that since the pandemic they are more likely to consult colleagues or acquaintances for information as a first resort instead of contacting the Agency by phone. It was also noted that since the pandemic it has not been possible for intermediaries to schedule in-person/office meetings with the CRA.

Interest in communicating with Agency via chat line

There was interest across all three audiences in the ability to communicate with the CRA via a chat line. Beyond this, very few expressed any thoughts about other ways of interacting with the Agency. Indeed, those who did express other thoughts focused on existing ways of communicating with the Agency. Specifically, a few intermediaries said they would like to be able to meet in person or schedule appointments with CRA agents to discuss specific issues, while a few taxpayers said that when they are on hold waiting to get through to an agent by phone it would be helpful if they could be informed about where they are in the queue.

Staff knowledge and prompt service identified as most important service attributes

Asked what service qualities are most important to them when they interact with the CRA, participants across all three audiences most often identified the competence and knowledge of CRA agents and the ability to obtain answers and information promptly, i.e., quick and efficient service. Additional service attributes were also identified with some frequency, either on their own or as

⁵ Members of the general public were asked about the various ways they have contacted the Agency over the last few years, whereas representatives of small businesses and intermediaries were asked how they *typically* contact the Agency.

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linked/associated with the latter. These included the ability to complete transactions in one service interaction and consistency in information (identified on their own or associated with the competence/knowledge of staff), and ease of access (identified on its own or associated with quick/efficient service).

Other service qualities perceived as important were identified less frequently and included the following:

- Clarity/precision of information (sometimes associated with the knowledge/competence of agents)
- Receipt of up-to-date information (occasionally associated with the knowledge/competence of agents)
- Professionalism
- Proactivity (identified by taxpayers and representatives of small businesses)
- 24/7 access (identified by taxpayers)
- Security and confidentiality (identified by intermediaries)

As a follow-up, taxpayers were asked what the CRA could change to make for a smoother/seamless service experience when it comes to managing their taxes and benefits. In response participants identified the following:

- An online chat function
- Scheduled callback service
- Free tax software
- File notes/tracking of service interactions
- More phone personnel
- A more user-friendly website
- More efficient/quicker resolution of access code issues related to My Account

Most describe CRA service as meeting their expectations

Most participants across all three audiences described their overall experience with the CRA as meeting their expectations. The most common reasons given to explain why was that they obtained what they needed and/or did not have any negative service interaction experiences. Some representatives of small businesses and intermediaries added that obtaining what they needed was often made easier through My Business Account/Represent a Client. Some taxpayers explained that their expectations were met because they were not very high to begin with, meaning it does not take much to meet them.

Only a small number of participants described their overall experience as either exceeding or falling short of their expectations.

- Exceeding expectations: In a few instances, those who said service exceeded their expectations explained that their expectation/assumption was that they would have difficulty receiving assistance or that they would be on hold for a long time before accessing an agent. The fact that this did not happen (i.e., they did receive the assistance needed and they were not on hold for a long time) resulted in service exceeding their expectations. In a few other instances, participants explained that they interacted with very patient and understanding agents who did everything they could to assist them

- Falling short of expectations: The small number of participants who said service fell short of expectations gave the following reasons to explain why: agents not being proactive/not volunteering information about benefits/credits, and the inability to resolve issues promptly (i.e., getting passed from one agent to another, receiving different information from different agents)

Impressions of CRA staff tend to be mixed

Overall impressions of CRA staff tended to be mixed. Among taxpayers, impressions of CRA staff were routinely positive, but there was also a relatively widespread impression that service can vary depending on who one is dealing with. Differences in service were usually associated with the agent's level of knowledge, not their willingness to be helpful, their politeness, or their empathy. That being said, some taxpayers were of the impression that agents could be more proactive when it comes to volunteering information, and a few said they have encountered agents who were impatient, curt, and lacked empathy and understanding.

Most taxpayers felt that following their interactions they were more confident with what they had to do or with the information they were provided, though some added that this took more time and effort than they expected. On the other hand, some said they were not more confident or said their confidence varied depending on the agent with whom they interacted.

Feedback from representatives of small businesses and intermediaries tended to be similar. Impressions of CRA staff were routinely positive when it came to such things as helpfulness, empathy, respect, and politeness (with a few exceptions), but there was a relatively widespread impression that knowledge varies depending on who one is dealing with.

Nearly all participants said they have the impression that CRA's client service focus has remained about the same, with few describing it either as improving or declining.

Widespread impression that CRA not doing enough to ensure its services are equally available

Many participants across all three audiences have the impression that the CRA is not doing enough to ensure its services are equally available to all Canadians (or note that they do not think services are equally available). Those who did not hold this view were more likely to say they do not know than to say that the CRA is doing enough in this regard.

Asked why they think the CRA is not doing enough in this regard, participants routinely identified groups or audiences they felt are being underserved. This routinely included the following:

- Seniors
- The unemployed
- Persons with disabilities
- Those with limited/no Internet access
- Those with limited financial literacy
- Indigenous Canadians
- New Canadians

Some taxpayers from northern communities felt that CRA services were not equally available to them. A few representatives of small businesses also felt that the Agency could be doing more to

assist small business owners, particularly ones who have recently started a business. Things the Agency could do to address this included the following:

- Offering free tax software or filing services
- Offering simplified filing/pre-filled forms
- Offering scheduled sessions with first-time filers
- Simplifying language/explanations in general and on forms
- Dedicated phone lines for small business owners
- Hiring more telephone personnel

3. Compliance-related issues

This section reports on compliance-related issues. These issues were explored in 13 focus groups and three in-depth interviews. Topics explored included tax compliance, the underground economy, offshore compliance, and voluntary disclosures and debt repayment.

3.1 Tax compliance

‘Compliance’ in the context of Canada’s tax system means various things

Representatives of small businesses and intermediaries were asked what the expression ‘compliance’, in the context of Canada’s tax system means to them. The expression brought to mind a variety of things, all of which were identified in one way or another⁶ by at least a few participants. These included the following:

- Laws/rules/regulations
- General application/applying to everyone
- Adherence to reporting requirements
- Filing/paying taxes
- Truthful reporting of income
- Meeting deadlines
- Meeting obligations
- Enforcement
- Penalties
- Timely filing

Differences between audiences about whether most people pay their fair share of taxes

There was some difference of opinion between audiences regarding the issue of whether most people pay their fair share of taxes.⁷ Taxpayers tended to be divided on this issue between those who felt that they do and those who felt they do not or who have their doubts (a small proportion

⁶ This means that participants may have used different terms or expressions to refer to the same phenomenon.

⁷ The wording of the questions used to explore this issue differed between audiences. Members of the general public were asked the following question: *The income tax Canadians pay is based on the amount of income they voluntarily disclose to the Government. Do you think that most people follow tax rules and pay their fair share of taxes?* Representatives of small businesses and intermediaries were asked the following question: *The CRA approaches its work with the underlying premise that most people, given the opportunity and the right services, will meet their tax obligations. Do you believe this is a sound approach? Why or why not?*

saying they do not know). Among those who felt that most people do not (or who have doubts about this), some suggested that the likelihood of paying one's fair share of taxes varies by class/income level, the assumption being that the middle-class carries the main burden when it comes to paying taxes.

Among representatives of small businesses and intermediaries, there was general agreement that it is sound for the CRA to proceed on the assumption that most people will meet their tax obligations (though some thought this also recognised that 'many' will try to avoid fully complying with their obligations if they can). Reasons for considering this a sound approach included the following:

- The impression/assumption that most people are honest
- The impression that it is easier to manage one's affairs and more conducive to peace of mind when one is in compliance because one does not have to worry/be vigilant
- Fear of being caught, partly because of the Agency's ability to monitor/track/verify reporting
- Absence of any realistic alternative—that is, what other assumption could the Agency reasonably or realistically hold
- The belief that trust will foster compliance; people are more willing and likely to comply when trusted to do so
- Because it is harder to make mistakes/errors when filing one's taxes as a result of tax software (to the extent that not meeting one's tax obligations is due to negligence/mistakes rather than deliberate)
- Because so many people rely on the advice and guidance of accountants/tax professionals (identified by a few intermediaries)

Among the small number who do not think this is a sound principle, reasons given to explain why included the impression that people will generally try to avoid paying their full share of taxes if they can, and the impression that more and more people feel they are paying too much in taxes.

Burden on others and fewer public services – main effects of people not paying fair share of taxes

As a follow-up to this, taxpayers were asked about the impact, if any, of people not following tax rules and not paying their fair share of taxes. In response, the most frequently identified impacts were an inordinate tax burden placed on others (mainly the middle class), a decline in the nature and quality of public services, and a decline in benefits (e.g., rebates, credits). Other perceived impacts identified infrequently included a general decline in government revenues, growing class divisions and resentments (based on the assumption that it is the rich/wealthy who do not pay their fair share, which leads to growing resentment among members of the middle and lower classes).

CRA should provide information to help businesses learn about meeting their tax obligations

For their part, representatives of small businesses and intermediaries were asked, by way of follow-up, what role the CRA should play in helping businesses learn about meeting their tax obligations. In response participants emphasized the CRA's role in providing information to businesses with a focus on the following:

- Ensuring that the business information it provides through its agents and on its website is correct and up-to-date
- Ensuring that information for and about businesses is accessible/easy to find (including tailoring information specifically for small businesses and newly established businesses)

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- Ensuring that such information is clear, with a focus on avoiding ambiguity, clarifying grey areas, and keeping language/terms simple
- Having dedicated call centers for businesses and intermediaries (it being noted regarding the latter that there used to be an intermediary ‘hotline’ at the CRA that no longer seems to be in service)

In addition to having a role in providing information, some representatives of small businesses and intermediaries felt that the CRA also has a compliance role to play in this regard. Specifically ...

- Being lenient/understanding with businesses when they make mistakes/errors in meeting their tax obligations instead of punishing them—that is, helping them learn from their errors
- Pursuing and punishing those who deliberately evade their tax obligations (the assumption being that helping businesses learn about meeting their tax obligations includes making it clear that deliberately avoiding these obligations will not be tolerated)

Virtually no awareness of CRA products/services to help businesses comply with their tax obligations

Although representatives of small businesses and intermediaries see a role for the CRA in helping businesses learn about meeting their business tax obligations, there is virtually no awareness of any products or services offered by the Agency to help businesses comply. Indeed, apart from a general reference to online booklets made by a few intermediaries, no one was able to identify any specific products or services offered by the CRA to help businesses comply.

Asked what types of products or services would be valuable to small businesses, the following were identified (though only the first was identified with any frequency):

- Workshops and clinics, especially for new businesses
- Booklets/guides
- CRA staff assigned specifically to deal with small businesses/dedicated phone lines
- Periodic updates/what’s new
- Installment payment notices from the Agency

Difference of opinion on whether cheating or benefitting from loopholes is the bigger problem

Across all three audiences, there were differences of opinion on whether cheating or taking advantage of loopholes is the bigger problem for the rest of Canadians who pay their fair share of taxes.

- Impression that loopholes are the bigger problem: Those who identified loopholes as the bigger problem often noted that they privilege the wealthy (with representatives of small businesses sometimes specifying that they favour large companies), and result in massive sums of lost tax revenue (taxpayers sometimes adding that this results in an unfair burden being placed on the middle-class). Some representatives of small business and intermediaries also drew attention to a sense of immunity among those who use loopholes, and the cloak of legality they can appeal to. A few intermediaries also suggested that it is more difficult to detect and catch those who take advantage of loopholes
- Impression that cheating is the bigger problem: Those who identified cheating as the bigger problem often noted that loopholes, though regrettable, are not illegal while cheating is a

blatant disregard of the law. Some also felt that, while the existence and use of loopholes is a problem, they are not available to most people whereas cheating is more widespread (e.g., the underground economy/accepting cash for services). A few intermediaries also suggested that loopholes can be difficult to take advantage of and can be closed

Some felt that both tax evasion and avoidance are equally problematic. A few specified that the wealthy are more likely to take advantage of loopholes to avoid paying taxes, while those who are not wealthy are more likely to cheat. Some said they do not know which—evasion or avoidance—is the bigger problem.

Additional factors offered to explain non-compliance with tax obligations

As a follow-up, taxpayers were asked what factors besides willfully cheating might explain someone not complying with their tax obligations. Various possible reasons were suggested, including the following:

- Lack of financial literacy
- Lack of resources, including no accountant, no software, poor/limited Internet access
- Lack of information
- Lack of knowledge of rules/regulations
- The complexity of the tax system
- Age-related problems or health issues
- Financial hardship (i.e., not having the financial resources to pay what they owe)

Several things identified that would make it easier to meet tax obligations

Taxpayers also identified various things that would make it easier to meet one's tax obligations. These included the following:

- Making the CRA site easier to navigate
- Advertising the benefits of filing taxes (receiving a tax refund)
- Assistance completing returns
- Workshops on filing
- Free tax software
- More emphasis on financial literacy in school

3.2 Enforcement and transparency

Widespread impression that validating COVID-19 benefits payments is fair

There was a widespread impression among taxpayers that validating some COVID-19 benefits payments is a fair thing to do, and there were no evident differences of opinion in this regard between those who had received such benefits and those who had not. A few participants who felt this is not fair volunteered that people who applied for these benefits tend to be people in precarious employment situations and/or low-income earners who needed assistance. It was also suggested that allowance should be made for ignorance about eligibility instead of assuming that everyone who turns out to have been ineligible was deliberately being deceptive in order to benefit from a program for which they did not qualify.

