



Summary of the  
**Corporate Business Plan**  
2005-2006 to 2007-2008

*More Ways to Serve You!*  
*Pour vous servir encore mieux!*



Canada Customs  
and Revenue Agency

Agence des douanes  
et du revenu du Canada

On December 12, 2003, the Government announced that a large portion of the Customs function of the Canada Customs and Revenue Agency (CCRA) was transferred to the Canada Border Services Agency. As a result of this transfer, it is proposed that the CCRA be continued under the name of the Canada Revenue Agency (CRA). This name change is contemplated in Bill C-26, *An Act to establish the Canada Border Services Agency*, which has received second reading at the time of printing of this document.

To reflect these proposed legislative changes, and to ensure the reader understands that the information contained in this document pertains only to the CRA, we are using the name of the CRA throughout this document. It should be noted, however, that all references to the CRA contained in the body of this document are to be read as a reference to the CCRA.



## Mission

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To promote compliance with Canada's tax legislation and regulations through communication, quality service, and responsible enforcement, thereby contributing to the economic and social well-being of Canadians.



## Vision

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To be recognized and respected by our clients for our integrity, fairness, and innovation in administering high-quality, yet affordable programs. To encourage new intergovernmental and international partnerships fostering greater government efficiency and a stronger economic union.



## Values

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Integrity

Professionalism

Respect

Co-operation

Our *Summary of the Corporate Business Plan 2005-2006 to 2007-2008* provides an overview of the CRA's strategic and operational directions, objectives and strategies, and supporting financial information.

For more information about the Canada Revenue Agency, consult our Web site: [www.cra.gc.ca](http://www.cra.gc.ca)

# Message from the Minister



As the Canada Revenue Agency (CRA) marks its fifth anniversary, we look to the future with a renewed focus on tax and benefit administration. As the Minister of National Revenue, I have observed the Agency's critical role in securing Canada's fiscal and social foundations.

Through our administration of the tax system and benefit programs, we protect the revenue base while contributing to the integrity of Canada's income security system. Our agency status has provided a foundation from which we can administer our program activities in a productive and innovative manner, and offer increased efficiency throughout government. In this regard, our Board of Management has provided a valuable oversight function, which has greatly strengthened the CRA's governance capacity.

Our program administration on behalf of federal, provincial, and territorial departments has increased markedly since our transformation to an agency. Given our extensive dealings with Canadians and our sophisticated program delivery systems, we will continue to explore further opportunities to decrease costs and improve service through stronger partnerships. Our central role in administering tax and benefit information will require continued attention to protecting confidential information, so as to maintain the trust of Canadians in an institution which is critical to a well-functioning society.

Of special interest to me this year will be strengthening our partnerships with Aboriginal communities. We will be working with the Assembly of First Nations through a new First Nations Advisory Committee. This committee will provide a vehicle to receive advice and discuss new and existing CRA initiatives that are of particular interest to First Nations individuals and communities.

Our strategic priorities in this Plan—Tax Integrity, Service to Canadians, Business Sustainability, and Trust and Integrity—continue to build on our strengths, while transforming our business in areas challenged by social, economic, and government change. Clearly, ensuring the integrity of the tax system is foremost amongst these priorities, as it is through our tax system that Canadians and Canadian businesses support the social and economic benefits enjoyed across this great country.

Through my involvement in the government-wide expenditure review exercise, I have also been focused on promoting a cultural shift toward continually monitoring federal spending to provide best value for the taxpayer's dollar. I am confident that the CRA will continue to set an example for controlling costs and allocating resources to service and compliance priorities, while exploring opportunities to offer efficiencies to other departments, provinces, territories, and First Nations. The *Summary of the Corporate Business Plan 2005-2006 to 2007-2008* provides the foundation and path for meeting our objectives.

A handwritten signature in dark ink that reads "John McCallum". The signature is written in a cursive style.

The Honourable John McCallum P.C., M.P.  
Minister of National Revenue



# Foreword by the Chair

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More than five years ago, Revenue Canada embarked on an important and ambitious transition. Becoming an agency meant setting new goals, taking action on innovative ideas, and looking to the future with a new focus. As the report prepared by the Agency in support of our Five-Year Parliamentary Review describes, the progress made by the Canada Revenue Agency (CRA) has been impressive, focusing on improving service to Canadians; creating a more efficient and effective organization; forging a closer relationship with provinces and territories; and strengthening governance, accountability, and management. We also undertook, and exceeded, new revenue generation commitments.

I take pride in the contribution the CRA Board of Management has made, especially to innovations in governance, accountability, and management.

Innovation has become a hallmark of this agency, and we continue to set new goals and adjust our focus as necessary to serve Canada in the best way possible.

As the CRA moves forward, it will consolidate the gains it has made and move incisively to develop and implement 21<sup>st</sup> century responses to compliance risks and the service needs of Canadians.

The *Summary of the Corporate Business Plan 2005-2006 to 2007-2008* marks our path forward; we have a clear focus on our tax and benefit responsibilities. The Plan—based on a new CRA Strategic Framework that clarifies planning, budgeting, and reporting by program activity—rests on two new strategic outcomes: taxpayers meet their obligations and Canada's revenue base is protected, and eligible families and individuals receive timely and correct benefit payments contributing to the integrity of Canada's income security system. I believe this simplified framework, and the service and institutional modernization we have achieved over the past five years, provide a solid foundation for achieving business success.

I am pleased to submit this *Summary of the Corporate Business Plan 2005-2006 to 2007-2008* to the Honourable John McCallum, Minister of National Revenue.

A handwritten signature in cursive script that reads "Linda Ivany".

Linda Ivany  
Acting Chair, Board of Management





# Management Representation

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I submit for tabling in Parliament, the *Summary of the Corporate Business Plan 2005-2006 to 2007-2008* for the Canada Revenue Agency (CRA). This Summary serves as the CRA's *Report on Plans and Priorities*.

This document has been prepared based on the reporting principles contained in the *Guide to the Preparation of Part III of the Estimates: Reports on Plans and Priorities*.

- It adheres to the specific reporting requirements outlined in the TBS guidance;
- It is based on the Agency's approved accountability structure as reflected in its MRRS;
- It presents consistent, comprehensive, balanced and accurate information;
- It provides a basis of accountability for the results achieved with the resources and authorities entrusted to it; and
- It reports finances based on approved planned spending numbers from the Treasury Board Secretariat in the RPP.



Michel Dorais  
Commissioner  
Canada Revenue Agency









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# Introduction

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This *Summary of the Corporate Business Plan 2005-2006 to 2007-2008* is presented at a pivotal time for the Canada Revenue Agency (CRA). In our first five years as an agency, we have successfully altered and strengthened our governance regime and modernized our internal administration. At the same time, we have demonstrated strong leadership with our service agenda and offered the potential for significant additional efficiencies for the Government of Canada. The recommendations of the Expenditure Review Committee of Cabinet will challenge us to find further internal savings and re-focus our own priorities.

With these steps taken, and with the completion of the transfer of our customs program to the Canada Border Services Agency, we will now focus on achieving our two strategic outcomes:

- Taxpayers meet their obligations and Canada's revenue base is protected; and
- Eligible families and individuals receive timely and correct benefit payments contributing to the integrity of Canada's income security system.

Our Plan is organized to reflect changes in our Strategic Framework, which resulted from our negotiations with the Treasury Board Secretariat under the Management Resources and Results Structure (MRRS). This new structure will be utilized by all federal departments and agencies beginning in April 2005. The new Strategic Framework for the CRA is illustrated in Exhibit 1.

The biggest change under MRRS is the focus on **program activities** serving our tax and benefit strategic outcomes. Our *Corporate Business Plan 2005-2006 to 2007-2008* organizes key initiatives, budgets and performance indicators and targets by program activities. Corporate services expenses, such as those for information technology and human resources administration, have been proportionately allocated to our core program activities.

This Summary of the Corporate Business Plan outlines our strategic priorities as an agency, as well as the key initiatives and expected results for each of our program activities. It also identifies the resources needed to achieve our strategic outcomes.