Opinions differ on perceived effectiveness of CRA at finding/addressing issues of non-compliance

Opinions on the effectiveness of the CRA at finding and addressing issues involving people not paying their fair share of taxes varied across all three audiences. Among taxpayers, the difference of opinion tended to be more clear-cut between those who felt the CRA is effective in this regard and those who felt it is not. Among representatives of small businesses and intermediaries, opinion tended to be more mixed, divided between those who described the Agency as effective, those who described it as ineffective, and those who said they do not know.

- Reasons for thinking CRA is effective at finding/addressing issues involving people not paying their fair share of taxes:** The reason provided most often to explain why the CRA is perceived as effective in this regard was the impression that the Agency has the power and resources to do this—for example, sophisticated means of tracking and monitoring and the authority to impose penalties or conduct audits. Among a few intermediaries this impression was reinforced by their experience of clients being regularly audited by the Agency. A number of taxpayers also based their impression of the effectiveness of the CRA in this regard on the assumption that it does this as part of its mandate

Some representatives of small businesses and intermediaries qualified their impression by suggesting that the CRA is effective in this regard *if* it decides to pursue someone, but that the Agency does not follow this practice uniformly. Specifically, there was an impression that the Agency is effective in pursuing ‘small players’ but not ‘big fish’, as well as an impression that while it is effective at ‘finding’ people who do not pay their fair share of taxes whether it always ‘addresses’ the issue or not is another matter

- Reasons for thinking CRA is not effective at finding/addressing issues involving people not paying their fair share of taxes:** Opinion that the CRA is not effective in this regard was routinely based on a perceived lack of evidence that it is effective, exemplified mainly by the existence of tax havens and the underground economy. Some taxpayers also based their opinion on the impression that the CRA lack of resources to devote to this, and a lack of political will/direction

Most do not think the CRA treats everyone equally in addressing non-compliance

Opinion also differed as to whether the CRA treats everyone equally when it comes to addressing non-compliance in meeting tax obligations, though most participants in all three audiences felt it does not. Moreover, the most frequently given reason across all audiences for believing that the CRA does not treat everyone equally was the impression that the Agency’s approach varies by class/income level. Specifically, there was a widespread assumption that the CRA tends to focus its compliance/enforcement activities on the middle and lower classes because they are easier to target. On the other hand, the wealthy and powerful were seen as having ways to avoid compliance such as loopholes to exploit and offshore accounts to hide earnings, as well as resources to devote to fighting/challenging the CRA that make it time consuming to go after them.

There was also a sense among some intermediaries (based on their own experience) that CRA agents differ in the way they deal with similar situations—for example, some agents are more lenient while others are more rigid.

Those who felt that the CRA treats everyone equally when it comes to addressing non-compliance in meeting tax obligations provided one or both of two reasons to explain why. First, it is the

Agency's job/mandate to treat everyone equally; that is, the CRA is/should be impartial and rules apply equally to all. Second, they have no reason to think that the CRA does not treat everyone equally when it comes to non-compliance and tax obligations; that is, they have seen or heard nothing that suggests the contrary.

Evidence needed to convince that CRA make sure the wealthy pay their fair share of income tax

By way of probing on this issue, representatives of small businesses and intermediaries were asked what it would take to make them think that the "big fish" are being adequately targeted and that the CRA is doing enough to make sure they pay their "fair share" of income tax. In response, the following things were routinely identified:

- Producing and providing data/statistics/reports on CRA measures in this regard, including results/consequences of targeting measures, with a focus on activities related to offshore tax havens
- Exposing/identifying those taking advantage of offshore tax havens
- Closing loopholes allowing wealthy to avoid paying their fair share of taxes
- Preventing/not allowing special deals/out-of-court settlements for those accused of non-compliance

A few suggested that the government of Canada rather than the CRA has to take the lead in this regard by bringing in policies that make it clear that non-compliance by wealthy individuals and corporations will not be tolerated.

Taxpayers

Widespread trust in CRA's compliance processes regarding corrected returns and audits

Trust in two CRA compliance-related processes was relatively widespread among taxpayers. Specifically, most participants said that if they received a notice from the CRA about a revised/corrected tax return they would trust that it had correctly identified a problem (though they routinely added that they would want evidence of this and/or want to double-check it themselves). Similarly, most taxpayers said they would trust the CRA to conduct an audit accurately and fairly.

Despite widespread trust in the CRA conducting an audit accurately and fairly, nearly all taxpayers said they know little to nothing about audits conducted by the Agency. Awareness about kinds of interventions considered available to the CRA to address non-compliance was relatively widespread and included such things as withholding benefits, credits or rebates, garnishing funds, auditing, prosecuting, adding interest to payments owed, and establishing payments plans.

Mixed views on knowing more about CRA enforcement practices and the impact of such knowledge

Taxpayers were asked if they would want to know more about how the CRA enforces tax laws (and whether the Agency's audit programs are successful), and if such knowledge would increase their trust that the CRA is making sure that everyone is paying their share of taxes.

While many expressed some degree of interest in knowing more about this, the degree of interest tended to be moderate or lukewarm as opposed to strong. The main reasons for wanting to know

more were curiosity, and a sense that this would be something it would be good to know more about. A few said that knowing more about this would increase their confidence in the Agency. Those not interested in knowing more about this most often cited lack of interest or reason/need to know more about this. Some explained that this is because they have simple/uncomplicated tax situations, because they are honest people, or because these issues do not affect/apply to them.

Opinion was divided as to whether knowing about the CRA's enforcement practices would result in greater trust that the CRA is making sure that everyone is paying their share of taxes. A few participants who felt that knowing more would not result in greater trust that the CRA is making sure that everyone is paying their share of taxes explained that such trust could only be increased by knowing that the Agency is implementing its enforcement practices.

Representatives of small businesses and intermediaries

Widespread lack of awareness whether CRA improves its enforcement approaches on an on-going basis

Nearly all representatives of small businesses and intermediaries said they do not know whether the CRA improves its enforcement approaches on an on-going basis when it comes to compliance and addressing tax cheating. A small number of participants felt that the Agency does improve its approaches and provided the following in support of their opinion (occasionally specifying that their opinion is based on assumptions rather than knowledge):

- Technological developments/more sophisticated approaches to track and monitor
- Collaboration with other government agencies and between levels of governments
- Increased focus on specific sectors of the economy known to be more involved in the underground economy, including devoting more personnel to investigate this

Widespread support for using public information in suspected cases of tax avoidance/evasion

There was widespread support among members of these two audiences for the CRA using publicly available information when investigating suspected cases of tax avoidance or evasion. That said, participants routinely added as a caveat that such information needs to be verifiable. In particular, it was suggested that use of information found on social media could be problematic because the medium is conducive to bragging and people often say things on social media that are either untrue or exaggerated.

Most think knowing about CRA enforcement practices would increase their trust that the Agency is making sure everyone pays their share of taxes

Most members of these two audiences felt that if they knew about the CRA's enforcement practices, they would have greater trust that the CRA is making sure that everyone is paying their share of taxes. They differ in this regard from taxpayers who were divided about this issue.

3.3 Underground economy

Most aware of the underground economy

Participants were usually aware of the phenomenon of the underground economy, though some were not aware of it by this designation, and a few confused it initially with the black market. There

was also widespread awareness of, and agreement about, types of activities that characterize the underground economy or what it includes. The most frequently provided example of activity in the underground economy was paying cash for goods and services in order to avoid paying taxes. Ways of characterizing this kind of activity or transaction included ‘not declaring revenue’, ‘not charging tax’, ‘providing cash for service’, and ‘non-receipted economic transactions’. In referring to activities in the underground economy, a few participants described them as ‘under the table’ transactions or ‘bartering’, by which was meant providing one kind of service and receiving another in return.

Variety of factors perceived as contributing to the underground economy

Taxpayers were asked what factors they think contribute to participation in the underground economy in Canada. Factors most often seen to be contributing to participation in the underground economy included increases in the cost of living/difficulty making ends meet economically, the impression that people are always looking for deals (including the possibility of avoiding taxes, if possible), a perception that taxes are too high, and/or a perception that the tax burden falls mainly on members of the lower and middle classes.

Smaller numbers pointed to factors such as anti-government feeling, a feeling that one will not get caught/that there will not be consequences, an impression that it is done in part to help people (i.e., give them a break), and a sense that it is not a big deal and/or a feeling that others are getting away with much worse, such as using offshore tax havens to hide income to avoid paying income tax in Canada.

Main perceived effect of the underground economy is dealing with tax shortfall

In the opinion of taxpayers, the main effects of the underground economy include the tax burden being unevenly distributed—specifically, that those participating in the underground economy are not paying their fair share of taxes. This may/does result in a need to increase taxes in order to make up for the shortfall resulting from undeclared economic activity, and/or a reduction in publicly funded services/programs as a result of insufficient public funds to finance them. It was also suggested that one effect of the underground economy could be to increase economic activity, as well as contribute to a general increase in prices as a result of more disposable income.

Certain industries/sectors perceived as more likely to contribute to underground economy

Representatives of small businesses and intermediaries were asked if certain industries or sectors are more likely to be contributors to the underground economy. There was widespread agreement that this is the case, with the following routinely identified as such industries/sectors:

- Contractors—for example, those working in construction, snow plowing, landscaping
- Trades, such as plumbers and electrician
- Automotive repair/mechanics/body shops
- Personal care—for example, estheticians, beauty salons, barbers
- Small and home-based businesses

The most frequently provided reasons to explain why such sectors/industries are more prone to participating in the underground economy included the ability to conduct cash-based transactions, the fact that these tend to be labour-based services, and the fact that they tend to provide services instead of products. All of these were seen as factors that make such transactions difficult to

trace/monitor. There was also an impression that these kinds of businesses tend to be smaller and as a result less subject to public regulation and/or public scrutiny.

Mixed views on size of underground economy

When it comes to the size of the underground economy, representatives of small businesses and intermediaries are mainly divided between those who think it has grown and those who think it is about the same (with a few saying they think it has shrunk or saying they do not know). The most frequently given reason for thinking it has grown had to do with increases in the cost of living and more people struggling economically to make ends meet or looking to have more disposable income. Reasons identified infrequently included a growing perception that taxes are too high, a growth of anti-government feeling, and a growing feeling that the amount paid in taxes does not translate into an adequate return in terms of benefits and services.

Those who felt that the underground economy has remained about the same usually explained that they have no reason or evidence for thinking it has grown or shrunk, while those who believed it has shrunk pointed to a general decline in cash-based transactions and/or an increasing tendency towards electronic transactions/the digitalized economy which allows for more effective tracking/monitoring of activities. A few added that this tendency towards fewer cash-based transactions and more digital transactions has become more widespread as a result of the pandemic.

Most believe participation in underground economy has become more socially acceptable

Most participants said they believe that participation in the underground economy has become more socially acceptable over time. That said, this belief was more widespread among taxpayers, while there was more difference of opinion about this among representatives of small businesses and intermediaries. Reasons for believing that it has become more socially acceptable to do so included the following:

- Increases in the cost of living/more people struggling economically
- A desire to save money/have more disposable income
- A feeling that taxes are too high
- A decline in respect for authority/government
- A sense that the phenomenon is being tolerated/not stopped
- A sense that one will not get caught
- The impression that people talk more openly about their involvement in the underground economy
- The impression that engaging in such activities helps people who are struggling

A few specified that they think it has become more socially acceptable among members of the middle and lower classes, partly as a result of a belief that they pay more than their fair share of taxes while the rich pay less than their fair share.

Widespread assumption that people who participate in underground economy will not get caught

There was a widespread assumption among members of all three audiences that it is unlikely that people who participate in the underground economy will get caught by the CRA. Reasons routinely provided to explain why included the following:

- The perceived difficulty of tracking/monitoring such activities
- The impression that the phenomenon is thriving (suggesting to some that the problem is willfully ignored)
- The fact that one never hears anything about people being caught

In addition to these reasons, some felt that it is unlikely that people who participate in the underground economy will get caught because this is not the kind of activity for which people typically denounce others, and because catching them does not seem to be a priority for the CRA (based in part on lack of evidence that resources are being devoted to this issue).

The small number of business representatives and tax intermediaries who thought that it is likely that people who participate in the underground economy will get caught by the CRA usually pointed to the Agency's growing technological sophistication and analytical capabilities to detect involvement in the underground economy. It was also suggested that certain actors are more likely to get caught than others. This included so-called 'bigger players' whose transactions are more likely to be electronically/digitally-based, and those in sectors with a reputation for involvement in the underground economy because of increased monitoring of these sectors.

Various ways CRA can deal effectively with underground economy

According to participants, things the CRA can do to effectively deal with the underground economy included the following, though none was identified with any frequency:

- Lowering taxes in general (identified by taxpayers)
- Devoting more resources to the issue, including more agents to monitor businesses in sectors most likely to participate in the underground economy, and use of digital data/analytics to correlate reported income with lifestyle
- Imposing severe penalties on those caught participating in such activities
- Encouraging people to report evidence of the phenomenon

Some participants said they do not know what the CRA can do, while others felt that government has to take the lead on this issue. One example included increasing the GST/HST in order to liquidate funds acquired/accumulated through participation in the underground economy.

Most taxpayers think reducing participation in underground economy is not a priority for the CRA or do not know

Asked if they think that reducing participation in the underground economy is a priority for the CRA, virtually all taxpayers either said that they do not think so or that they do not know. The most frequently given reasons for thinking this is not a priority for the Agency were the perception that tracking/monitoring such activities is difficult, that the CRA lacks resources to devote to this, that the Agency probably has other priorities, and lack of any sign/evidence that this is a priority for the Agency. Other reasons were identified infrequently and included the impression that the CRA is too busy dealing with people who do pay their taxes, and that most people pay their taxes which ensures that sufficient tax revenues are still being collected.