## Exhibit 1: Strategic Framework

Mission		
To promote compliance with tax legislation and regulations through communication, quality service, and responsible enforcement, thereby contributing to the economic and social well-being of Canadians		
Strategic Outcome		
Tax Services	Benefit Programs	
Taxpayers meet their obligations and Canada's revenue base is protected	Eligible families and individuals receive timely and correct benefit payments contributing to the integrity of Canada's income security system	
Expected Results		
Clients receive timely, accurate, and accessible information	Clients receive timely, accurate, and accessible information	
Assessment, eligibility determination, and payment processing are timely and accurate	Assessment, eligibility determination, and payment processing are timely and accurate	
High levels of compliance are achieved and non-compliance is identified and addressed (under review)	Non-compliance is identified and addressed	
Tax debt is resolved on a timely basis and is within targeted levels		
Taxpayers receive an impartial and timely review of contested decisions		
The CRA has, at all times, a knowledgeable, skilled, and representative workforce able to carry out the CRA mandate; a culture that promotes CRA values and the well-being of the workforce; and employees engaged in and committed to the CRA success and program delivery		
Sound financial and treasury management, and excellence in the provision of internal financial and administrative services		
Agency management and internal services to advance program goals through reliable and efficient policies, processes, and practices		
Program Activities		
Client Assistance	Client Services	
Assessment of Returns and Payment Processing	Eligibility Determination and Payment Processing	
Filing and Remittance Compliance	Validation and Controls	
Reporting Compliance		
Appeals		
Corporate Services		
Human Resources	Finance and Administration	Information Technology
Public Affairs	Agency Management	Corporate Audit and Program Evaluation
Policy and Planning		

## Financial Spending Profile

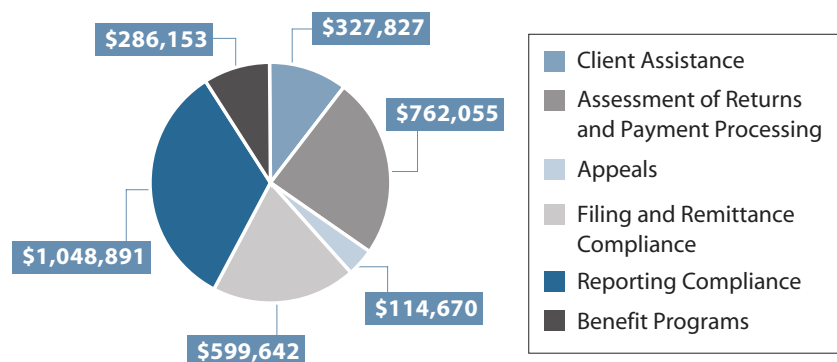
The CRA has a projected \$3.1 billion planned spending budget for the 2005-2006 fiscal year. The division of this budget by program activity is displayed in Exhibit 2.

The CRA faces challenges over the planning period in sustaining the integrity of existing core activities. At the same time, we need to pursue a number of promising opportunities to enhance service to individuals and businesses, lower the overall costs of government, and target specific compliance risks.

We have been successful in recent years in implementing productivity improvements and in realigning the Agency's budget from lower to higher priority programs. These re-allocation opportunities have enabled the Agency to both manage the increasing volume and complexity of tax transactions and facilitate the introduction of service enhancements.

The Agency will remain aggressive in its identification of internal re-allocation opportunities so that we can meet our obligations to the government's re-allocation initiative and at least partially fund new internal requirements and priorities. However, we hope to reach an agreement on a resourcing arrangement to compensate for the non-discretionary annual growth in transactional volumes.

**Exhibit 2: Spending Profile by Program Activity**



**Exhibit 3: FTE and Resource Planned Spending Summary by Program Activity**

Program Activities	2005-2006		2006-2007		2007-2008	
	FTE	(\$000)	FTE	(\$000)	FTE	(\$000)
Client Assistance	4,194	327,827	4,187	331,296	4,183	333,412
Assessment of returns and payment processing	9,402	762,055	9,338	790,728	9,304	799,088
Filing and remittance compliance	8,962	599,642	8,940	601,170	8,934	608,474
Reporting compliance	12,462	1,048,891	12,414	1,045,981	12,412	1,045,829
Appeals	1,465	114,670	1,461	115,107	1,462	116,096
<b>Tax Services Sub-Total</b>	<b>36,485</b>	<b>2,853,085</b>	<b>36,340</b>	<b>2,884,282</b>	<b>36,295</b>	<b>2,902,899</b>
Benefit Programs	1,714	286,153	1,679	291,845	1,677	300,417
<b>Total Agency</b>	<b>38,199</b>	<b>3,139,238</b>	<b>38,019</b>	<b>3,176,127</b>	<b>37,972</b>	<b>3,203,316</b>



# Strategic Challenges and Priorities

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Each year, as part of our ongoing work to safeguard the fairness and integrity of the tax system in Canada and to improve the delivery of tax services and benefit programs, we monitor the environment in which we operate with respect to social and technological trends; shifts in public expectations; attitudes and behaviours; economic conditions; and other factors influencing compliance and service. Trends in these areas can have significant implications for the Agency's achievement of strategic outcomes in tax services and benefit programs, and can influence our resource and infrastructure requirements.

The issues of governance and accountability have become a preoccupation with Canadians as a result of several recent events involving federal institutions. Attention to good governance will remain a condition within our planning environment. In early 2005, a Parliamentary Committee will perform a Five Year Review of our founding legislation, the CCRA Act. Governance is expected to be a key element in this review. There are also several forums and instruments through which the Government has firmly committed itself to further enhance and promote accountability such as various inquiries, Auditor General reports, the larger role of the Comptroller General, and an increased focus on internal audit. These will focus public attention on government ethics, proper contracting procedures, and trust and integrity.

The Expenditure Management Review Committee of Cabinet is tasked with the reallocation of \$12 billion over five years from department and agency budgets to higher government priorities. This review will challenge us to find further internal savings, re-focus our priorities, optimize revenue collection, and maintain our tax and benefit program integrity.

The government-wide desire for increased horizontal management of corporate functions across departments and agencies, and for more collaboration across government in providing service to Canadians, will present both opportunities and challenges for the Agency's service delivery infrastructure.

The continued emphasis on improving relations with other levels of government and First Nations may accelerate partnership opportunities based on the Agency's central role in collecting and dispersing both money and information.

As well, the renewed focus on Canada's place in the world will elevate the importance of the CRA partnering in a global economy. Increasing globalization of trade and financial transactions poses further challenges to our compliance regime.

It is in this context that we focus on managing our primary challenges and opportunities in order to achieve our Corporate Business Plan for the next three years.

The Agency risk management process combines the results of monitoring the government-wide planning environment with the results of our ongoing assessment of agency risks and opportunities. These results are captured in our agency corporate risk inventory, which feeds the planning process.

In this planning cycle, the Agency has significantly strengthened its strategic planning and horizontal management processes. These changes not only improve our ability to identify key agency challenges, but also our ability to manage responses across the Agency to these challenges.

Our priorities for the 2005-2006 to 2007-2008 planning period mirror those in our last Corporate Business Plan, although they have been re-ordered to firmly establish tax integrity as our foremost priority. They also continue to reflect what are judged to be the greatest strategic challenges in our operating environment. Our strategic priorities are:

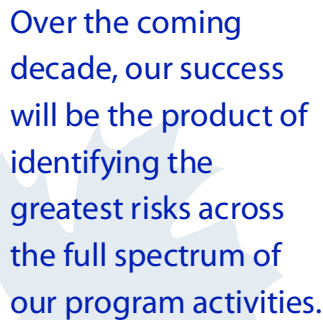
- Tax Integrity
- Service to Canadians
- Business Sustainability
- Trust and Integrity

## Tax Integrity

**The CRA's most critical priority is, and has always been, to maintain integrity in the administration of the Canadian tax system and in the tax base. This in turn serves as a foundation for a healthy economy, a sustainable social infrastructure, and a strong democracy. Our strategy for achieving this priority is the rigorous and methodical ongoing assessment of compliance risks and the mitigation of those risks through continued refinements of programs, in conjunction with the development of new and innovative approaches.**

Compliance with tax laws typically means registering when required to do so, filing returns on time, reporting complete and accurate information, and paying amounts when due.





Over the coming decade, our success will be the product of identifying the greatest risks across the full spectrum of our program activities.

No revenue administration has the resources to respond comprehensively to every area of risk. Over the coming decade, our success will be the product of identifying the greatest risks across the full spectrum of our program activities. We will achieve a new understanding of the drivers of compliant behaviour, build the strategies we need to employ to ensure that everyone pays their fair share of taxes according to the law, and improve both our performance results and our ability to measure them.

Our most recent assessment of our compliance activities, a comprehensive review conducted over the spring and summer of 2004, has provided us with a better understanding of the conditions being faced by modern tax administrations. This has led us to some important conclusions about how to build on our already solid levels of compliance using all available compliance instruments, including audit, service, and legislative/policy initiatives, in a focused and more integrated way.

While we will continue to administer our core compliance activities such as the audit of individuals, businesses, trusts, charities, and registered plans, we will give greater focus to four areas:

- Aggressive tax planning
- Underground economy
- GST/HST fraud
- Non-filers/non-registrants and collections

### **Aggressive Tax Planning**

Aggressive tax planning is a challenge confronting all developed countries. In Canada, it involves transactions, arrangements or events that are normally fully disclosed but undertaken to achieve a tax result that is not supportable within specific anti-avoidance provisions or the overall scheme of the Income Tax Act, Excise Tax Act, or Income Tax Conventions. Typically, the transactions, arrangements or events lack economic substance and commercial reality and would not have materialized except for the tax result sought. The transactions, arrangements or events result in: sheltering income and capital gains that should be reported; creating or inflating tax deductions and losses, including capital losses, that would not otherwise exist; misusing treaty provisions; or accessing tax incentives, credits and exemptions in an offensive manner.

Aggressive tax planning undermines the integrity of tax laws and the tax base. We will increase early detection and analysis of abusive tax avoidance, enhance our risk assessment and audit programs, increase public awareness of unacceptable arrangements, increase our capability to deal with challenging areas by recommending legislative amendments, and continue international co-operation with tax treaty partners.

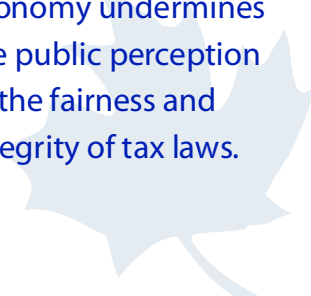


## **Underground Economy**

The underground economy is generally defined as non-criminal business activity that is unreported or under-reported for tax purposes. It may include failure to register or to file returns and/or failure to report all or part of business income. Such activity is present in many industry sectors, primarily where cash is prevalent and where there is an absence of third party reporting or deductions at source. Prime examples are construction and home renovations, hospitality, taxi, automotive repairs and sales, tourism, and clothing textiles.