3.4 Offshore compliance

Few have heard anything recently about offshore tax havens or CRA efforts to stop use of them

Only a few participants recall having heard anything recently in the media about offshore tax havens. Those who do recall something remember hearing about references to financial information/details about offshore accounts in the leaked Panama papers, references to cruise ship companies using offshore accounts, and that \$40 billion dollars in Canadian funds is located in tax havens/offshore accounts.

Similarly, very few said they have heard anything about any measures, tools, or projects the CRA has put in place to stop individuals or businesses from hiding their revenue abroad to avoid paying taxes in Canada. The only things heard of include data sharing/cooperation with foreign governments, analysis of data from the Panama papers, and increased efforts at recovering lost tax revenue.

Asked if they think individuals and businesses hiding revenues offshore in tax havens is a big problem or a minor problem, virtually all representatives of small business and intermediaries described it as a big problem, with most of the remaining participants saying they do not know.

When it comes to offshore compliance, intermediaries see the role of tax practitioners as involving the following: being vigilant (i.e., knowing what to be on the lookout for) and compliant, asking clients about offshore assets, advising clients about their responsibilities and the risks involved when it comes to offshore assets, and telling clients what they need to disclose.

Participants do not believe CRA is doing enough to stop offshore non-compliance or do not know

Asked if they believe the CRA is doing enough to stop offshore non-compliance, participants either said no or that they do not know. Taxpayers were more likely to say they believe the Agency is not doing enough, while representatives of small businesses and intermediaries were more likely to say they do not know.

Reasons routinely given for thinking the Agency is not doing enough included never hearing anything about such activities, the impression that tax havens are thriving, the impression that the CRA focuses on collecting taxes from those who respect the law, and the impression that the CRA does not treat everyone equally when it comes to compliance (i.e., that it tends to focus its enforcement activities on the middle and lower classes because they are easier to target). It was also suggested by a few participants that there is a lack of political will to go after those who take advantage of offshore tax havens.

Ways CRA could better address situation to stop hiding of revenue abroad

Views on what the CRA could do to better address the situation included partnering/data sharing with other countries/jurisdictions, publicizing its successes in recovering lost tax revenues, 'outing' companies/individuals who take advantage of tax havens, going after companies/individuals who owe most first, and tougher enforcement in general.

Things participants said they would like to know about CRA activities or efforts to stop individuals and companies from hiding their revenue abroad routinely included the following:

- How much money in taxes is in tax havens
- How offshore activities are monitored
- Measures/resources are in place to recover funds/enforce compliance
- Names of companies/individuals involved in such activities
- How/if loopholes are being closed
- Success rates—for example, who has been pursued, who has been caught, how much tax revenue has been retrieved

3.5 Voluntary Disclosures Program and debt payment

Positive reactions to Voluntary Disclosures Program

Participants were asked what they think of the CRA's Voluntary Disclosures Program after being given the following description of it:

The CRA has a program called the Voluntary Disclosures 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. By voluntarily reporting, taxpayers avoid legal prosecution or penalty fines that would be applied if the CRA had found the issue, but they must still pay any additional tax owing, plus interest, that results from the correction.

Reactions to the voluntary disclosure program tended to be positive. Perceived benefits routinely included the following:

- Retrieving tax revenue
- Incentivising 'doing the right thing' by removing fear of punishment for correcting errors/mistakes
- Encouraging honesty in reporting
- Fostering trust/faith in the tax system
- Saving the CRA time and resources in pursuing the non-compliant
- Providing a cooperative instead of an adversarial approach to compliance (i.e., voluntary reporting instead of litigation)

A few intermediaries described the program as providing assistance to those who have less financial literacy and/or may have been misled or badly advised, and potentially increasing trust/faith in the tax system.

Participants were much more likely to ask questions about the program than identify perceived drawbacks/disadvantages with it (indeed very few identified any drawbacks). Queries included questions about the effectiveness of the program (e.g., the take-up rate), the costs of administering the program, and the likelihood of people using it. One perceived drawback is that it seems to reward those who notice a mistake/error and report it while punishing those who do not notice their error. Another perceived disadvantage was that the program will not address the problem of those who deliberately cheat when it comes to tax-related compliance.

Various options should be available to taxpayers when it comes to paying tax amounts owed

Participants collectively identified a variety of options that should be available to taxpayers when it comes to paying the tax amounts that are owed to the CRA through the program. The most frequently identified option/consideration was the financial situation/ability to pay, with participants occasionally suggesting that this could include accommodations such as repayment plans and lower/preferential interest rates (or none at all).

Other factors that participants felt should be considered routinely included the amounts owed, the reason for the errors, the number of times errors/omissions have happened (i.e., repeat offender versus first time), and prior history of compliance with the CRA. A few representatives of small businesses felt that one option should take into account new versus established businesses, with an emphasis on providing more flexibility for new companies with less knowledge of compliance requirements for businesses.

No surprise that CRA tailors approach to circumstances and expectation that it would share this kind of message

Taxpayers were not surprised to learn that the CRA does not take a one-size-fits-all approach to paying taxes owed (i.e., that it tailors its approach to the circumstances of individuals), and they also expected the CRA to share this kind of message with Canadians. Despite positive reactions to this practice, awareness of it did not really change anyone's impression of the CRA.

3.6 Cryptocurrency

Very few intermediaries deal with crypto-asset activities/transactions

As was the case with intermediaries with whom service-related issues were explored, only a few intermediaries said they deal with crypto-asset activities or transactions when managing tax affairs for their clients. Moreover, their feedback mirrored that of intermediaries with whom service-related issues were explored. Specifically, most felt they could not provide meaningful feedback on whether or not they have information on how the CRA treats cryptocurrency and tax-related obligations to file for clients with crypto-assets.

The few who deal with such activities felt that they do have such information (it being noted that there is a very good article on the CRA website). A few who do not deal with such activities said they would like to know how such assets are taxed, as well as examples/cases/scenarios that can present themselves when dealing with crypto-asset activities or transactions.

Appendix

1. Technical Specifications

- 25 focus groups and five in-depth interviews were conducted across the country between June 5 and July 6, 2023, as follows:

Language	Method	Location	Audience	Guide Focus
English	In person	Halifax	Taxpayers	Service
English	In person	Halifax	Taxpayers	Compliance
English	Online	Atlantic	SMEs	Compliance
English	Online	Atlantic	Tax intermediaries	Compliance
French	In person	Montreal	Taxpayers	Service
French	In person	Montreal	Taxpayers	Compliance
French	In person	Montreal	SMEs	Service
French	In person	Montreal	SMEs	Compliance
French	In person	Montreal	Tax intermediaries	Service
French	In person	Montreal	Tax intermediaries	Compliance
English	In person	Toronto	Taxpayers	Service
English	In person	Toronto	Taxpayers	Compliance
English	In person	Toronto	SMEs	Service
English	In person	Toronto	SMEs	Compliance
English	In person	Toronto	Tax intermediaries	Service
English	Online	Toronto	Tax intermediaries	Compliance
English	In person	Calgary	Taxpayers	Service
English	In person	Calgary	Taxpayers	Compliance
English	Online	West	SMEs	Service
English	Online	West	Tax intermediaries	Service
English	Online	Remote	Taxpayers	Service
French	Online*	Remote	Taxpayers	Mix**
English	Online	Remote	SMEs	Service
English	Online	Remote	SMEs	Compliance
English	Online	Remote	Tax intermediaries	Service
English	Online	Remote	Tax intermediaries	Compliance

*Five in-depth interviews were conducted instead of a focus group due to challenges associated with recruiting French-speakers outside of Quebec.

** Three in-depth interviews were conducted using the compliance guide and two were conducted using the service guide.

- Eleven focus groups and five in-depth interviews were conducted online, and the remainder (14 focus groups) were conducted in person
- In total, 196 individuals participated in the research: 85 taxpayers, 57 decision-makers of small businesses, and 54 tax intermediaries
- Nine focus groups and five in-depth interviews were conducted with taxpayers and eight focus groups each were conducted with representatives of small businesses and tax intermediaries
- All sessions were conducted in English, except for the focus groups in Montreal and the five in-depth interviews conducted with taxpayers living in northern and smaller communities

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- The sessions with each audience were segmented, with one session focused on service-related issues and the other on compliance-related issues. To ensure an appropriate mix of participants for each of the issue areas, participants were segmented according to their views on taxation and compliance. In addition, each group included a mix of participants as follows:
 - Individual taxpayers: by age, gender, income, education, and employment
 - Small businesses: by gender, business size, and dealings with the CRA
 - Tax intermediaries: by gender and business size
- Participants from the general population were at least 18 years or older and were Canadian citizens or permanent residents who had been living in Canada for at least three years. All participants had to have been living in Canada for the 12 months preceding the research. Individuals who had attended at least five qualitative sessions (focus groups or interviews) in the past five years, as well as those who had attended a session in the past six months, were excluded from the research. Each session included a mix of participants by age, gender, household income, employment status, and education. In addition, each Compliance focussed 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 level of agreement (on a 10-point scale) with the following three statements:
 - Considering the services we receive from the federal government, the public pays too much federal income tax
 - The CRA would never find out about income received in cash that is not declared on their tax return
 - 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. Among business participants, at least half in each group personally dealt with the CRA. For the Compliance focussed sessions, participants included a mix of those who agreed 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 (focus groups or interviews) in the past five year, as well as those who had attended a session in the past six months, were excluded from the research
- The focus groups lasted 90 minutes, with two groups conducted per evening: one with service-focused participants and one with compliance-focused participants. The in-depth interviews averaged 45 minutes to complete
- For the sessions with taxpayers, 10 participants were recruited for eight to show per focus group. For the sessions with the business populations (representatives of small businesses and tax intermediaries), eight participants were recruited for six to show per group
- Participants were paid an honorarium. The honoraria differed by target audience and method of participation (online versus in-person session):
 - Individual taxpayers: in-person and online, \$100
 - Small businesses: in-person, \$300; online, \$250

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- Tax intermediaries: in-person, \$225; online, \$175
- All sessions were recorded (online sessions via screen recording software and in-person sessions via digital videorecording) and participants were informed of this during recruitment and reminded of the recording by the moderator in advance of the discussion
- In-person focus groups were conducted in regular focus group facilities, the online groups were conducted using a market research-specific online platform, and the in-depth interviews were conducted via Zoom
- Recruitment and participant confirmation was undertaken by CRC Research, under subcontract to Phoenix SPI. There were two screeners: one for individual taxpayers and another for the business audiences
- The CRA designed the recruitment screeners. All participants were recruited per the recruitment specifications for the Government of Canada. Participants were recruited using CRC Research’s extensive opt-in database/qualitative panel of approximately 450,000 adults aged 18+. This panel has been developed over many years based on cold calling, referrals, previous research, and advertisements. Eligible individuals were identified in CRC’s panel first by completing the screening questionnaire, which was administered online, and then eligibility was confirmed by a short telephone interview with a recruiter. In some locations, social media postings were used to augment panel efforts
- The rights of participants under the Privacy Act, the Personal Information Protection and Electronic Documents Act, and the Access to Information Act were protected throughout the research process. The following measures were in place to deal with issues of privacy and consent:
 - Potential participants were informed of the following: the purpose of the research; the identity of the sponsoring Agency; that their participation is completely voluntary; and that all information they provide would be administered according to the requirements of Privacy Act, the Personal Information Protection and Electronic Documents Act, and the Access to Information Act. This information was also be repeated during the telephone confirmation and invitation to participate
 - Written consent was obtained from each participant prior to videorecording
 - At the beginning of the focus group sessions, participants were informed of the recording, the confidentiality of their responses, and the presence of observers. There were no observers for the in-depth interviews
- Recruitment of participants adhered to the Government of Canada’s *Standards for the Conduct of Government of Canada Public Opinion Research – Qualitative Research* on recruitment specifications

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.

2. Research Instruments

2.1 Recruitment Screeners

2.1.1: General Public (Taxpayers)

INTRODUCTION

Hello/Bonjour, my name is [INSERT]. I'm calling from Phoenix Strategic Perspectives, a Canadian public opinion research firm. Would you prefer to continue in English or French? / Préférez-vous continuer en français ou en anglais?

[INTERVIEWER NOTE: IF SOMEONE IS ASKING TO PARTICIPATE IN FRENCH/ENGLISH BUT NO IN-PERSON GROUP IN THIS LANGUAGE IS AVAILABLE, CONSIDER RECRUITING THEM FOR GROUP 5 OR 6 – THE ONLINE SESSIONS.]

We are organizing a series of discussion groups on behalf of the Government of Canada to explore various issues of importance to the country. We are not trying to sell you anything. I would like to speak to the person in your household who is a Canadian citizen or permanent resident and is at least 18 years old. Would that be you?

01. Yes [CONTINUE]

- CONFIRM IF IT'S NOT CLEAR WHETHER THE INDIVIDUAL IS A CANADIAN CITIZEN OF PERMANENT RESIDENT.
- IF THE INDIVIDUAL IS A PERMANENT RESIDENT, ASK HOW LONG THEY'VE LIVED IN CANADA. IF IT'S BEEN LESS THAN 3 YEARS, SAY: "Thank you, but you need to have lived in Canada for at least 3 years to take part in this research."
- ASK TO SPEAK TO SOMEONE IN THE HOUSEHOLD WHO MEETS THESE CRITERIA.

02. No [ASK TO SPEAK TO SOMEONE IN THE HOUSEHOLD WHO MEETS THESE CRITERIA]

CONTINUE WHEN CONNECTED TO SOMEONE 18+, WHO IS A CANADIAN CITIZEN OR A PERMANENT RESIDENT WHO HAS RESIDED IN CANADA SINCE 2020 OR EARLIER:

INFORMATION

As I mentioned, we're randomly recruiting Canadians to take part in one of these discussion groups. The format is a discussion with up to eight people. The group will take place in the evening, and it will last no more than 90 minutes. People who take part will receive an honorarium of \$100 to thank them for their time.

A. Are you interested in taking part in this study?

01. Yes [CONTINUE]

02. No [ASK IF ANYONE ELSE IN THE HOUSEHOLD MIGHT BE INTERESTED]

- IF YES, GO BACK TO THE INTRODUCTION.
- IF NO, THANK AND TERMINATE.

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B. Before we invite you to attend, I need to ask you a few questions to ensure we have a good mix of people. This will take about 5 minutes. May I continue?

01. Yes [CONTINUE]

02. No

- ASK IF ANYONE ELSE IN THE HOUSEHOLD MIGHT BE INTERESTED
 - IF YES, GO BACK TO THE INTRODUCTION.
 - IF NO, THANK AND TERMINATE.
- ASK IF THERE'S A BETTER TIME TO CALL THIS PERSON.
 - IF YES, SCHEDULE A CALLBACK.
 - IF NO, THANK AND TERMINATE.

Participation is voluntary and your decision to participate will not affect any dealings you 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 a “round table” discussion lead by a research professional from Phoenix Strategic Perspectives. 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.

NOTES:

A. IF ASKED: The personal information you provide is governed in accordance with the Privacy Act and will not be linked with your name on any document including the consent form. 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 final report written by Phoenix SPI will be available to the public from Library and Archives Canada (<http://www.bac-lac.gc.ca/>.)]

B. IF AN INDIVIDUAL QUESTIONS THE VALIDITY OF THE RESEARCH, INVITE HIM/HER TO CONTACT MARIE-PIERRE VEILLET-LEMAY OF THE CRA AT 343-575-5446 / Marie-Pierre.Veillet-Lemay@cra-arc.gc.ca OR GO ONLINE TO CRIC RESEARCH VERIFICATION SERVICE AND ENTER PROJECT NUMBER: **20230424-PH826**.

EN: <https://www.canadianresearchinsightscouncil.ca/rvs/home/>

FR: <https://www.canadianresearchinsightscouncil.ca/rvs/home/?lang=fr>

C. TO VERIFY IT IS A GOVERNMENT OF CANADA PROJECT, THEY CAN SEARCH THE FOLLOWING WEBSITE TO SEE LIST OF CURRENT PUBLIC OPINION RESEARCH PROJECTS – INCLUDING THIS ONE: Annual Corporate Research.

EN: <http://canada.ca/por-cra>

FR: <http://canada.ca/arc-por>

SCREENING

[WHEN TERMINATING A CALL WITH SOMEONE, SAY: Thank you for your cooperation. We already have enough participants who have a similar profile to yours, so we are unable to invite you to participate.]

SCR1. Do you or a member of your immediate family work or have you ever worked for ...? [READ LIST]

- a. A marketing research, public relations firm, or advertising agency?
- b. The media (i.e., a radio or television station, newspaper, or magazine)?
- c. The federal or provincial/territorial government?
- d. A tax preparation or accounting company?

01. Yes [THANK AND TERMINATE IF 'YES' TO A, B, C, OR D]
02. No
03. Prefer not to say [THANK AND TERMINATE]

SCR2. Are you a Canadian citizen or permanent resident at least 18 years old?

01. Canadian citizen
02. Permanent resident
03. No [THANK AND TERMINATE]
04. Prefer not to say [THANK AND TERMINATE]

SCR2B. [IF A PERMANENT RESIDENT] For how long have you been living in Canada?

01. RECORD: [THANK AND TERMINATE IF LESS THAN 3 YEARS]
02. Prefer not to say [THANK AND TERMINATE]

SCR3. And, have you been living in Canada for the last 12 months?

01. Yes
02. No [THANK AND TERMINATE]
03. Prefer not to say [THANK AND TERMINATE]

SCR4. In which province or territory do you live?

01. British Columbia
02. Alberta
03. Saskatchewan
04. Manitoba
05. Ontario
06. Quebec
07. New Brunswick
08. Newfoundland
09. Northwest Territories [ELIGIBLE FOR GROUPS 5, 6; GO TO SCR8]
10. Nova Scotia
11. Nunavut [ELIGIBLE FOR GROUPS 5, 6; GO TO SCR8]
12. Prince Edward Island
13. Yukon Territory [ELIGIBLE FOR GROUPS 5, 6; GO TO SCR8]

14. Prefer not to say [THANK AND TERMINATE]

SCR5. [IF SCR4 = 02, 05, 06, 10; GROUPS 1, 2, 3, 4, 7, 8, 19, 20 ONLY] In which city or town do you live?

- 01. Calgary* [ELIGIBLE FOR GROUPS 1, 2]
- 02. Halifax* [ELIGIBLE FOR GROUPS 3, 4]
- 03. Toronto* [ELIGIBLE FOR GROUPS 7, 8]
- 04. Montreal* [ELIGIBLE FOR GROUPS 19, 20]
- 05. None of these [CONTINUE]
- 06. Prefer not to say [CONTINUE]

*And surrounding areas—e.g., Mississauga—as appropriate.

SCR6. [IF SCR5 = 05, 06 OR SCR4 = 01, 03, 04, 07, 08, 12; GROUPS 5 AND 6 ONLY] What are the first three digits of your postal code?

- 01. A rural postal code, A0A
- 02. Not a rural post code, A1A [THANK AND TERMINATE]
- 03. Prefer not to say [THANK AND TERMINATE]

SCR7. [IF SCR6 = 01] How far away is the nearest city of at least 100,000 people?

- 01. Under 60 kilometres [THANK AND TERMINATE]
- 02. 60+ kilometres
- 03. Prefer not to say [THANK AND TERMINATE]

SCR8. Have you ever attended a discussion group or taken part in an interview on any topic that was arranged in advance and for which you received money for your participation?

- 01. Yes
- 02. No [SKIP TO Q1]
- 03. Prefer not to say [THANK AND TERMINATE]

SCR9. When did you last attend one of these discussion groups or interviews?

- 01. RECORD: [THANK AND TERMINATE IF IN THE LAST 6 MONTHS]
- 02. Prefer not to say [THANK AND TERMINATE]

SCR10. How many discussion groups have you attended in the past 5 years?

- 01. RECORD: [THANK AND TERMINATE IF 5 OR MORE]
- 02. Prefer not to say [THANK AND TERMINATE]

TAXPAYER SEGMENT

[WHEN TERMINATING A CALL WITH SOMEONE, SAY: Thank you for your cooperation. We already have enough participants who have a similar profile to yours, so we are unable to invite you to participate.]

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1. For each of the following statements, I would like to know how much 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 ...
 - a. Considering the services we receive from the federal government, the public pays too much federal income tax.
 01. Score of 6-10 = LOW
 02. Score of 1-5 = HIGH
 03. Prefer not to say [THANK AND TERMINATE]
 - b. The CRA would never find out about income received in cash that is not declared on their tax return.
 01. Score of 6-10 = LOW
 02. Score of 1-5 = HIGH
 03. Prefer not to say [THANK AND TERMINATE]
 - c. Given the opportunity most people would hide income to avoid taxes.
 01. Score of 6-10 = LOW
 02. Score of 1-5 = HIGH
 03. Prefer not to say [THANK AND TERMINATE]

INTERVIEWER NOTE:

For Compliance Groups (2, 3, 5, 8, 19)

Score of LOW on at least 2 of 3 at Q1a-c: RECRUIT MINIMUM 3 PER GROUP

Score of HIGH on at least 2 of 3 Q1a-c: RECRUIT MINIMUM 3 PER GROUP

GROUP 5 AND 6 ONLY

[WHEN TERMINATING A CALL WITH SOMEONE FOR THESE QUESTIONS, SAY: Thank you for your cooperation. 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.]

2. The focus groups are going to be online sessions held **over the Internet**. Participants will need to have access to a **computer**, a **high-speed Internet connection**, and a **Webcam** to participate in the group. Would you be able to participate under these conditions?
 01. Yes [GO TO Q5]
 02. No [CONTINUE]
3. [Q2=02] It is possible to participate using a tablet or phone with a camera and high-speed Internet connection? Would you be able to participate under these conditions?
 01. Yes [GO TO Q5]
 02. No [CONTINUE]

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4. [IF Q3=02] You yourself do not need to have a computer and internet connection to participate. If you have a friend or family who could provide you with access to a **computer**, a **high-speed Internet connection**, and a **Webcam for the online session**, you would be able to participate. Would this be possible?
01. Yes
 02. No [THANK AND TERMINATE]
5. You will need to be in a place that is quiet and free of distractions for the duration of the session. This means, to the extent possible, being in a room in your home or office on your own, without pets, children, or other people nearby. 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. Will you be able to participate from a place free of distractions for the duration of the focus group session?
01. Yes
 02. No [THANK AND TERMINATE]

PARTICIPANT MIX

[WHEN TERMINATING A CALL WITH SOMEONE, SAY: Thank you for your cooperation. We already have enough participants who have a similar profile to yours, so we are unable to invite you to participate.]

6. Will you please tell me which of the following age groups you fall in to? Are you...? [READ LIST; STOP WHEN A RESPONSE IS PROVIDED] [RECRUIT A MIX IN ALL GROUPS]
01. Under 18 [THANK AND TERMINATE]
 02. 18-29
 03. 30-39
 04. 40-49
 05. 50-59
 06. 60-64
 07. 65+
 08. [DO NOT READ] Prefer not to say [THANK AND TERMINATE]
7. Are you ...? [READ LIST; AIM FOR 50/50 M/F IN ALL GROUPS; GENDER DIVERSE ELIGIBLE FOR ANY GROUP]
01. Male
 02. Female
 03. Gender diverse
 04. [DO NOT READ] Prefer not to say [THANK AND TERMINATE]
8. What was your household's income, before taxes, for 2022? Was it...? [READ LIST; STOP WHEN A RESPONSE IS PROVIDED] [RECRUIT A MIX IN ALL GROUPS]
01. Under \$20,000
 02. \$20,000 to just under \$40,000
 03. \$40,000 to just under \$60,000
 04. \$60,000 to just under \$80,000
 05. \$80,000 to just under \$100,000

06. \$100,000 to just under \$150,000
 07. \$150,000 and above
 08. [DO NOT READ] Prefer not to say [THANK AND TERMINATE]
9. Are you currently ...? [READ LIST; STOP WHEN A RESPONSE IS PROVIDED] [RECRUIT A MIX IN ALL GROUPS]
01. Working full time
 02. Working part-time
 03. Self-employed
 04. Retired [MAXIMUM OF 2 PER GROUP]
 05. Not working [MAXIMUM OF 3 PER GROUP OF 5 + 6 COMBINED]
 06. A student [MAXIMUM OF 3 PER GROUP OF 5 + 6 COMBINED]
 07. [DO NOT READ] Prefer not to say [THANK AND TERMINATE]
10. What is the last level of education that you completed? [READ LIST; STOP WHEN A RESPONSE IS PROVIDED] [RECRUIT A MIX IN ALL GROUPS]
01. Some high school
 02. Completed high school
 03. Some college/technical school/CEGEP
 04. Graduated college/technical school/CEGEP
 05. Some university
 06. Graduated university
 07. Graduate studies
 08. [DO NOT READ] Prefer not to say [THANK AND TERMINATE]
11. Participants in group discussions are asked to voice their opinions and thoughts. How comfortable are you in voicing your opinions in front of others? [READ LIST] [RECRUIT A MIX IN ALL GROUPS]
01. Very comfortable
 02. Somewhat comfortable
 03. Not very comfortable [THANK AND TERMINATE]
 04. [DO NOT READ] Not at all comfortable [THANK AND TERMINATE]

CONSENT

Now I have a few questions that relate to privacy, your personal information, and the research process.

[WHEN TERMINATING A CALL WITH SOMEONE FOR THESE QUESTIONS, SAY: Thank you for your cooperation. Based on your responses, we are unable to invite you to take part in these focus groups, as you do not meet the study requirements. We thank you for your interest in this research.]

12. The discussion group will be recorded. The recordings will be used only by the research professional to assist in preparing a report on the findings and they will be destroyed once the report is final. Do you agree to be recorded for research purposes only?

01. Yes [GO TO Q14]
02. No [CONTINUE]
13. It is necessary for the analysis process for us to record the session as the moderator needs this material to complete the report. The recordings will be used solely to assist with writing the report and will not be shared. Now that I've explained this, do I have your permission for recording?
01. Yes
02. No [THANK AND TERMINATE]
14. Employees from the Government of Canada may observe the discussion group but will not have access to any of your personal information, such as your full name, and they will not take part in the discussion. Do you agree to having Government of Canada employees observe the session?
01. Yes [GO TO 16]
02. No [CONTINUE]
15. It is standard procedure to invite the research sponsor, in this case, Government of Canada employees, to observe the groups. They will be there simply to hear your opinions firsthand although they may take their own notes and the moderator may confer with them 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?
01. Yes
02. No [THANK AND TERMINATE]
16. We will provide the **focus group moderator** [ADD FOR GROUPS 1-4, 7-8, 19-20: and facility] with a list of participants' names and responses to these questions so you can be signed into the group. We will provide your first name and the first letter of your last name only. This information will not be shared with the Government of Canada. Do we have your permission to do this? I assure you it will be kept strictly confidential.
01. Yes [GO TO Q18]
02. No [CONTINUE]
17. We need to provide the **focus group moderator** [ADD FOR GROUPS 1-4, 7-8, 19-20: and facility] with the names and background of the people attending the focus group because only the individuals invited are allowed in the session and the moderator must have this information for verification purposes. Please be assured that this information will be kept strictly confidential. Now that I've explained this, do I have your permission to provide your name and profile **to the moderator?**
01. Yes
02. No [THANK AND TERMINATE]

INVITATION TO PARTICIPATE

Great! You qualify to participate in one of our focus groups.