The underground economy undermines the public perception of the fairness and integrity of tax laws, and has a major impact on compliant businesses because of their loss of competitiveness. Our underground strategy focuses on increasing our research, evaluating the effectiveness of instruments being used to combat the underground economy, more effectively directing our enforcement efforts to those who participate in it, broadening the engagement of stakeholders, and leveraging the impact of our enforcement activities by underscoring the risk and consequences of detection.

The underground economy undermines the public perception of the fairness and integrity of tax laws.



## **GST/HST Fraud**

An important element of a value-added tax, like the Goods and Services Tax/ Harmonized Sales Tax (GST/HST), is the provision for input tax credits that allow businesses to receive credit, or even refunds, for the amount of GST/HST they pay. While the administration of any tax carries a risk of fraud, it is internationally recognized that this direct payout feature means value-added taxes inherently carry an even higher risk.

Millions of daily transactions, and extremely large numbers of registrants requesting refunds, make it very difficult to detect problematic situations within acceptable timeframes. The compliance approach to this issue will be multi-faceted, including a review of some key aspects of the GST/HST legislative and policy framework.

## **Non-Filers/Non-Registrants and Collections**

The CRA faces the challenge of addressing compliance in respect of the filing of returns, as such filing is the essential first step in compliance. Various initiatives are being pursued, such as obtaining third party information and performing data matching that will permit the effective detection and assessing of those who fail to file their tax returns.

The CRA is also experiencing sustained growth in accounts receivable for all of the taxes it administers. Various avenues need to be pursued to curb this growth and reduce the value of accounts receivable. These include improving the integration of

our activities at the client level, more effective risk profiling, enhancements to the Collections Call Centre, and a variety of initiatives – outlined in the next chapter – to reduce the level of older accounts.

## Service to Canadians

The service agenda is a top priority of the Government of Canada in its pursuit of better governance and in response to the public's desire for more personal service that cuts through jurisdictional overlaps.

The CRA is front and centre in this service agenda not only because of our extensive public contact and our past leadership on service innovation and automation but because, for us, enhancing service is a critical strategy for achieving our tax compliance and benefit delivery objectives. A large part of our success in building a suite of services and citizen-focused service standards for Canadians has been our extensive program of consultation in designing, developing, and evaluating service offerings. In addition, as an agency we have increasingly recognized the importance of partnerships with other departments, provinces, territories, and First Nations as a prime means to deliver better service at lower cost.

Canadians have embraced our service modernization initiatives and are clearly supportive of enhancements that make service faster, provide easier access to information, and cut through bureaucratic and jurisdictional red tape. Reducing the complexity and cost of dealings with government is particularly relevant to the business community, where every cost element is a factor in competitiveness.

Over the past decade, we have introduced simple fast filing through initiatives such as EFILE, NETFILE, and TELEFILE, with the result that almost half of all T1 individual returns were filed electronically in 2004. In addition, businesses have been engaged in electronic filing, with 64% of T4 slips and 95% of T5 slips filed electronically, and corporate Internet filing was successfully introduced two years ago. We have provided taxpayers with easy, fast, and secure access to information, largely through the most heavily used government Web site, with over 25 million clients served last year. Finally, we have used tax information to identify and simplify eligibility for seniors benefits: 64,000 additional low income seniors are now receiving the Guaranteed Income Supplement as a result of the CRA using tax information to identify those who were eligible but not applying for benefits.

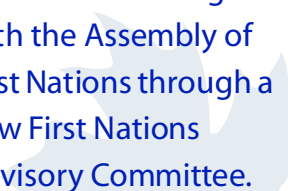
As we move ahead, a prime motivator will be to continue to take a leadership role in providing electronic service excellence and meeting the challenge of increasing demands on our systems infrastructure. We must continue to understand and anticipate the ways in which Canadians want to interact with government and the implications for our programs.

Almost half of all T1 individual returns were filed electronically in 2004.

Maintaining and enhancing the quality of service we provide to our federal and provincial partners will be paramount in this planning period. For our considerable portfolio of tax collection and service agreements, and any new partnerships, we will ensure a structured, collaborative approach toward planning, monitoring, and being accountable for outcomes.

We will also continue to provide services on behalf of some First Nations who have the responsibility of delivering tax and social programs, and to consult with Aboriginal representatives to improve and broaden our services. As First Nations administrations continue to evolve, we will be there to offer more services and support in a cost-efficient and effective manner. We will be working with the Assembly of First Nations through a new First Nations Advisory Committee, as a forum to identify First Nations' needs and expectations as they relate to tax and benefit programs administered by the CRA, and to propose ways to address them.

We will be working with the Assembly of First Nations through a new First Nations Advisory Committee.



## Business Sustainability

Resolving existing program integrity challenges and financing new program opportunities must be placed in the **context of the broader government commitment to reallocating existing resources and directing new resources to priority areas**. For the CRA this also means demonstrating that any new funding would be more than offset by increased revenue and by expected future year savings.

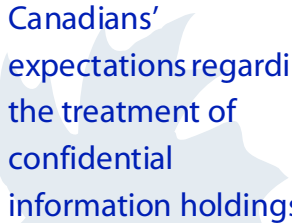
The CRA is facing a number of challenges over the planning period to sustain the integrity of existing core activities and to afford a number of promising opportunities to enhance service to individuals and businesses, to lower overall costs of government, and to target specific compliance risks.

We have been successful in recent years in implementing productivity improvements and in realigning the Agency's budget from lower to higher-priority programs. These re-allocation opportunities have enabled the Agency to both manage the increasing volume and complexity of tax transactions and facilitate the introduction of service enhancements.

The Agency will remain aggressive in its identification of internal re-allocation opportunities so that we can meet our obligations to the Government's re-allocation initiative and at least partially fund new internal requirements and priorities.

## Trust and Integrity

Not only are trust and integrity issues of importance to Canadians and the Government of Canada, but **fair treatment, trust, and integrity are principles underlying the CRA's approach to tax and benefit administration**.



Existing and new systems must respect Canadians' expectations regarding the treatment of confidential information holdings.

We plan to consolidate the gains brought by our unique structure to establish new benchmarks for administrative excellence. The CRA's Board of Management, in conjunction with federal central agencies, has placed a new emphasis on transparent management processes and a focus on the close and prudent stewardship of public funds. We plan to work to further improve our accountability mechanisms both to Parliament, through our Minister, and to provincial, territorial, and other partners through service agreements.

We especially recognize that our existing and new systems must respect Canadians' expectations regarding the treatment of confidential information holdings. With this in mind, we are continuing to partner within the federal community to build durable and effective solutions for the secure transmission of financial and other sensitive information. To reinforce the confidentiality of taxpayer information, an assessment of Section 241 of the *Income Tax Act* is expected during the planning period.

To summarize, our key strategies for supporting trust and integrity continue to be:

- an increased focus on the security of people, information, technology, and facilities;
- continued attention to ethics and conduct, and the CRA values of professionalism, respect, integrity, and co-operation;
- meeting our fiduciary responsibilities to ensure the CRA is run fairly and efficiently;
- respecting policies on disclosure of information, conflict of interest, care and use of government property, and hospitality; and
- continuing to enhance sound governance such as Board of Management oversight.

## Conclusion

The environment in which we operate demands that we identify issues at the earliest possible moment, and speedily execute strategies to address these issues.

Our knowledgeable and experienced employees continue to use sophisticated risk management tools and methodologies to address ongoing operational and strategic risks to the CRA's program activities. Continued effort will be applied to increase our knowledge of risks from both inside and outside the Agency and to ensure that the management of these risks is integrated into our planning, decision-making, and reporting processes.

We believe this *Summary of the Corporate Business Plan 2005-2006 to 2007-2008* lays a solid foundation for the next three years. It builds on the service orientation and institutional modernization that characterized our first five years, and is closely aligned with the Government of Canada agenda for fiscal stability, service

excellence, and federal-provincial relations. Our success will depend mostly on two factors: implementing a significant shift in priority toward the strategic outcome of tax integrity across the Agency, and achieving productivity gains to enable reallocations to priority areas and enhanced partnerships, without compromising the overall quality of compliance or service to Canadians.



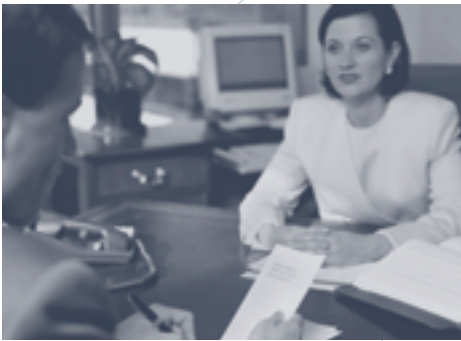


# Programs

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## Tax Services

Approximately 29 million individuals, businesses, trusts, and other organizations are clients of the CRA. The taxes administered, assessed, and collected on behalf of the federal, provincial (except Quebec), and territorial governments and First Nations fund a wide range of programs and services that contribute to the social and economic well-being of all Canadians.



Tax Services are comprised of five key program activities supported by a number of sub-activities ranging from service to enforcement. These program activities are Client Assistance, Assessment of Returns and Payment Processing, Filing and Remittance Compliance, Reporting Compliance, and Appeals.

As a leader in implementing the Government of Canada's service agenda, we believe that citizen-centred service is a critical strategy for achieving effective tax compliance. At the forefront of the CRA's interactions with Canadians, our **Client Assistance** program activity is divided into four parts: client services, rulings and interpretations, registered plans, and charities.

Our client services program ensures that our clients are provided with the tools, assistance, and information they need to voluntarily comply through self-service and agent assistance. Tax Services also issues rulings and interpretations to clarify the application of Canada's tax laws and registers, audits, and monitors registered plans and charities. Charities administers the national registration program for charities, National Art Service Organizations, and Canadian amateur athletic associations. This program also oversees the implementation of the *Charities Registration (Security Information) Act* in co-operation with the Department of Public Safety and Emergency Preparedness Canada.

Through the **Assessment of Returns and Payment Processing** program activity, we assess and process individual and business tax returns using risk assessment, third-party data matching processes, and dependable information validation processes. As well, every known business in Canada is registered through this

activity area. Furthermore, we administer the Scientific Research and Experimental Development program, which is a federal tax incentive to encourage Canadian businesses to conduct research and development in Canada.

Our **Filing and Remittance Compliance** program activity ensures compliance with tax laws for filing, withholding, and remittance requirements, including amounts collected or withheld in trust on behalf of the Government of Canada. Our non-filer/non-registrant function pursues unfiled personal and corporate income tax returns, as well as the registration of businesses which are required to register for GST/HST but have not. Our trust accounts area pursues compliance and enforcement activities related to payroll source deductions and GST/HST accounts. As part of the filing and remittance compliance program activity, we also administer the determination of employment status, pensionable earnings, and the insurability of earnings provisions under the Canada Pension Plan and the *Employment Insurance Act*.

Our accounts receivable program within our Filing and Remittance Compliance program activity is responsible for the timely collection of overdue accounts for all taxes, levies, duties, and other amounts and assures the effective management of existing tax debt.

Reporting compliance addresses the accuracy and completeness with which taxpayers report their tax liability. Our **Reporting Compliance** program activity balances our approach to audit and enforcement sub-activities. The major programs include reporting examinations, audits, and investigations aimed at ensuring compliance with income tax and GST laws.

Our audit program focuses on compliance with tax laws through taxpayer assistance and audits, thereby increasing the effectiveness of our compliance programs to deter non-compliance. The investigations program contributes to compliance with tax laws through enforcement activities, including conducting investigations of suspected cases of tax evasion and fraud, pursuing criminal prosecutions, and actively seeking publicity associated with successful prosecutions. Other Reporting Compliance program activity functions include developing compliance strategies through comprehensive research and analysis, identifying and assessing tax compliance risk, and developing tools in support of our reporting compliance efforts.

The **Appeals** program activity centres on resolving disputes between the CRA and its clients by conducting fair and impartial reviews of decisions and by assisting the Department of Justice during any subsequent appeals to the courts. This program activity is responsible for reviewing clients' contested decisions in the areas of income tax, GST/HST, excise tax, Canada Pension Plan, and Employment Insurance. Further, Appeals administers the Voluntary Disclosures Program (VDP), which allows clients to correct past errors or omissions in their tax obligations

## Tax Program Activities

- Client Assistance
- Assessment of Returns and Payment Processing
- Filing and Remittance Compliance
- Reporting Compliance
- Appeals

without penalty. The Appeals program activity also leads the CRA's Fairness Initiative, which includes the application of legislative provisions for cancelling or waiving interest and penalties when clients are unable to comply with tax laws due to circumstances beyond their control.

## Strategies and Key Initiatives

We believe that Canadians who have faith in the administration of the tax system will be more inclined to comply with tax laws. Also fundamental to our thinking is that effective compliance begins with service. As we bring our strategic planning to the next level, we will take steps to ensure that service and compliance strategies are fully inter-related to optimize our approach to compliance.

Our key priorities for the planning period continue to be:

- Tax integrity
- Service to Canadians

### Tax Integrity

Building on our most recent assessment of our compliance regime, we have undertaken an analysis of the risks facing tax administration in Canada and established a multi-year strategy to strengthening compliance. Our program strategies to address the key compliance risks identified—aggressive tax planning, the underground economy, GST/HST fraud, and non-filers/non-registrants and collections—will be supplemented by resource reallocations and making recommendations to the Department of Finance and Treasury Board to assist in developing new legislation and identify new resources.

In addressing **Aggressive Tax Planning**, our Reporting Compliance program activity strategy is to identify and understand abusive transactions as early as possible, to use this understanding to identify others with similar schemes, to audit all such transactions as quickly as possible, and to publicly state our position on those transactions to prevent further abuses. We will:

- use a variety of techniques to identify aggressive tax plans by enhancing analytical and research capacity;
- increase our ability to deal with aggressive tax plans once they have been identified, through improved operational training and tools for auditors, and by elevating the profile of CRA actions on aggressive tax planning; and
- improve the legislative and administrative environment by recommending legislative changes, working with international partners, and by educating the public about inappropriate arrangements.

### Key Compliance Risks

- Aggressive Tax Planning
- Underground Economy
- GST/HST Fraud
- Non-filers, non-registrants and collections



Sound risk identification and analysis is key to addressing the **Underground Economy**. Identifying and addressing sectors with significant areas of non-compliance earlier, rather than reacting to known problems on a case-by-case basis, continues to be an objective.

The Reporting Compliance area's approach for dealing with the underground economy is based on a number of elements. These include:

- an increased co-ordination of our compliance activities and fuller engagement of all stakeholders;
- the realignment of our enforcement activities to ensure that unacceptable taxpayer behaviour is addressed accordingly;
- the development of communication products that underscore the risks and consequences of detection; and
- the expansion of the use of third-party reporting and third-party information.

We will also expand our research capacity and increase our investment in compliance research. This will be done to establish a stronger knowledge and intelligence-gathering capacity to better understand the root causes of the underground economy and to evaluate the effectiveness of the instruments used to combat it.

The **Goods and Services Tax/Harmonized Sales Tax (GST/HST)** carries a high risk of fraud since millions of transactions take place daily. Consequently, the GST/HST compliance strategy focuses on preventing improper refunds and creating a legislative and administrative environment to reduce systemic opportunities for fraud. This strategy will be achieved by identifying high-risk clients before and at the time of refund claims, improving risk assessment for registration and pre-payment audit processes, and recommending appropriate legislative changes.

Through our Filing and Remittance Compliance program activity, we identified a number of key risks relating to **Non-Filers/Non-Registrants and Collections** including employer compliance issues, inventories of non-filers and past performance in the collection of accounts receivable.

In addition to pursuing ongoing activities such as conducting examinations to ensure the validity and accuracy of deductions and remitting and reporting source deductions and GST/HST by employers and registrants, we will:

- review and streamline our processes to strengthen our capability to detect and correct areas of non-compliance related to the delinquent filing of income tax and information returns;
- pursue improved integration of our activities at the client level to ensure we follow up on all types of non-compliance; and



- begin planning for the implementation of a national inventory pool for non-filers/non-registrants.

Although the gross amount of cash the CRA collects continues to increase year-over-year, the continued growth in our intake of new debt remains a challenge. Our plan for stemming the growth in receivables includes:

- enhancing our Collection Call Centre to allow clients to enter debt payment arrangements through interactive voice recognition;
- pursuing T1 instalment campaign efforts to address outstanding client instalment accounts to prevent the creation of new debt;
- expanding on the Integrated Revenue Collections project to advance risk profiling and scoring as well as to integrate more business processes; and
- continuing our work on data warehousing for effective account management.

Attention will also be given to reducing the level of older accounts by implementing a combination of initiatives. We will:

- simplify internal procedures to enable collections officers to conclude an increased number of cases;
- expand the use of the allowance for doubtful accounts (AFDA) to include debt management; and
- pursue regular account reviews of the gross book value, to help reduce the total value of accounts receivable inventory.

Sound risk management is essential to achieve tax integrity. Over the planning period and as part of our Reporting Compliance program activity, we will fully implement the Compliance Measurement Framework (CMF) to better understand compliance behaviour. As well, full reporting on the Core Audit Program results will take place in 2005-2006. Results of the program will be compared to existing risk assessment models to validate or refine them.

Ensuring the Voluntary Disclosure Program (VDP) is fully integrated with CRA compliance activities continues to be a priority. As part of the Appeals Vision – a multi-faceted and multi-year initiative – and to address recommendations made by the Auditor General, an action plan will be implemented in 2005-2006 to improve the reporting of Voluntary Disclosures Program activities, improve program management, and enhance the link between the VDP and risk management activities.

We will continue our work on Charities Regulatory Reform activities to increase our focus on deceptive fundraising by examining options to fast-track the deregistration process for predatory fundraisers as well as implement an early revocation process. We will also work with various levels of government on developing joint initiatives to increase public awareness of deceptive fundraising.

**We will continue our work on Charities Regulatory Reform activities to increase our focus on deceptive fundraising.**

## Service to Canadians

Ensuring **Responsive Client Assistance** is key to promoting voluntary compliance. The CRA must, however, strike an effective balance between affordable operations and client expectations. For example, in-person service is a very costly service option the CRA offers to its clients; to reduce our costs, we will encourage clients to use alternative service options that are just as effective, but less expensive.

Over the planning period, we will further the implementation of our strategy through our Client Assistance program activity of increasing client self-service, including client uptake of electronic services. A key example of self-service is **My Business Account**, which will allow greater access to CRA services through 24/7 client-directed access and real-time interaction with CRA systems.