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18. Would you be available to attend an [online / in-person] focus group on (DATE @ TIME)? It will last approximately 90 minutes (an hour and a half) and you will receive an honorarium of \$100 for your time.

- 01. Yes
- 02. No [THANK AND TERMINATE]

[GROUPS 5 + 6]

May I have your email address so that we can send you an email message with the information you will need about the online focus group?

ENTER EMAIL ADDRESS: _____

Information regarding how to participate will be sent to you by email in the coming days. The email will come from Phoenix SPI and the address will be research@phoenixspi.ca. The group discussion will begin promptly at <TIME> and will end at <TIME>, and last up to 90 minutes. Please log in 5-10 minutes before the start time to ensure that the session is not delayed for any reason. If you arrive late, we may not be able to include you in the discussion and you may not provide you with the incentive.

[GROUPS 1-4, 7-8, 19-20]

The group discussion will begin promptly at <TIME> and will end at <TIME>, and last up to 90 minutes. It will be held at <FACILITY NAME AND ADDRESS>. Please arrive at the facility 5-10 minutes before the start time to ensure that the session is not delayed for any reason. If you arrive late, we may not be able to include you in the discussion and you may not provide you with the incentive.

At the focus group facility, you will be asked to produce photo identification, so please remember to bring something with you (for example, a driver’s license). In order to participate, you will also be asked to sign a consent form, which we will be available at the facility upon your arrival.

If you use glasses to read, please bring them with you.

[EVERYONE]

As we are only inviting a small number of people to attend, your participation is very important to us. If for some reason you are unable to attend, please call us so that we can get someone to replace you. You can reach us at [INSERT NUMBER] at our office. Please ask for [INSERT NAME].

Someone will call you the day before to remind you about the session. 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?

First name: _____

Last Name: _____

Daytime phone number: _____

Evening phone number: _____

2.1.2: Small Businesses and Tax Intermediaries

INTRODUCTION

Hello/Bonjour, my name is [INSERT]. I'm calling from Phoenix Strategic Perspectives, a Canadian public opinion research firm. Would you prefer to continue in English or French? / Préférez-vous continuer en français ou en anglais?

First off, let me assure you that we are not trying to sell you anything. We are organizing a series of discussion groups on behalf of the Government of Canada to explore various issues of importance to the country.

- A. We are looking to speak to an individual in your company whose clientele includes small businesses and whose work involves providing accounting, tax preparation, or payroll services. IF ASKED: SMALL BUSINESSES INCLUDE BUSINESSES THAT HAVE FEWER THAN 100 EMPLOYEES. Would you be this person?

01. Yes [CONTINUE: 'TAX INTERMEDIARY']

02. No [ASK FOR THE APPROPRIATE CONTACT]

- IF AVAILABLE, GO BACK TO THE INTRODUCTION.
- IF UNAVAILABLE, SCHEDULE A CALLBACK.
- IF NO-ONE MEETS THIS DESCRIPTION, CONTINUE TO B.

INTERVIEWER NOTE: IF THE PERSON YOU REACH IS A GATEKEEPER, ASK TO BE TRANSFERRED TO SOMEONE DIRECTLY INVOLVED IN PREPARING AND FILING RETURNS FOR CLIENTS (E.G. ACCOUNTANT, TAX PREPARER) AND BEGIN AGAIN.

- B. We are also looking to speak to the person in your company who has shared or sole decision making responsibilities for business operations. Would you be this person?

01. Yes [CONTINUE: 'SMALL BUSINESS']

02. No [ASK FOR THE APPROPRIATE CONTACT]

- IF AVAILABLE, GO BACK TO THE INTRODUCTION.
- IF UNAVAILABLE, SCHEDULE A CALLBACK.
- IF NO-ONE MEETS THIS DESCRIPTION OR NO-ONE IS WILLING, TERMINATE.

As I mentioned, we're conducting a research study for the Government of Canada. About six to eight people will take part in each discussion group, all of them randomly recruited like you. The group will take place in the evening, and it will last no more than 90 minutes. People who take part will receive a cash honorarium to thank them for their time.

- A. Are you interested in taking part in this study?

01. Yes [CONTINUE]

02. No [THANK AND TERMINATE]

- B. Before we invite you to attend, I need to ask you a few questions to ensure we have a good mix of people. This will take about 5 minutes. May I continue?

01. Yes [CONTINUE]

02. No

- ASK IF THERE'S A BETTER TIME TO CALL THIS PERSON.
 - IF YES, SCHEDULE A CALLBACK.
 - IF NO, THANK AND TERMINATE.

Participation is voluntary and your decision to participate will not affect any dealings you 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 a “round table” discussion lead by a research professional from Phoenix Strategic Perspectives. 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.

NOTES:

A. IF ASKED: The personal information you provide is governed in accordance with the Privacy Act and will not be linked with your name on any document including the consent form. 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 final report written by Phoenix SPI will be available to the public from Library and Archives Canada (<http://www.bac-lac.gc.ca/>).

B. IF AN INDIVIDUAL QUESTIONS THE VALIDITY OF THE RESEARCH, INVITE HIM/HER TO CONTACT MARIE-PIERRE VEILLET-LEMAY OF THE CRA AT 343-575-5446 / Marie-Pierre.Veillet-Lemay@cra-arc.gc.ca OR GO ONLINE TO CRIC RESEARCH VERIFICATION SERVICE AND ENTER PROJECT NUMBER: **20230424-PH826**.

EN: <https://www.canadianresearchinsightscouncil.ca/rvs/home/>

FR: <https://www.canadianresearchinsightscouncil.ca/rvs/home/?lang=fr>

C. TO VERIFY IT IS A GOVERNMENT OF CANADA PROJECT, THEY CAN SEARCH THE FOLLOWING WEBSITE TO SEE LIST OF CURRENT PUBLIC OPINION RESEARCH PROJECTS – INCLUDING THIS ONE: Annual Corporate Research.

EN: <http://canada.ca/por-cra>

FR: <http://canada.ca/arc-por>

SCREENING

[WHEN TERMINATING A CALL WITH SOMEONE, SAY: Thank you for your cooperation. We already have enough participants who have a similar profile to yours, so we are unable to invite you to participate.]

1. Do any members of your immediate family work or have ever worked for ...? [READ LIST]
 - a. A marketing research, public relations firm, or advertising agency?
 - b. The media (i.e., a radio or television station, newspaper, or magazine)?
 - c. The federal or provincial/territorial government?

01. Yes [THANK AND TERMINATE IF 'YES' TO A, B, OR C]
 02. No
 03. Prefer not to say [THANK AND TERMINATE]
2. [TAX INTERMEDIARIES] To confirm, you are currently employed as a professional tax preparer, bookkeeper, accountant or payroll specialist who works directly with at least some small business clients on tax-related or payroll matters?
01. Yes [GO TO Q5]
 02. No [THANK AND TERMINATE]
 03. Prefer not to say [THANK AND TERMINATE]
- 2a) [TAX INTERMEDIARIES] Which of the following services do you provide to clients? [READ LIST]
01. File tax returns
 02. File GST/HST returns
 03. Provide payroll services
 04. File T4 slips
 05. [DO NOT READ] None on these [THANK AND TERMINATE]
 06. Prefer not to say [THANK AND TERMINATE]
3. [SMALL BUSINESSES] To confirm, you have sole or shared responsibilities in your business for matters related to taxes, payroll, GST/HST preparation or bookkeeping?
01. Yes
 02. No [THANK AND TERMINATE]
 03. Prefer not to say [THANK AND TERMINATE]
4. [SMALL BUSINESSES] Do you personally deal with the Canada Revenue Agency, or C-R-A, or does this fall under someone else's responsibilities?
01. Yes, deal personally with CRA
 02. No, someone else deals with CRA [MAXIMUM OF 4 PER GROUP]
5. Approximately how many employees, including yourself, does your company have? This includes all full-time and permanent part-time staff, from all locations or branches if more than one exists. [READ LIST; STOP WHEN A RESPONSE IS PROVIDED] [RECRUIT A MIX IN ALL GROUPS]
01. 1
 02. 2 – 4
 03. 5 – 19
 04. 20 – 49
 05. 50 – 99
 06. 100 or more [THANK AND TERMINATE]
 07. [DO NOT READ] Don't know [THANK AND TERMINATE]
6. What is your job title? ONLY READ IF HELPFUL.
01. President/CEO/Owner

02. CFO/Comptroller
 03. Accountant
 04. Payroll Manager/Officer
 05. Manager
 06. Bookkeeper
 07. Financial Officer
 08. Other – specify:
 09. Prefer not to say [THANK AND TERMINATE]
7. In which province or territory do you work?
01. British Columbia
 02. Alberta
 03. Saskatchewan
 04. Manitoba
 05. Ontario
 06. Quebec
 07. New Brunswick
 08. Newfoundland
 09. Northwest Territories [ELIGIBLE FOR GROUPS 21, 22; GO TO Q11]
 10. Nova Scotia
 11. Nunavut [ELIGIBLE FOR GROUPS 23, 24; GO TO Q11]
 12. Prince Edward Island
 13. Yukon Territory [ELIGIBLE FOR GROUPS 21, 22; GO TO Q11]
 14. Prefer not to say [THANK AND TERMINATE]
8. [IF Q7 = 05,06; GROUPS 9-12, 15-18 ONLY] In which city or town do you work?
01. Toronto, including GTA [ELIGIBLE FOR GROUPS 9-12]
 02. Montreal, including surrounding area [ELIGIBLE FOR GROUPS 15-18]
 03. None of these [CONTINUE]
 04. Prefer not to say [CONTINUE]
9. [IF Q8 = 03, 04 OR Q7 = 01-08, 10, 12; GROUPS 13-14, 21-22, 23-24, 25-26 ONLY] What are the first three digits of your business's postal code?
01. A rural postal code, A0A
 02. Not a rural post code, A1A [THANK AND TERMINATE]
 03. Prefer not to say [THANK AND TERMINATE]
10. IF Q9 = 01] How far away is the nearest city of at least 100,000 people?
01. Under 60 kilometres [THANK AND TERMINATE]
 02. 60+ kilometres
 03. Prefer not to say [THANK AND TERMINATE]
11. Have you ever attended a discussion group or taken part in an interview on any topic that was arranged in advance and for which you received money for your participation?
01. Yes

- 02. No [SKIP TO Q14]
- 03. Prefer not to say [THANK AND TERMINATE]

12. When did you last attend one of these discussion groups or interviews?

- 01. RECORD: [THANK AND TERMINATE IF IN THE LAST 6 MONTHS]
- 02. Prefer not to say [THANK AND TERMINATE]

13. How many discussion groups have you attended in the past 5 years?

- 01. RECORD: [THANK AND TERMINATE IF 5 OR MORE]
- 02. Prefer not to say [THANK AND TERMINATE]

GROUP 13-14, 21-26 ONLY

[WHEN TERMINATING A CALL WITH SOMEONE FOR THESE QUESTIONS, SAY: Thank you for your cooperation. 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.]

14. The focus groups are going to be online sessions held **over the Internet**. Participants will need to have access to **a computer**, a **high-speed Internet connection**, and a **Webcam** to participate in the group. Would you be able to participate under these conditions?

- 01. Yes [GO TO Q16]
- 02. No [CONTINUE]

15. [IF Q14 = 02] You yourself do not need to have a computer and internet connection to participate. If you have a friend or family who could provide you with access to **a computer**, a **high-speed Internet connection**, and a **Webcam for the online session**, you would be able to participate. Would this be possible?

- 01. Yes
- 02. No [THANK AND TERMINATE]

16. You will need to be in a place that is quiet and free of distractions for the duration of the session. This means, to the extent possible, being in a room in your home or office on your own, without pets, children, or other people nearby. 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. Will you be able to participate from a place free of distractions for the duration of the focus group session?

- 01. Yes
- 02. No [THANK AND TERMINATE]

PARTICIPANT MIX

[WHEN TERMINATING A CALL WITH SOMEONE, SAY: Thank you for your cooperation. We already have enough participants who have a similar profile to yours, so we are unable to invite you to participate.]

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17. [SMALL BUSINESSES] For the following statement, I would like to know how much 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.
- a. Considering the services we receive from the federal government, the public pays too much federal income tax.
01. Score of 8-10 = RECRUIT MINIMUM 2 PER GROUP
 02. Score of 4-7 = RECRUIT MAXIMUM 4 PER GROUP
 03. Score of 1-3 = RECRUIT MINIMUM 2 PER GROUP
18. Are you ...? [READ LIST; AIM FOR 50/50 M/F IN ALL GROUPS; GENDER DIVERSE ELIGIBLE FOR ANY GROUP]
01. Male
 02. Female
 03. Gender diverse
19. Participants in group discussions are asked to voice their opinions and thoughts. How comfortable are you in voicing your opinions in front of others? [READ LIST] [RECRUIT A MIX IN ALL GROUPS]
01. Very comfortable
 02. Somewhat comfortable
 03. Not very comfortable [THANK AND TERMINATE]
 04. Not at all comfortable [THANK AND TERMINATE]
 05. Prefer to not answer [THANK AND TERMINATE]

CONSENT

Now I have a few questions that relate to privacy, your personal information, and the research process.