For those areas where self-service is not the channel of a client's choice, our strategy is to move toward a model of assisted self-service, with our agents pro-actively engaged in educating clients and promoting CRA self-serve offerings. This will allow our agents to be more available for complex enquiries through appointments or our SmartLink initiative, which will enable clients to move seamlessly from our Web site to the telephone.

Canadians continue to express their expectation for citizen-centred and efficient service delivery, which the CRA must balance with business volumes that continue to grow each year. Building on our strong foundation for electronic service delivery, we aim to increase the number of returns filed electronically in all revenue streams. As part of our plan, we will reduce the target for counter-service wait time from 100% to 90% for our service standard. We expect that this new approach to service will help increase client interest in self-serving or having recourse to our assisted self-serve option.

Integral to the enhancement of client self-service is our aim to build on our electronic services infrastructure to add new transactional services including: the **“Change my return”** option to My Account; Third Party Privilege Management to address the needs of third parties; and enhancements to “My Business Account” to enable businesses to file an objection electronically.

Enhancing CRA systems will continue to take place over 2005-2006. We will introduce two-dimensional bar code technology to eliminate manual data entry activities for processing computer-generated returns filed on paper. Additional improvements will be made to the Post-Dated Cheque and the GST/HST Accounting systems.

We will introduce two-dimensional bar code technology to eliminate manual data entry activities for processing computer-generated returns filed on paper.

We are working toward an agreement with the Government of Ontario to design and implement a single corporate income tax.

In 2005-2006, we will continue our review of the Scientific Research and Experimental Development (SR&ED) program's administrative processes and compare these with those of other countries to identify potential improvements. We will also enhance our communication initiatives to make the SR&ED program known more broadly and ensure accessibility for small businesses.

Implementation of our **Appeals Vision** will see us strengthen and align the Appeals mandate with our strategic roles and responsibilities, and improve our capacity to manage and evaluate the outcomes of our redress process. As a result, we will provide a more effective service that will be more fiscally responsible and efficient. We will also undertake a review of our CPP/EI redress process to improve timeliness in resolving files and to further enhance service delivery. As part of the Appeals Vision, we will move beyond the risk management of individual files and integrate risk management into the overall framework of the CRA and, in partnership with other government departments, will renew and re-emphasize it at the grassroots level to ensure that all risks are identified as early as possible.

Establishing **quality partnerships with other federal government departments, provinces, and territories**, which enable improved client service and overall administrative costs, is a key CRA objective. Over the planning period, we will aim to further increase the quality of our partnerships and continue to explore opportunities to offer integrated services in support of the Government of Canada service vision.

We are working toward an agreement with the Government of Ontario to design and implement a single corporate income tax. This would mean that close to 45% of Canada's corporations, which are registered in Ontario, would be required to file only one tax return for provincial and federal income tax. In addition to simplifying the filing process, businesses would only be subject to a single audit for both federal and provincial taxes. This will help reduce the compliance burden and increase the competitiveness of Ontario businesses.

In pursuing our goal for clear accountabilities between the federal and the provincial/territorial governments, we will respond to the anticipated enhanced service and accountability requirements of the Tax Collection Agreements currently under negotiation with CRA involvement. Renewing our Service Management Framework Agreement with provinces and territories, therefore, will be a priority in 2005-2006.

We will strive to maintain this momentum through increased consultation and the development of innovative new service delivery mechanisms. A number of new First Nations GST and First Nations Personal Income Tax administration agreements are presently under negotiation. The First Nations file will also be impacted by the Minister of Finance's December 6, 2004, tabling of legislative changes to the *First Nations Goods and Services Act* to enable the creation of a First Nations

Quebec Sales Tax. Finally, a First Nations Advisory Committee was recently created for identifying First Nations' needs and expectations as they relate to tax and benefit programs administered by the CRA, and for proposing ways to address them.

**Exhibit 4: Expected Results for Tax Services**

<b>Expected Result – Clients receive timely, accurate, and accessible information</b>	
<b>Indicators</b>	<b>Targets</b>
Clients are served within target	<ul style="list-style-type: none"> <li>• External service standards<sup>1</sup> are met. Key service standards include:               <ul style="list-style-type: none"> <li>• Advanced income tax rulings to taxpayers within 60 days 100% of the time</li> <li>• Technical interpretations to taxpayers within 90 days 100% of the time</li> <li>• Statements of Arrears (SOA) for corporations mailed by the end of the month (under review)</li> <li>• Statements of Interim Payments (SIP) to corporations mailed by the 18<sup>th</sup> of the month (under review)</li> <li>• 80% to 85% caller accessibility (individuals, businesses, charities)</li> </ul> </li> <li>• Internal performance standards are met:               <ul style="list-style-type: none"> <li>• Tax correspondence within 30 days</li> <li>• 100% of T1 individual instalment reminders are issued by targeted due dates</li> </ul> </li> </ul>
Client satisfaction ratings (measured by CRA Annual Survey and other surveys)	<ul style="list-style-type: none"> <li>• Increase in positive survey responses</li> </ul>



**Expected Result – Assessment, eligibility determination, and payment processing are timely and accurate**

Indicators	Targets
Timeframe for processing is done within target	<ul style="list-style-type: none"> <li>• External service standards<sup>1</sup> are met. Key service standards include:                             <ul style="list-style-type: none"> <li>• T1 individual income tax returns (paper) processed within 4 to 6 weeks</li> <li>• T1 individual income tax returns (EFILE, TELEFILE, NETFILE) processed within 2 weeks</li> <li>• 95% of GST/HST returns processed within 21 days</li> <li>• 75% of T2 corporation income tax returns processed within 50 days and 90% processed within 90 days</li> <li>• 90% of fairness requests related to accounts receivable and trust accounts programs are processed within 4-6 weeks</li> </ul> </li> <li>• Internal performance standards are met:                             <ul style="list-style-type: none"> <li>• 100% of payments deposited within 24 hours of receipt during non-peak season (95% during peak season)</li> <li>• 90% of Business Number registrations are processed within 5 working days</li> <li>• 90% of T4 information returns processed by April 30 and T5 information returns processed by May 31</li> </ul> </li> </ul>
Trend in dollar value of interest paid on refunds	<ul style="list-style-type: none"> <li>• Year-over-year comparison</li> </ul>
Percentage of returns assessed accurately (T1 paper returns quality review programs)	<ul style="list-style-type: none"> <li>• 98% of individual returns are assessed accurately</li> </ul>
Client satisfaction ratings (measured by the CRA Annual Survey and the Income Tax Rulings Survey)	<ul style="list-style-type: none"> <li>• Increase in positive survey responses</li> </ul>
Percentage of client take-up of electronic service delivery options compared to other options	<ul style="list-style-type: none"> <li>• 50% of individual filers file electronically in 2005-2006</li> <li>• 7% of all corporations file electronically in 2005-2006</li> </ul>



**Expected Result** – High levels of compliance are achieved and non-compliance is identified and addressed (under review)

Indicators	Targets
Dollar value of non-compliance identified through tax review programs	<ul style="list-style-type: none"> <li>Anticipated fiscal impact for 2005-2006</li> <li>Compliance Programs – \$5.4 billion</li> <li>Trust Accounts – \$1.8 billion</li> </ul>
Dollar value of additional tax assessed as a result of tax review programs (Confidence Validity, T1 Processing Review and T1 Matching)	<ul style="list-style-type: none"> <li>Year-over-year comparison</li> </ul>
Ratio of dollar recoveries – targeted versus random reviews	<ul style="list-style-type: none"> <li>Year-over-year comparison</li> </ul>
Percentage of non-compliance identified through random versus targeted reviews	<ul style="list-style-type: none"> <li>Year-over-year comparison</li> </ul>
Percentage of accounts audited/reviewed compared to plan	<ul style="list-style-type: none"> <li>Based on annual targets</li> </ul>

**Expected Result** – Tax debt is resolved on a timely basis and is within targeted levels

Indicators	Targets
Dollar amount of cash collected	<ul style="list-style-type: none"> <li>\$8.6 billion in 2005-2006 as per Government of Canada commitment</li> </ul>
Percentage of accounts receivable over five years old	<ul style="list-style-type: none"> <li>2005-2006 – Less than 16%</li> </ul>
Accounts resolved compared to new account intake	<ul style="list-style-type: none"> <li>More than 91% of accounts resolved</li> </ul>
Percentage of intake resolved in the year of intake	<ul style="list-style-type: none"> <li>60% to 65% of accounts resolved</li> </ul>

**Expected Result** – Taxpayers receive an impartial and timely review of contested decisions

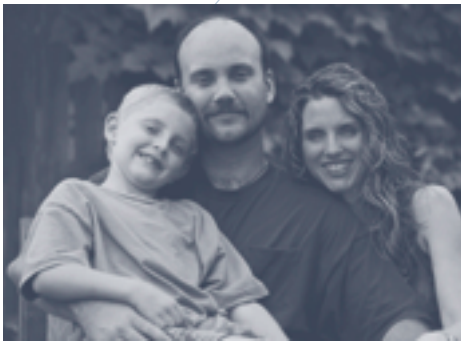
Indicators	Targets
% of files meeting targets for timely case completion	<ul style="list-style-type: none"> <li>Meet turnaround targets for timeliness (targets under review)</li> </ul>
% of files resolved administratively (without going to court)	<ul style="list-style-type: none"> <li>95% for income tax files, 90% for GST/HST/Excise files, and 65% for CPP/EI files</li> </ul>
% of cases validated as a result of quality assurance reviews	<ul style="list-style-type: none"> <li>90%</li> </ul>
Trend in ratio of disposals to intake	<ul style="list-style-type: none"> <li>Targets under review</li> </ul>
Trend in the number of accepted voluntary disclosures	<ul style="list-style-type: none"> <li>Year-over-year comparison</li> </ul>

<sup>1</sup> A complete list of external service standards can be found in Appendix E.