[WHEN TERMINATING A CALL WITH SOMEONE FOR THESE QUESTIONS, SAY: Thank you for your cooperation. Based on your responses, we are unable to invite you to take part in these focus groups, as you do not meet the study requirements. We thank you for your interest in this research.]

20. The discussion group will be recorded. The recordings will be used only by the research professional to assist in preparing a report on the findings and they will be destroyed once the report is final. Do you agree to be recorded for research purposes only?
01. Yes [GO TO Q22]
 02. No [CONTINUE]
21. It is necessary for the analysis process for us to record the session as the moderator needs this material to complete the report. The recordings will be used solely to assist with writing the report and will not be shared. Now that I've explained this, do I have your permission for recording?

01. Yes
02. No [THANK AND TERMINATE]
22. Employees from the Government of Canada may observe the discussion group but will not have access to any of your personal information, such as your full name, and they will not take part in the discussion. Do you agree to having Government of Canada employees observe the session?
01. Yes [GO TO 24]
02. No [CONTINUE]
23. It is standard procedure to invite the research sponsor, in this case, Government of Canada employees, to observe the groups. They will be there simply to hear your opinions firsthand 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?
01. Yes
02. No [THANK AND TERMINATE]
24. We will provide the **focus group moderator** [ADD FOR GROUPS 9-12, 15-18: and facility] with a list of participants' names and responses to these questions so you can be signed into the group. We will provide your first name and the first letter of your last name only. This information will not be shared with the Government of Canada. Do we have your permission to do this? I assure you it will be kept strictly confidential.
01. Yes [GO TO Q26]
02. No [CONTINUE]
25. We need to provide the **focus group moderator** [ADD FOR GROUPS 9-12, 15-18: and facility] with the names and background of the people attending the focus group because only the individuals invited are allowed in the session and the moderator must have this information for verification purposes. Please be assured that this information will be kept strictly confidential. Now that I've explained this, do I have your permission to provide your name and profile **to the moderator**?
01. Yes
02. No [THANK AND TERMINATE]

INVITATION TO PARTICIPATE

Great! You qualify to participate in one of our focus groups.

26. Would you be available to attend an [online / in-person] focus group on (DATE @ TIME)? It will last approximately 90 minutes (an hour and a half) and you will receive an honorarium of [ONLINE - SMALL BUSINESSES: \$250 / TAX INTERMEDIARIES: \$175 OR IN-PERSON - SMALL BUSINESSES: \$300 / TAX INTERMEDIARIES: \$225] for your time.
01. Yes
02. No [THANK AND TERMINATE]

[GROUP 13-14, 21-26]

May I have your email address so that we can send you an email message with the information you will need about the online focus group?

ENTER EMAIL ADDRESS: _____

Information regarding how to participate will be sent to you by email in the coming days. The email will come from Phoenix SPI and the address will be research@phoenixspi.ca. The group discussion will begin promptly at <TIME> and will end at <TIME>, and last up to 90 minutes. Please log in 5-10 minutes before the start time to ensure that the session is not delayed for any reason. If you arrive late, we may not be able to include you in the discussion and you may not provide you with the incentive.

[GROUPS 9-12, 15-18]

The group discussion will begin promptly at <TIME> and will end at <TIME>, and last up to 90 minutes. It will be held at <FACILITY NAME AND ADDRESS>. Please arrive at the facility 5-10 minutes before the start time to ensure that the session is not delayed for any reason. If you arrive late, we may not be able to include you in the discussion and you may not provide you with the incentive.

At the focus group facility, you will be asked to produce photo identification, so please remember to bring something with you (for example, a driver’s license). In order to participate, you will also be asked to sign a consent form, which we will be available at the facility upon your arrival.

If you use glasses to read, please bring them with you.

[EVERYONE]

As we are only inviting a small number of people to attend, your participation is very important to us. If for some reason you are unable to attend, please call us so that we can get someone to replace you. You can reach us at [INSERT NUMBER] at our office. Please ask for [INSERT NAME].

Someone will call you the day before to remind you about the session. 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?

First name: _____

Last Name: _____

Daytime phone number: _____

Evening phone number: _____

2.2 Moderator Guides

2.2.1: General Public (Taxpayers)

Service and Compliance Segments: 25 minutes

Introduction [5 minutes]

→ Introduce moderator/firm and welcome participants to the focus group.

- Thank you for attending/value your being here.
- Tonight, we're conducting research on behalf of the Canada Revenue Agency or CRA.
- The purpose of tonight's research is to explore issues related to the Canada Revenue Agency and the Canadian tax system. FOR MONTREAL GROUPS, EMPHASIZE THAT DISCUSSION IS ABOUT CANADA REVENUE AGENCY NOT REVENU QUEBEC.
- The discussion will last 90 minutes (1 ½ hours).

→ Describe focus group.

- This is a round table discussion.
- My job is to facilitate the discussion, keeping us on topic and on time. I have no special interest or knowledge of the content being discussed.
- Your job is to offer your opinions. There are no right or wrong answers.
- I'd like to hear from everyone, so we have a range of opinions.
- I'll try to call on you, but feel free to raise your hand if you want to contribute.

→ Explanations.

- Comments treated in confidence.
 - Anything you say during these groups will be held in confidence.
 - Our report summarizes the findings but does not mention anyone by name.
 - We encourage you to not provide any identifiable information about yourself.
- Your responses will in no way affect any dealings you have with the Government of Canada.
- The session is being video recorded. The recordings remain in our possession and will not be released to anyone, even to the Government of Canada, without your written consent.
 - Recording is for report writing purposes/verify feedback.
- There are people from the Canada Revenue Agency involved in this project who will be observing tonight's session in-person.
 - Purpose: oversee the research process and see your reactions first-hand. They know only your first names.

→ Any questions?

→ Roundtable introduction: Let's start with everyone introducing themselves.

Overall Impressions [20 minutes]

As I mentioned, this evening we're going to be talking about Canada's tax system and the Canada Revenue Agency or the CRA.

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1. To start us off...what are your impressions of Canada's tax system? What words would you use to describe our system? [KEEP BRIEF]
2. Now, let's focus on the Canada Revenue Agency, or the CRA... When you think about the CRA, what's the first thing that comes to mind and why?
 - PROMPT IF NEEDED: fair, trustworthy, transparent, helpful, intimidating.
3. Now, if I were to ask you to explain in your own words what the CRA does, what would you say?

Here's a brief description of what the CRA does...so we have shared understanding:

The CRA is the agency of the federal government responsible for administering tax, benefits, and related programs, as well as ensuring compliance. In this role, the CRA collects income tax and delivers benefits and tax credits to Canadians, like the Canada Child Benefit Program and the GST/HST rebate. What the CRA doesn't do is set the level of taxation or tax rates; it has no role in determining how much tax is paid by Canadians. The CRA only administers the tax system.

4. During the global pandemic, the CRA administered COVID-19 benefits to provide temporary income support to eligible Canadians. Did anyone receive one of these benefits? [NOTE NUMBER]
5. What's your overall impression of the CRA? Imagine a scale from negative to positive; where do you stand on that scale in terms of your impressions of the agency? Are you in the bottom half or the top half? Why is that?
 - PROBE FOR REASONS INFLUENCING THEIR IMPRESSION AND LISTEN FOR ANY MENTION OF THE PANDEMIC AND THE CRA'S ROLE IN DELIVERING COVID-19 BENEFITS.
 - IF THE PANDEMIC IS MENTIONED, ASK WHY/HOW THIS HAS INFLUENCED OR IMPACTED THEIR VIEW OF THE CRA.
6. Regardless of how you feel towards the CRA, what, if anything, does the CRA [ROTATE ORDER ACROSS GROUPS: do well / need to improve on]?
7. ADJUST IF 'TRUSTWORTHY' WAS MENTIONED AT Q2: From personal experience or based on what you may have seen, read or heard, how trustworthy is the CRA? We'll use another scale, with not at all trustworthy on one end and very trustworthy on the other...where would you place yourself? Why is that?
 - PROBE FOR REASONS/EVIDENCE INFLUENCING THEIR IMPRESSION.
8. Focusing on the last few years, is there anything that you can think of that has affected your trust in the CRA? If so, what and how?
 - PROBE FOR EVIDENCE/ACTIONS: more empathetic service; increased investigation of suspected tax evasion; proactive disclosures of data breaches; withholding of tax refunds of people who received COVID-19 benefits but were ineligible...
 - EXPLORE WHETHER THIS HAS INCREASED OR DECREASED TRUST.

Service Segment: 60 minutes**A. Modernization [15 minutes]**

1. Setting aside your views of the CRA for a moment, what would a modern tax organization look like...what words would you use to describe a modern tax organization?
 - PROMPT IF NEEDED: dynamic, flexible, team-oriented, client-focused, diverse, task-focused, technology-focused, etc.
2. ADJUST IF 'MODERN' WAS MENTIONED AT Q2: What kind of organization is the CRA...would you say it is more of a 'traditional' organization or more of a 'modern' organization? ROTATE THE ORDER OF TRADITIONAL AND MODERN ACROSS THE GROUPS. Why is that?
 - PROBE FOR REASONS FOR THEIR IMPRESSION.

The world in which we live is constantly changing with the rise of mobile communications, social media, the gig and sharing economies, and the even more recent developments in Artificial Intelligence or AI. As the administrator of Canada's tax system, the CRA recognizes that it needs to be responsive to a changing world.

3. As part of its efforts to improve services to Canadians, tax enforcement, and general operations, the CRA adopts modern processes and new technologies. Do you think it's a good or bad idea for the CRA to leverage the following to be an efficient and responsive organization... and why?
 - a. New technologies, such as AI, to support administrative decisions or improve service deliver.
 - b. Sharing taxpayer information with other levels of government or government departments to streamline service.

IF NEEDED: AI is generally understood as *the simulation of human intelligence by machines...a computer system designed to quickly learn, reason, and make decisions by imitating human thinking.*

- PROBE FOR REASONS FOR THEIR IMPRESSION.
 - ⇒ Listen for considerations: only if use is transparent; only if use has a clear public benefit; only if humans review decisions/results; only if personal information is protected, etc.
 - ⇒ Listen for differences in views based on what each is being leveraged for: is there a greater interest in seeing these tools used to catch tax cheaters than there is to improve general operational efficiencies. PROBE IF NEEDED: for seamless client service experience, for service feedback, for engaging Canadians on services...

B. Income Tax Filing and Online Services [15 minutes]

Now we're going to change topics and spend a few minutes talking about tax filing. I'm interested in learning a bit more about the process that you go through each year when you do your taxes.

4. How many of you have ever filed a personal [QUEBEC ONLY: federal] income tax return? Just a quick show of hands... [HAND COUNT] And, how many of you filed a tax return this past tax season, either your 2022 taxes or taxes for a previous year?
5. [ADD IF ANYONE HAS NOT FILED A TAX RETURN: For those who have filed a tax return...] How many of you usually do your taxes on your own? Just a quick show of hands... [HAND COUNT]
6. For the rest of you...who typically does your taxes...a friend or family member, or an accountant or professional tax preparer...and why? [IF NEEDED, REMIND PARTICIPANTS NOT TO IDENTIFY INDIVIDUALS OR COMPANIES]
 - PROBE FOR REASONS WHY SOMEONE ELSE DOES THEIR TAXES.
7. How did you complete your last tax return? On paper or electronically/online? Why?
 - PROBE FOR REASONS PAPER/ONLINE PREFERENCE.
8. Is this how you usually prepare and file your tax return, or has this changed in the last few years?
 - a. PROBE FOR REASONS WHY PEOPLE CHANGED FROM PAPER-ONLINE, OR ONLINE-PAPER. IF THE PANDEMIC IS MENTIONED, NOTE THIS AND MOVE ON.
9. Do you find it difficult or easy to complete and file your taxes? Has the process become easier or more difficult in recent years? Why is that?
 - PROBE FOR IMPRESSIONS.
10. Has anyone heard of the CRA's service, My Account [for individuals]? Just a quick show of hands... [HAND COUNT]

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

11. For those of you aware of My Account, have you registered to use the service?

IF REGISTERED USER:

- ⇒ What's your general impression of My Account?
- ⇒ How often do you use My Account?
- ⇒ What do you typically use it for?
- ⇒ Is there anything you can't do on My Account that you would like to be able to do?

IF AWARE BUT NOT REGISTERED:

⇒ What, if anything, would encourage you to sign up for My Account?

C. Protection of Personal Information [15 minutes]

The protection of taxpayer and personal information is a priority for the CRA.

12. Do you believe that your personal information is safe with the CRA? IF DOUBT IS RAISED: What concerns or questions do you have?
13. Have your feelings about this shifted over the years? Why or why not?
14. Are you aware of any measures or safeguards used by the CRA to keep taxpayer information safe?
PROMPT IF NEEDED: two-stage authentication, account alerts [email notifications].
15. Do you feel that the CRA does enough to detect and prevent identity theft in the tax system? If not, why not?
16. Do you think the CRA does a good job explaining the way it operates to Canadians ... is it open and transparent about its processes?

Earlier in the discussion, I asked about trust in the CRA [IF RELEVANT: and some of you mentioned data breaches]. Occasionally, the CRA has encountered vulnerabilities with its tax databases. Some of you might recall the “Heartbleed” incident a few years ago or the suspension of some online CRA accounts when login credentials were found on the *dark web*...

17. What action do you expect the CRA to take in response to these types of events and how should the Agency communicate their actions under such circumstances?
 - a. PROMPT IF NEEDED: alerting media (TV, radio, print), alerting affected individuals, broadcasting on social media, etc.
18. Do you feel more or less confident about the CRA’s ability to keep your personal information safe when the Agency communicates about these events? Does it depend on how they communicate and what they have to say?

D. Service Experiences [15 minutes]

The last thing I’d like to talk about is your recent service experience with the CRA.

19. Over the last few years, has anyone interacted with the CRA, for any reason other than just filing your tax return?
 - PROMPT IF NEEDED: to request information, to get forms or guides, to respond to a CRA information request, etc.
20. How did you contact the CRA?
 - PROMPT IF NEEDED: My Account, website, social media, phone, in-person, mail.

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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 Account, would you access them through one of these options or would you still request that a printed copy be mailed to you? IF PRINT IS PREFERRED, ASK WHY.

21. As a result of the pandemic, has anything changed regarding the way in which you interact or deal with the CRA? This includes anything related to communicating with the agency, looking for information, conducting transactions, etc. If so, how? Do you expect this to continue now that we're moving beyond the pandemic? If not, why not? Are there other ways you'd like to interact with the CRA?
22. What are the service qualities that are most important to you when you interact with the CRA, whether by phone, mail, in-person or through My Account?
 - a. PROMPT IF NEEDED: wait time, staff knowledge, feeling valued and respected, getting the answer you need or resolving your issue, etc.
 - b. What could the CRA change to make for a smoother / seamless service experience when it comes to managing your taxes and benefits with them?

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

23. How would you describe your overall experience ... did it meet, exceed, or fall short of your expectations ...and why?
 - PROBE FOR REASONS WHY.
24. What were your impressions of CRA staff in terms of how they served you?
 - PROMPT IF NEEDED: staff show empathy; you felt valued and respected; staff were helpful.
25. Following your interactions, did you feel more confident with what you had to do or with the information you were provided?
26. Do you get the impression that CRA's client service focus is improving, declining or remaining about the same?
27. Do you think the CRA is doing enough to ensure its services are equally available to all Canadians? If not, why not, and what could the agency do to address this?

Compliance Segment: 60 minutes

As we talked about, one the CRA's responsibilities is ensuring compliance with Canada's tax system. For the remainder of this session, we're going to discuss the tax system and compliance-related issues...

A. Tax Compliance [10 minutes]

1. The income tax Canadians pay is based on the amount of income they voluntarily disclose to the Government. Do you think that most people follow tax rules and pay their fair share of taxes? [KEEP BRIEF; DO NOT PROBE]
2. What impact, if any, does people not following tax rules and not paying their fair share of taxes have on... the country / on the CRA / on you personally?
3. 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?
 - PROBE FOR REASONS WHY.
4. Setting aside those who willfully cheat on their taxes, what factors might explain someone not complying with their tax obligations?
 - PROMPTS IF NEEDED: misunderstanding of rules and regulations; honest mistakes/reporting errors; barriers/challenges to filing/reporting, e.g., low financial literacy, lack of information, complexity/confusion of the tax system; inability to meet obligations due to circumstances beyond one’s control, e.g., health issues, financial hardship.
5. Thinking about your personal tax situation, what, if anything, would make it easier for you or others you know to meet your tax obligations? WAIT FOR TOP-OF-MIND FEEDBACK AND THEN PROBE. Would it be helpful to receive reminders from the CRA to start preparing your tax documents? What about annual information on the steps you need to take to file your taxes?

B. Enforcement and Transparency [15 minutes]

6. As you may know, the CRA is now validating some COVID-19 benefits payments. People who received COVID-19 benefits, but were not eligible for them, may be required to return the full amount. What do you think of this? Is it fair, is it the right course of action? BE ATTENTIVE TO DIFFERENCES BETWEEN RECIPIENTS AND NON-RECIPIENTS.
7. How effective do you think the CRA is at finding and addressing issues involving people not paying their fair share of taxes?
 - PROBE FOR REASONS WHY.
8. Do you believe that the CRA treats everyone equally when it comes to addressing non-compliance in meeting tax obligations? Why/why not?
 - PROBE: Little vs. big fish
9. If an error is found by the CRA, a corrected tax return, including a revised refund or amount owing, is automatically sent to the taxpayer...If you received a notice like this would you trust that the CRA has correctly identified a problem with your return?

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10. As far as you know, what kinds of interventions are available to the CRA to address non-compliance?

- PROMPTS IF NEEDED: reviews, audits, debt collection, criminal investigations.

Focusing on audits for a moment, I know the idea of being audited by the CRA can instill fear and anxiety in some people.

11. Do you trust the CRA to conduct an audit accurately and fairly?

12. How much do you even know about the audits conducted by the CRA? PROBE TO SEE IF LACK OF KNOWLEDGE DRIVES FEAR IN ANY WAY.

13. Would you want to know more about how the CRA enforces tax laws and whether the Agency's audit programs are successful?

- PROBE FOR REASONS WHY/WHY NOT.

14. If you knew about the CRA's enforcement practices, would you have greater trust that the CRA is making sure that everyone is paying their share of taxes?

C. Underground Economy [15 minutes]

Let's move on to another issue.

15. Who's heard the expression 'underground economy'? Just a quick show of hands... [HAND COUNT]

16. What comes to mind when you hear the expression 'underground economy'? Can you give examples of what this includes?

IF NEEDED: Clarify the difference between the 'black market' and 'underground economy'. Black market refers to illegal business activities and underground economy to legal business activities that are not reported for tax purposes.

According to the CRA, the underground economy includes economic transactions which are unreported and/or underreported, resulting in failure to comply with tax laws. Concretely, this could be paying cash for a service to avoid paying the sales tax or selling products or services that you don't report on your income taxes.

17. What factors do you think contribute to participation in the underground economy in Canada?

- PROMPT IF NEEDED: high taxes, unfair taxes, onerous tax obligations, lack of enforcement, unemployment ...

18. Has participation in the underground economy become more socially acceptable over time? If so, why is that?

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19. How, if at all, does the underground economy affect Canada? WAIT FOR TOP-OF-MIND RESPONSES, THEN ASK: What about Canada's economic growth and the government services and benefits available to Canadians...are these affected by the underground economy?

- PROBES: results in lower tax revenues, undermines confidence in the tax system, affects competitiveness of 'honest' businesses...

20. How likely do you think it is that people who participate in the underground economy will get caught by the CRA? Why do you think this is likely/unlikely?

- PROBE: Are some more likely to be caught than others, e.g., little vs. big fish?

21. What, if anything, do you think the CRA can do to effectively deal with the underground economy?

22. Do you think that reducing participation in the underground economy is a priority for the CRA? Why/why not?

D. Offshore Compliance [10 Minutes]

We just talked about one way that some people avoid paying taxes... Now I want to move on to a related topic...

23. What, if anything, have you heard recently in the media about offshore tax havens?

[IF NEEDED, EXPLAIN: Offshore tax havens are countries or places with low or no corporate taxes that allow non-residents to set up businesses. Tax havens also typically limit public disclosure about companies and their owners. This makes them attractive for Canadian taxpayers or companies wanting to hide their revenue to avoid paying income tax in Canada.]

24. 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 paying taxes in Canada?

25. Do you believe the CRA is doing enough to stop offshore non-compliance? What makes you say that?

26. How could the CRA better address this situation? And what do you want to know about the CRA's activities or efforts to stop individuals and companies from hiding their revenue abroad?

E. Voluntary Disclosures and Debt Payment [10 minutes]

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. By voluntarily reporting, taxpayers avoid legal prosecution or penalty fines that would be applied if the CRA had found the issue, but they must still pay any additional tax owing, plus interest, that results from the correction.

27. How do you feel about this program? What are the benefits? What are the drawbacks?

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28. What options should taxpayers have when it comes to paying the tax amounts that are owed to the CRA? Should options be different depending on the amount owed or the person's financial situation– big fish/little fish?
29. Would it surprise you to know that the CRA does not take a one-size fits all approach to paying taxes owed? In fact, the CRA tailors its approach to the circumstances of individuals. [IF ASKED ABOUT APPROACHES SAY: FOR EXAMPLE, CRA OFFERS PAYMENT PLANS, IN SOME CASES CAN WAIVE INTEREST OR PENALTIES].
30. Would you expect the CRA to share this kind of message with Canadians? Does knowing about this practice change how you view the Agency in any way? If so, how?

Service and Compliance Segments: 5 minutes

Conclusion

We are now at the end of the discussion. Those are all the questions I have. Is there anything you would like to add? Do you have any last comments or suggestions about anything we have discussed tonight?

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

On behalf of the CRA, I would like to thank you for your time and participation this evening.

2.2.2: Small Businesses and Tax Intermediaries

Service and Compliance Segments: 25 minutes

Introduction [5 minutes]

→ Introduce moderator/firm and welcome participants to the focus group.

- Thank you for attending/value your being here.
- Tonight, we're conducting research on behalf of the Canada Revenue Agency or CRA.
- The purpose of tonight's research is to explore issues related to the Canada Revenue Agency and the Canadian tax system. FOR MONTREAL GROUPS, EMPHASIZE THAT DISCUSSION IS ABOUT CANADA REVENUE AGENCY NOT REVENU QUEBEC.
- The discussion will last 90 minutes (1 ½ hours).

→ Describe focus group.

- This is a round table discussion.
- My job is to facilitate the discussion, keeping us on topic and on time. I have no special interest or knowledge of the content being discussed.
- Your job is to offer your opinions. There are no right or wrong answers.
- I'd like to hear from everyone, so we have a range of opinions.
- I'll try to call on you, but feel free to raise your hand if you want to contribute.

→ Explanations.

- Comments treated in confidence.
 - Anything you say during these groups will be held in confidence.
 - Our report summarizes the findings but does not mention anyone by name.
 - We encourage you to not provide any identifiable information about yourself.
- Your responses will in no way affect any dealings you have with the Government of Canada.
- The session is being video recorded. The recordings remain in our possession and will not be released to anyone, even to the Government of Canada, without your written consent.
 - Recording is for report writing purposes/verify feedback.
- There are people from the Canada Revenue Agency involved in this project who will be observing tonight's session in-person.
 - Purpose: oversee the research process and see your reactions first-hand. They know only your first names.

→ Any questions?

→ Roundtable introduction: Let's start with everyone introducing themselves.

Overall Impressions [20 minutes]

As I mentioned, this evening we're going to be talking about Canada's tax system and the Canada Revenue Agency or the CRA. What you have in common is that you are all [decision-makers for a small business/tax professionals who work with individuals and small business clients on tax-related or payroll matters]. And it is in this capacity, your professional capacity, that we would like to explore various issues with you. ON AN AS-NEEDED BASIS THROUGHOUT THE SESSION, REMIND PARTICIPANTS THAT THE FOCUS IS ON THE BUSINESS SIDE OF THEIR INTERACTIONS WITH THE CRA.

1. To start us off... In your capacity as [SMEs: decision-makers for a small business/INTERMEDIARIES: tax professionals], when you think about the CRA, what's the first thing that comes to mind and why?
 - PROMPT IF NOT MENTIONED: trustworthy, transparent.
 - PROMPT IF NEEDED: fair, helpful, intimidating.
2. What's your overall impression of the CRA? Imagine a scale from negative to positive; where do you stand on that scale in terms of your impressions of the agency? Are you in the bottom half or the top half? Why is that? IF NEEDED, REMIND PARTICIPANTS THAT THE FOCUS IS ON THE BUSINESS SIDE OF THEIR INTERACTIONS WITH THE CRA.
 - PROBE FOR REASONS INFLUENCING THEIR IMPRESSION AND LISTEN FOR ANY MENTION OF THE PANDEMIC AND THE CRA'S ROLE IN DELIVERING COVID-19 BENEFITS.
 - IF THE PANDEMIC IS MENTIONED, ASK WHY/HOW THIS HAS INFLUENCED OR IMPACTED THEIR VIEW OF THE CRA.

As is sometimes the case with individuals, organizations can acquire a 'reputation'. Leaving aside the question of whether that reputation is fair or not ...

3. How would you complete the following sentence: 'The CRA has a reputation as being ...'. Why is that?
 - PROBE FOR REASONS AND EXAMPLES.
4. Regardless of how you feel towards the CRA, what, if anything, does the CRA [ROTATE ORDER ACROSS GROUPS: do well / need to improve on]?
5. ADJUST IF 'TRUSTWORTHY' WAS MENTIONED AT Q2: From personal experience or based on what you may have seen, read or heard, how trustworthy is the CRA? We'll use another scale, with not at all trustworthy on one end and very trustworthy on the other...where would you place yourself? Why is that?
 - a. PROBE FOR REASONS/EVIDENCE INFLUENCING THEIR IMPRESSION.
6. Focusing on the last few years, is there anything that you can think of that has affected your trust in the CRA? If so, what and how?
 - a. EXPLORE WHETHER TRUST HAS INCREASED OR DECREASED.

- b. PROBE FOR EVIDENCE/ACTIONS: more empathetic service; increased investigation of suspected tax evasion; proactive disclosures of data breaches; withholding of tax refunds of people who received COVID-19 benefits but were ineligible...