## Benefit Programs

Benefit Programs plays an important role in the efforts of federal, provincial, and territorial governments to provide support to families and children and to help reduce the depth of child poverty, by providing Canadians with income-based benefits, credits, and other services that contribute directly to their economic and social well-being. We administer four federal programs:

- the Canada Child Tax Benefit (CCTB);
- the Goods and Services Tax/Harmonized Sales Tax (GST/HST) Credit;
- Children's Special Allowances; and
- the Disability Tax Credit (DTC).



In addition, we leverage our federal delivery infrastructure to administer 17 ongoing benefit programs on behalf of the provinces and territories, such as the BC Family Bonus and the Saskatchewan Sales Tax Credit. In the past several years, we have also delivered four one-time payment programs for provinces, the most recent of which was the Nova Scotia Taxpayer Refund. In all, we issue over \$12 billion in tax-free benefit payments and credits each year. We also supply information authorized by law to numerous federal, provincial, and territorial partners to support the delivery of their benefit and other income-based programs, including:

- National Child Benefit Supplement information to 11 jurisdictions;
- child benefit program information to six provinces; and
- income verification information to numerous provincial ministries.

## Strategies and Key Initiatives

Benefit Programs plays a significant role in continuing to advance the Government's Service to Canadians initiative. Our strategic outcome is that eligible families and individuals receive timely and correct benefit payments contributing to the integrity of Canada's income security system.

To fulfil our objective, the CRA's strategies in Benefit Programs are:

- Maintain quality services on telephone and self-service channels, and reduce the need to call;
- Maintain strong performance in the timely and accurate delivery of benefit payments;
- Maintain high program enrolment rates and increase client awareness;
- Ensure only entitled clients get benefits; and
- Improve program responsiveness and increase capacity to deliver new programs so federal, provincial, and territorial partners will choose to have the CRA administer programs on their behalf.



## Maintain quality services on telephone and self-service channels and reduce the need to call

Person-to-person telephone service remains essential to many of our clients, especially to low-income clients who may lack easy access to the Internet. To maintain the telephone accessibility levels we have been providing to CCTB recipients, we will be developing a **service standard for the CCTB telephone service** in 2005-2006 and will implement it in 2006-2007.

While the telephone is the preferred method of contact for many of our clients, our accessibility strategy also includes reducing the need for clients to call by expanding the use of technology, which helps contain our costs because it lowers the demand on our telephone agents. Benefit Payments Online (BPO), part of “My Account”, gives clients a convenient single point of access on the Internet for information about their own benefit accounts. Enhancements to Benefit Payments On-line are in progress to increase the level of detail available to clients.

## Maintain strong performance in the timely and accurate delivery of benefit payments

We issue almost 70 million payments each year to CCTB and GST/HST credit recipients, including payments under related provincial and territorial benefit and credit programs, virtually all in a timely manner. We also maintain high processing accuracy rates.

Development work is progressing on the **Child and Family Benefits Online package**, which will increase self-service and improve payment timeliness and accuracy by allowing clients to apply online for the CCTB and other benefits, as well as allow users to register their children for the GST/HST credit. Because of the scope of this undertaking, final implementation of the full package may not occur during this planning period.

## Maintain high program enrolment rates and increase client awareness

Indications are that our outreach activities contribute to maintaining high program enrolment. We will continue to review the effectiveness of our communication tools to promote take-up rates among potential recipients and increase awareness of entitlements and obligations among existing clients. To this end, we will strive to maintain current relationships and seek out new opportunities to communicate benefit program information to existing and potential clients.

Person-to-person telephone service remains essential to many of our clients, especially to low-income clients who may lack easy access to the Internet.

## Ensure only entitled clients get benefits

We are developing new monitoring tools and processes, including quality assurance and validation techniques, to ensure that the right benefits are delivered to the right individuals.

We will continue to fine-tune our **Veritas case management system** to allow us to track and measure the impact of our validation programs by, for example, providing the dollar value of the adjustments we generate.

The four strategies and associated initiatives described above show how we plan to improve program delivery for clients. In turn, these enhancements to the CRA's national benefit program delivery infrastructure makes the use of our platform more attractive to potential partners. Our fifth strategy deals with the service opportunities we are pursuing with governments.

## Improve program responsiveness and increase capacity to deliver new programs so federal, provincial, and territorial partners will choose to have the CRA administer programs on their behalf

Fully engaging our partners and integrating our efforts with theirs is a major priority for the CRA. To achieve this, we regularly consult with our numerous partners, stakeholders, and external agencies. By pursuing available opportunities to expand our operations and offer more programs and services on behalf of partners, particularly provinces and territories, we aim to reduce the overall administrative cost of government to taxpayers by simplifying administration and eliminating duplication, limiting compliance burdens, and delivering higher levels of service.

The **Income Verification Project** is an ongoing initiative between the federal and provincial/territorial governments to exchange data using File Transfer Protocol (FTP) methodology. FTP allows the CRA to release limited taxpayer information, with client consent, using a secure, two-way, online electronic data exchange. This simplifies the administration of provincial income-tested benefit programs and reduces the need for CRA offices to release information over the counter. Nineteen programs are now in production or in the testing phase. Discussions to enrol other agencies are continuing.

The CRA is working with Social Development Canada (SDC) to **automate and streamline the Old Age Security (OAS), Guaranteed Income Supplement (GIS), and Canada Pension Plan (CPP) programs**. These programs are administered by SDC, with the CRA providing authorized client information to support client entitlement and program delivery. By replacing current methods of

We aim to reduce the overall administrative cost of government to taxpayers.

exchanging client information for the GIS with FTP in 2005, service to clients will improve and senior citizens will be assured of receiving all the benefits to which they are entitled.

The **Canada Learning Bond** (CLB) and the **Enhanced Canada Education Savings Grant** (ECESG) are two new initiatives introduced in the 2004 federal budget that will be administered by Human Resources and Skills Development Canada (HRSDC). Both of these projects are being implemented in 2005, and their administration will be supported by the CRA with an electronic data exchange of National Child Benefit Supplement information (for the CLB) and income information (for the ECESG) using FTP.

Under the **Disability Tax Measures Initiative**, we are reviewing the administrative recommendations made by the Technical Advisory Committee on Tax Measures for Persons with Disabilities in their December 2004 Disability Tax Fairness report. Along with potential legislative changes, implementation of the recommendations (where feasible) will further our ongoing efforts to ensure that persons with disabilities are treated in a fair and equitable manner.

### **Service Standards Development**

The Corporate Business Plan 2004-2005 to 2006-2007 indicated that we were developing a service standard for Disability Tax Credit claims filed outside the normal T1 assessing process. However, as a result of further analysis, it was determined that a separate service standard was not necessary, since processing DTC claims can be accommodated under existing T1 service standards.

## Exhibit 5: Expected Results for Benefit Programs

<b>Expected Result – Clients receive timely, accurate, and accessible information</b>	
<b>Indicators</b>	<b>Targets</b>
Caller accessibility (% of callers who reach our telephone service)	<ul style="list-style-type: none"> <li>• CCTB – 80-85%</li> <li>• GST/HST credit – 80-85% (currently under review)</li> </ul>
Call service level (% of calls answered within two minutes of entering the queue)	<ul style="list-style-type: none"> <li>• CCTB – 80%</li> <li>• GST/HST credit – 80%</li> </ul>
<b>Expected Result – Assessment, eligibility determination, and payment processing are timely and accurate</b>	
<b>Indicators</b>	<b>Targets</b>
Timeliness of benefit payments	<ul style="list-style-type: none"> <li>• 99%</li> </ul>
Timeliness of processing <sup>1</sup> – benefit applications/elections and account maintenance adjustments	<ul style="list-style-type: none"> <li>• 98%</li> </ul>
Accuracy of processing – benefit payments, applications, account maintenance adjustments	<ul style="list-style-type: none"> <li>• 98%</li> </ul>
CCTB overpayment debt as % of payments issued	<ul style="list-style-type: none"> <li>• 0.4% or lower</li> </ul>
# of programs and services administered for the provinces/territories and other government departments	<ul style="list-style-type: none"> <li>• Maintain our partnerships, and expand them where it is feasible to do so</li> </ul>
CCTB take-up rate (can be measured only every five years)	<ul style="list-style-type: none"> <li>• 95%</li> </ul>
Client satisfaction ratings	<ul style="list-style-type: none"> <li>• Same level or higher than Baseline 2000 Annual Survey</li> </ul>
Client evaluation of products / satisfaction with service	Maintain level from CCTB 1 <sup>st</sup> time applicants survey
<ul style="list-style-type: none"> <li>• application instructions easy to understand</li> <li>• information received in the application process</li> <li>• application processing time</li> <li>• service received in the application process</li> </ul>	<ul style="list-style-type: none"> <li>• 90%</li> <li>• 90%</li> <li>• 75%</li> <li>• 90%</li> </ul>
<b>Expected Result – Non-compliance is identified and addressed</b>	
<b>Indicators</b>	<b>Targets</b>
% of CCTB clients that receive the proper entitlement under random sample (Benefit Measurement Sample)	<ul style="list-style-type: none"> <li>• 95% or more</li> </ul>
% of CCTB accounts reviewed	<ul style="list-style-type: none"> <li>• 5%</li> </ul>
% of CCTB targeted reviews resulting in an adjustment	<ul style="list-style-type: none"> <li>• 50%</li> </ul>
\$ value of validation adjustments recouping benefits	<ul style="list-style-type: none"> <li>• To be determined, once data begins to be available for analysis</li> </ul>
\$ value of validation adjustments in favour of client	<ul style="list-style-type: none"> <li>• To be determined, once data begins to be available for analysis</li> </ul>

<sup>1</sup> A complete list of external service standards can be found in Appendix E.