Service Segment: 60 minutes

A. Modernization [15 minutes]

1. Setting aside your views of the CRA for a moment, what would a modern tax organization look like...what words would you use to describe a modern tax organization?
 - PROMPT IF NEEDED: dynamic, flexible, team-oriented, client-focused, diverse, task-focused, technology-focused, etc.
2. ADJUST IF 'MODERN' WAS MENTIONED AT Q1: What kind of organization is the CRA...would you say it is more of a 'traditional' organization or more of a 'modern' organization? ROTATE THE ORDER OF TRADITIONAL AND MODERN ACROSS THE GROUPS. Why is that?
 - PROBE FOR REASONS FOR THEIR IMPRESSION.

The world in which we live is constantly changing with the rise of mobile communications, social media, the gig and sharing economies, and the even more recent developments in Artificial Intelligence or AI. As the administrator of Canada's tax system, the CRA recognizes that it needs to be responsive to a changing world.

3. As part of its efforts to improve services to Canadians, tax enforcement, and general operations, the CRA adopts modern processes and new technologies. Do you think it's a good or bad idea for the CRA to leverage new technologies, such as AI, to support administrative decisions or improve service delivery. IF NEEDED: AI is generally understood as *the simulation of human intelligence by machines...a computer system designed to quickly learn, reason, and make decisions by imitating human thinking.*
 - PROBE FOR REASONS FOR THEIR IMPRESSION.
 - ⇒ Listen for considerations: only if use is transparent; only if use has a clear public benefit; only if humans review decisions/results; only if personal information is protected, etc.
 - ⇒ Listen for differences in views based on what each is being leveraged for: is there a greater interest in seeing these tools used to catch tax cheaters than there is to improve general operational efficiencies. PROBE IF NEEDED: for seamless client service experience, for service feedback, for engaging Canadians on services...

B. Tax Filing and Online Services [15 minutes]

Now we're going to talk in more detail about business tax filing and your interactions with the CRA.

SMEs:

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4. Generally speaking, how often do you tend to contact or interact with the CRA? This could be for any reason, and it includes visiting the CRA website. [HAND COUNT USING THE FOLLOWING SCALE: NEVER, RARELY, SOMETIMES, OFTEN]
5. Does anyone use someone outside their business, like an accountant or tax professional, to handle certain interactions or transactions with the CRA? If so, why is this and what kinds of things do they do on your behalf?
 - PROMPTS IF NEEDED: BUSINESS TAXES, GST/HST RETURNS, PAYROLL SOURCE DEDUCTIONS.
 - PROBE REASONS FOR USING A TAX INTERMEDIARY FOR THIS DEALING WITH THE CRA.
6. What are the biggest challenges you face as a small business when dealing with the CRA?

INTERMEDIARIES:

7. What are the biggest challenges you face when dealing with small business clients on tax-related matters?
8. Thinking about your small business clients, what do you think are the biggest challenges they face when dealing with the CRA?
9. What, if anything, can the CRA do to improve its relationship with small businesses?
10. Focusing on your work now, what are the biggest challenges you face as a tax intermediary when dealing with the CRA?

As you probably know, cryptocurrency is a relatively new phenomenon which has tax-related implications.

11. Does anyone deal with crypto-asset activities or transactions when managing tax affairs for your clients [HAND COUNT] One example of a crypto-asset would be crypto-currency, such as bitcoin.
12. Do you feel you have information on how the CRA treats cryptocurrency and tax-related obligations to file for clients with crypto-assets? If not, what type of information do you need from the CRA and how would you like to receive it?

ALL:

13. Do you find the process of filing business taxes easier or more difficult in recent years? Why is that?
 - PROBE FOR IMPRESSIONS AND EXAMPLES: PERSONAL / T2 TAXES, GST-HST, PAYROLL, ETC
14. Does anyone use the CRA's online service, My Business Account or Represent a Client?

IF REGISTERED USER:

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- ⇒ What’s your general impression of My Business Account/Represent a Client?
- ⇒ How often do you use it?
- ⇒ What do you typically use it for?
- ⇒ Is there anything you can’t do on My Business Account/Represent a Client that you would like to be able to do?
- ⇒ Tax Intermediaries only: Based on your experience, would you say that the Represent a Client service makes the process of meeting your client’s tax filing obligations more or less burdensome (or no impact)? Why (what is it about Represent a Client that makes meeting tax obligations easier / harder)?

IF NO:

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

C. Protection of Personal Information [15 minutes]

The protection of taxpayer and personal information is a priority for the CRA.

15. Do you believe that [SMEs: your business information / INTERMEDIARIES: the business information of your clients] is safe with the CRA? IF DOUBT IS RAISED: What concerns or questions do you have?
16. Has your trust in the CRA’s ability to keep [SMEs: your business information / INTERMEDIARIES: the business information of your clients] safe increased or decreased over the years?
17. Are you aware of any measures or safeguards used by the CRA to keep taxpayer information safe?
PROMPT IF NEEDED: two-stage authentication, account alerts (email notifications).
18. Do you feel that the CRA does enough to detect and prevent identity theft in the tax system? If not, why not?

SMEs:

19. If you thought your business may have been impacted by fraudulent activity surrounding your tax filings or identity with the CRA, where would you go to find information or advice about what to do?

ALL:

20. Do you think the CRA does a good job explaining the way it operates to Canadian businesses ... is it open and transparent about its processes? If not, why not? PROBE FOR EXAMPLES.

Occasionally, the CRA has encountered vulnerabilities with its tax databases. Some of you might recall the “Heartbleed” incident a few years ago or the suspension of some online CRA accounts when people’s login credentials were found on the *dark web*...

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21. What action do you expect the CRA to take in response to these types of events and how should the Agency communicate their actions under such circumstances?
 - a. PROMPT IF NEEDED: alerting media (TV, radio, print), alerting affected individuals, broadcasting on social media, etc.
22. Do you feel more or less confident about the CRA's ability to keep [SMEs: your business information / INTERMEDIARIES: the business information of your clients] safe when the Agency communicates about these events? Does it depend on how they communicate and what they have to say?

D. Service Experiences [15 minutes]

The last thing I'd like to talk about is your recent service experience with the CRA.

23. How do you typically contact the CRA?
24. What are the most common reasons for which you [SMEs: or your business] contact or interact with the CRA [INTERMEDIARIES: on behalf of your clients]?
25. 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 downloadable through My Business Account/Represent a Client, would you access them through one of these options or would you still request that a printed copy be mailed to you? IF PRINT IS PREFERRED, ASK WHY.
26. As a result of the pandemic, has anything changed regarding the way in which you [SMEs: or your business] contact or interact with the CRA [INTERMEDIARIES: on behalf of your clients]? This includes anything related to communicating with the agency, looking for information, conducting transactions, etc. If so, how? Do you expect this to continue now that we're moving beyond the pandemic? If not, why not? Are there other ways you'd like to interact with the CRA?
27. What are the service qualities that are most important to you when you interact with the CRA, whether by phone, mail, in-person or through My Account?
 - a. PROMPT IF NEEDED: wait time, staff knowledge, feeling valued and respected, getting the answer you need or resolving your issue, etc.

Thinking about all times you interacted with the CRA [INTERMEDIARIES: on behalf of your clients] over the past few years...

28. How would you describe your overall experience ... did it meet, exceed, or fall short of your expectations ...and why?
 - PROBE FOR REASONS WHY.
29. What were your impressions of CRA staff in terms of how they served you?

- PROMPT IF NEEDED: staff show empathy; you felt valued and respected; staff were helpful.
30. Do you get the impression that CRA's client service focus is improving, declining or remaining about the same?
 31. Data from a recent CRA survey shows that [SMEs: businesses] [TIs: tax intermediaries] who have been operating for 10 years or more tend to rate the CRA more positively on different service attributes. Why do you think that is? What factors might explain these trends based on your experience?
 32. Do you think the CRA is doing enough to ensure its services are equally available to all Canadians? If not, why not, and what could the agency do to address this?

Compliance Segment: 60 minutes

For the remainder of this session, we are going to discuss compliance-related issues, but before doing so I would like to ask you a general question about Canada's tax system.

A. Tax Compliance [25 minutes]

1. When you think about Canada's tax system, what comes to mind? What words would you use to describe it?
 - PROMPT IF NEEDED: fair/unfair, easy/complicated or confusing, progressive or graduated
2. And when you hear the expression 'compliance' in the context of Canada's tax system, what does it mean to you?

Turning to the CRA now,

3. The CRA approaches its work with the underlying premise that most people, given the opportunity and the right services, will meet their tax obligations. Do you believe this is a sound approach? Why or why not?
4. What role should the CRA play in helping businesses learn about meeting their business tax obligations?
5. Is anyone aware of any products or services offered by the CRA to help businesses comply? PROBE FOR EXAMPLES. And, what types of products or services do you feel would be valuable to small businesses?
6. 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?
 - PROBE FOR REASONS WHY.

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7. Do you believe that the CRA treats everyone equally when it comes to addressing non-compliance in meeting tax obligations? Why/why not?
 - PROBE: Little vs. big fish
 - What would it take to make you think the “big fish” are being adequately targeted and is the CRA doing enough to make sure they pay their “fair share” of income tax?
8. How effective do you think the CRA is at finding and addressing issues involving people not paying their fair share of taxes?
 - PROBE FOR REASONS WHY.
9. When it comes to compliance and addressing tax cheating, do you think the CRA improves its enforcement approaches on an on-going basis? What gives you this impression?
10. How do you feel about the CRA using publicly available information when investigating suspected cases of tax avoidance or evasion?
11. If you knew about the CRA’s enforcement practices, would you have greater trust that the CRA is making sure that everyone is paying their share of taxes?
12. Has anyone ever needed to contact or deal with the CRA for an issue of non-compliance?

IF YES:

- ⇒ Was the issue resolved to your [INTERMEDIARIES: client’s] satisfaction? If not, why not?
- ⇒ PROBE IF UNHAPPY / IF NECESSARY: Was it handled respectfully, accurately?
- ⇒ How could the CRA better support [small businesses/your clients] when dealing with issues of non-compliance?

B. Underground Economy [15 minutes]

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

13. Who’s familiar with the term ‘underground economy’? Can you give examples of what this includes?

IF NEEDED: Clarify the difference between the ‘black market’ and ‘underground economy’. Black market refers to illegal business activities and underground economy to legal business activities that are not reported for tax purposes.

14. Do you think certain industries or sectors are more likely to be contributors to the underground economy? If so, which ones and why?
15. Over the past few years, do you think that the underground economy in Canada has grown, shrunk, or remained about the same? Why do you say that?
 - PROBE FOR EVIDENCE.

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16. Has participation in the underground economy become more or less socially acceptable over time? If so, why is that?
17. How likely do you think it is that people who participate in the underground economy will get caught by the CRA? Why do you think this is likely/unlikely?
 - PROBE: Are some more likely to be caught than others, e.g., little vs. big fish?
18. What, if anything, do you think the CRA can do to effectively deal with the underground economy?

Research conducted for the CRA in 2021-2022 found that [SMEs: 30% of small and medium-sized enterprises/INTERMEDIARIES: 50% of tax intermediaries] felt that the CRA's efforts to reduce income tax cheating by businesses are effective.

19. What do you think? Do you agree? Why/why not?

C. Offshore Compliance [15 Minutes]

We just talked about one way that some people avoid paying taxes... Now I want to move on to a related topic...

20. What, if anything, have you heard recently in the media about offshore tax havens?

[IF NEEDED, EXPLAIN: Offshore tax havens are countries or places with low or no corporate taxes that allow non-residents to set up businesses. Tax havens also typically limit public disclosure about companies and their owners. This makes them attractive for Canadian taxpayers or companies wanting to hide their revenue to avoid paying income tax in Canada.]

21. How do you feel about individuals and businesses hiding revenues offshore, in tax havens? Is this a big problem or a minor problem?
22. 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 paying taxes in Canada?
23. Do you believe the CRA is doing enough to stop offshore non-compliance? What makes you say that?
24. How could the CRA better address this situation? And what do you want to know about the CRA's activities or efforts to stop individuals and companies from hiding their revenue abroad?

INTERMEDIARIES:

25. 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? Why is that?

- ⇒ When there is media coverage about offshore tax havens, do you feel this affects the reputation of your industry?

D. Voluntary Disclosures and Debt Payment [5 minutes]

[INTERMEDIARIES: As some of you may be aware,] 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. By voluntarily reporting, taxpayers avoid legal prosecution or penalty fines that would be applied if the CRA had found the issue, but they must still pay any additional tax owing, plus interest, that results from the correction.

26. What do you think about this program? What are the benefits? What are the drawbacks?
27. What options should taxpayers have when it comes to paying the tax amounts that are owed to the CRA? Should options be different depending on the amount owed or the person's financial situation— big fish/little fish?

E. INTERMEDIARIES ONLY Cryptocurrency [5 minutes—time permitting]

As you probably know, cryptocurrency is a relatively new phenomenon which has tax-related implications.

28. Does anyone deal with crypto-asset activities or transactions when managing tax affairs for your clients [HAND COUNT] One example of a crypto-asset would be crypto-currency, such as bitcoin.
29. Do you feel you have information on how the CRA treats cryptocurrency and tax-related obligations to file for clients with crypto-assets? If not, what type of information do you need from the CRA and how would you like to receive it?

Service and Compliance Segments: 5 minutes

Conclusion

We are now at the end of the discussion. Those are all the questions I have. Is there anything you would like to add? Do you have any last comments or suggestions about anything we have discussed tonight?

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

On behalf of the CRA, I would like to thank you for your time and participation this evening.