# Corporate Services

Corporate Services provides strategic direction and executive oversight for the Agency's programs and services in order to establish and maintain systems and practices that support effective governance and sound management. We support the Agency's operations by providing services in seven key program activities: human resources, finance and administration, information technology, public affairs, agency management, corporate audit and evaluation, and policy and planning.

## Strategies and Key Initiatives

Corporate Services will support the priorities of the Agency through the following key strategies and initiatives:

- Developing the CRA workforce to meet future business challenges;
- Enhancing financial management throughout the Agency, with an emphasis on re-allocation;
- Maintaining high standards in the protection of our information, facilities, and systems;
- Enhancing Information Management/Information Technology services to enable CRA programs to maximize performance and operations;
- Effectively leveraging Agency knowledge to meet core compliance and service business needs;
- Enhancing public affairs activities; and,
- Maintaining sound governance.



## Developing the CRA workforce to meet future business challenges

CRA has a highly diverse workforce of just over 33,000 permanent employees and a term population which fluctuates to approximately 10,000 during peak periods<sup>1</sup>. Our permanent workforce has an average age of 45 years. In 2005, 6.1% of our

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<sup>1</sup> CRA population fluctuates based on program activity throughout the year.

permanent employees will be eligible to retire. These factors and others make it necessary for the business leaders in the Agency and the HR professionals to identify and implement key human resources strategies that support the renewed strategic direction of the Agency.

As the Agency moves forward, it will firmly establish the workforce foundation upon which the programs and services of the Agency will be built. To do this, a comprehensive Workforce Strategy will target key priorities that support capacity acquisition, development, and retention activities. Amongst other things, this will include a focus on our highly technically knowledgeable workforce, knowledge transfer, and strategies for managing the talents of our employees.

As we continue to advance our internal resourcing pre-qualification strategy, we will manage our workforce using these streamlined processes based on job and employee competencies. We will focus on the integration of the Competency-based Human Resources Management approach to all elements of the HR system, but in particular the processes of recruitment, development, and performance management.

We will focus on increasing the control the business has over the timeliness and accessibility of key HR processes that are critical to business success. This will include the increased accessibility of HR services fully utilizing Web-based service delivery, including the SAP/CAS Portal Technology for managers and employees. For compensation services, this means delivering transactional services from only two sites, the use of the call-centre system, and the completion of Employee and Manager Self-Service (ESS/MSS).

Our commitment to the spirit and principles of Employment Equity and diversity will guide our strategies. The Agency will develop a 3-year Employment Equity strategic direction to address the changing demographics of persons in the Canadian labour market, such as the higher percentage of members of visible minorities and Aboriginal persons and the increase in women graduates in accounting/audit fields.

The CRA Staffing Program sets the overall direction for staff decisions in the Agency and is guided by eight principles:

<b>CRA Staffing Principles</b>	
<b>Non-partisanship</b>	<ul style="list-style-type: none"> <li>The workforce must conduct itself in a manner that is free from political and bureaucratic influence. Staffing decisions must be free from political and bureaucratic influence.</li> </ul>
<b>Representativeness</b>	<ul style="list-style-type: none"> <li>The composition of our workforce reflects the available labour market.</li> </ul>
<b>Competency</b>	<ul style="list-style-type: none"> <li>The workforce possesses the attributes required for effective job performance.</li> </ul>
<b>Fairness</b>	<ul style="list-style-type: none"> <li>Staffing decisions are equitable, just, and objective.</li> </ul>
<b>Transparency</b>	<ul style="list-style-type: none"> <li>Communications about staffing are open, honest, respectful, timely, and clearly understood.</li> </ul>
<b>Efficiency</b>	<ul style="list-style-type: none"> <li>Staffing processes are planned and conducted with regard for time and cost and linked to business requirements.</li> </ul>
<b>Adaptability</b>	<ul style="list-style-type: none"> <li>Staffing processes are flexible and responsive to the changing circumstances and to the unique or special needs of the organization.</li> </ul>
<b>Productiveness</b>	<ul style="list-style-type: none"> <li>Results in appointment of the necessary number of competent people for the proper conduct of business.</li> </ul>



## **Enhancing financial management throughout the Agency, with an emphasis on re-allocation**

In a tighter fiscal environment, resource review and reallocation has become a permanent resource management strategy used by the Agency. We will strengthen financial controls and improve costing information to facilitate the identification of areas where greater efficiencies can be achieved. As well, we will continue to pursue the development of initiatives related to improving financial comptrollership and stewardship for administered revenues.

Our Modern Comptrollership initiative will continue to be promoted across the Agency to assist managers in responding effectively in today's operating environment with sound resource management and decision-making. The Agency will continue enhancement work on our Resource Management systems to position the Agency to report spending according to the new Program Activity Architecture (PAA). This will support the better integration of financial and non-financial reporting information for the Management Resources and Results Structure (MRRS) process.

The CRA works closely with the Office of the Auditor General to ensure effective and timely resolution of issues arising from their reviews. The Auditor General and the Finance Committee of the Board of Management are informed regularly on the measures taken to improve accounting, control, and reporting of assets, expenditures, and tax revenues. In addition, our internal audit function plays an important role in assessing the integrity of systems and providing assurances related to financial systems and financial reporting.

## **Maintaining high standards in the protection of our information, facilities, and systems**

Ensuring the confidentiality of taxpayer information is of the utmost importance to the Agency. We strive to maintain the public's trust in the integrity of our facilities, systems, and information. Last year, the Agency completed a comprehensive Security Review, and we will build on these results by conducting Compliance and Monitoring Reviews to ensure that an adequate policy framework is maintained and communicated and to identify and implement mitigation strategies to protect client and personal information. In the next year, we will finalize the development of a comprehensive Security Training and Awareness Program and commence its implementation.

Our internal audit function plays an important role in assessing the integrity of systems and providing assurances related to financial systems and financial reporting.

Our continued standard of excellence in compliance with our obligations under both the *Access to Information Act* and *Privacy Act* supports client trust in the Agency. We will continue to provide employee training on key areas of public law, including Access to Information and Privacy, as well as new courses in ethics, conflict of interest, and the confidentiality of tax information.

### **Enhancing Information Management/Information Technology services to enable CRA programs to maximize performance and operations**

The CRA IT strategy is focused on serving Canadians and ensuring that the IT initiatives are driven by and aligned with the CRA's business agenda. Specifically, this will be accomplished by establishing a business architecture and integrating it into a formal agency-wide enterprise architecture program; investing in our Service Availability Improvement program; evolving our Data Centre Recoverability and Continuity programs; establishing an IT security modernization program; and developing an information management/knowledge management strategy.

We will meet existing commitments better, cheaper, and faster through advances in our IT service management processes; implementing a more robust quality program; leveraging Internet capability and expanding our component reuse program; identifying opportunities to improve IT services through our managed distributed environment initiative; and continuing to ensure that our environment is evergreen through our existing Asset Management Plan.

We are well positioned to increase our involvement in the Government's shared services agenda. Key activities include providing IT infrastructure services and Corporate Administrative Systems for CBSA; participating in Government of Canada pathfinder initiatives such as My Government Account and My Business Account; supporting the collaboration between CRA and HRSDC/SDC in business transformation; and, working with TBS and PWGSC on providing common IT services across the Government of Canada.

We will also develop plans to ensure that we have the capacity and capability to respond quickly to the business needs of the Agency. Knowledge transfer and management and succession planning are a priority as the demographics indicate a requirement to prepare a new generation of leaders and experts.

### **Effectively leveraging agency knowledge to meet core compliance and service business needs**

Information is critical to our business. We are increasingly compelled to organize, integrate, and manage information to realize benefits and new opportunities. Data stewardship will replace existing information systems with an integrated





Agency-wide 'data warehouse' to improve program delivery. The implementation of the Consolidated Risk Assessment will create a "one-stop-shop" Web-enabled assessment and reporting tool for clients in addressing agency requirements in program and system design.

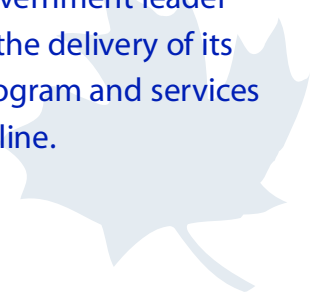
Our multi-year Business Intelligence and Decision Support (BIDS) project will enable business users to go into a single source to find consistent, reliable information and to obtain data to produce required reports using a standard set of automated tools. This will help identify trends, evaluate risks, and analyse policy effectiveness, which will improve program delivery. The BIDS Program will eventually replace the myriad of systems used to produce reports.

### **Enhancing public affairs activities**

Over the past year, the CRA has made significant strides to ensure that the integrity of the Agency is maintained through effective issues management. Maintaining and building on our capacity to identify and address emerging issues will remain a priority for the Agency.

CRA is currently a government leader in the delivery of its program and services online. Over the past years, the Intranet and Internet have evolved rapidly and will continue to evolve to support CRA e-service delivery and better respond to business and user needs. To ensure that CRA maintains its reputation and to position the Agency for the next generation of e-service, the Agency will establish the strategic direction for the CRA Web site as the organization's service delivery channel of choice, and create a more structured approach to governance and better management practices.

**CRA is currently a government leader in the delivery of its program and services online.**



### **Maintaining sound governance**

The Agency is recognized as an innovative leader in many areas in public sector management – electronic service delivery to Canadians, results oriented accountability and reporting to Canadians, effective management and administrative activities, growing and innovative federal-provincial/territorial arrangements, and innovations in human resource management. Improved results management and reporting using our Performance Measurement Program System (PMPS) and further integration of risk information into our planning, decision-making, and reporting mechanisms will support more effective decision-making.

We will continue to excel in our efforts for transparency, accountability, and reporting by publishing detailed and timely information about our commitments, service standards, and performance in our Summary of the *Corporate Business Plan 2005-2006 to 2007-2008* and *Annual Report*, the latter of which is reviewed annually by the Auditor General of Canada.



# Conclusion by the Commissioner



As the new Commissioner of the Canada Revenue Agency (CRA), I take pride in becoming a part of such an outstanding public service organization as it marks its fifth anniversary. I firmly believe the success of an organization lies in the strength of its employees, and am very aware that CRA employees have the reputation of serving Canadians with unparalleled dedication. The progress that has been made over the last five years has driven the CRA to become a leader in Canada's public service and a tax administration that is among the best in the world.

This *Summary of the Corporate Business Plan 2005-2006 to 2007-2008* builds on the service, human resource and administrative infrastructures established in these first years in order to reap the full benefits of agency status. This will mean imaginatively and persuasively presenting our service delivery platform as a viable and cost-effective option for other organizations in federal and provincial domains. Most importantly, it will mean blending our enforcement and service priorities to forge a renewed compliance effort that simultaneously responds to the service expectations of Canadians and the need to anticipate and react to increasingly sophisticated and elaborate tax avoidance and evasion activities.

Maintaining our high level of performance will not be easy. Service expectations continue to increase and business competitiveness is creating significant compliance pressures. It will take careful stewardship and continued investment to maintain our core capacity in service and compliance. Against this backdrop, the CRA is advancing an agenda designed to introduce productivity and efficiency measures—including our contribution to the government's expenditure review—while maintaining service leadership, identifying and addressing key areas of risk, and enhancing the overall fairness and integrity of Canada's tax regime.

I have confidence in our capacity to meet these challenges, and look forward to working with my new colleagues in realizing our goals, making a difference in our country, and making our government proud.

A handwritten signature in black ink, which appears to read "M. Dorais". The signature is fluid and cursive.

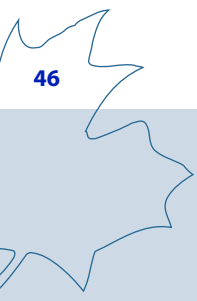
Michel Dorais  
Commissioner  
Canada Revenue Agency



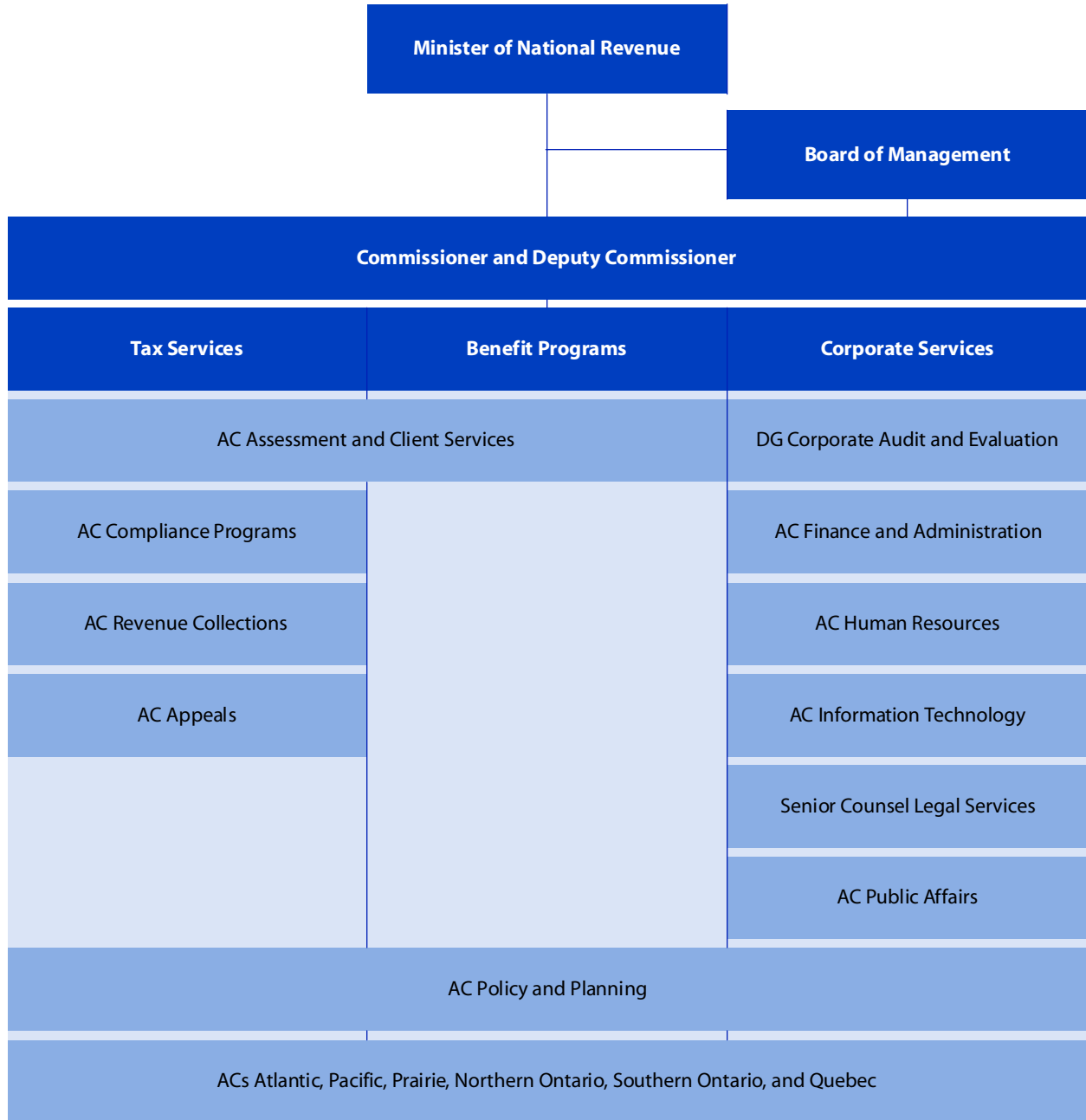
# Appendices

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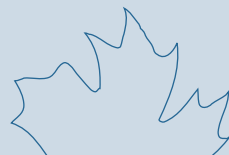
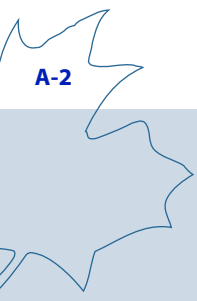




# Appendix A | Organizational Structure



AC = Assistant Commissioner  
 DG = Director General





## Appendix B | Board of Management

**Linda Ivany**

Acting Chair, Board of Management  
Director of Finance  
Atlantic Region (retired) KPMG LLP  
Halifax, Nova Scotia

**Camille Belliveau**

Senior Consultant (self-employed)  
Shediac, New Brunswick

**Esmail Bharwani**

Senior Business and Tax Consultant and  
Student-at Law with Fraser Milner Casgrain LLP  
Calgary, Alberta

**L. Bernice Buckle**

Small Business Owner/Operator (retired)  
Corner Brook, Newfoundland and Labrador

**Raymond Desrochers**

Partner  
BDO Dunwoody LLP Chartered Accountants  
Winnipeg, Manitoba

**André Gingras**

André Gingras et Associés inc.  
Montréal, Quebec

**James J. Hewitt**

Fellow, Certified Management Accountant  
Penticton, British Columbia

**Howard A. Leeson**

Department Head and Professor of Political Science  
University of Regina  
Regina, Saskatchewan

**James L. MacPhee**

Managing Partner  
MacPhee & MacAulay Chartered Accountants  
Montague, Prince Edward Island

**Rod Malcolm**

Chartered Accountant  
Iqaluit, Nunavut

**Stephen E. Rudin**

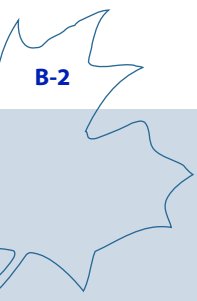
Executive Director  
Alzheimer's Society of Canada  
Toronto, Ontario

**Brock A. Smith**

Public Affairs Consultant  
Toronto, Ontario

**Michel Dorais**

Commissioner  
Canada Revenue Agency  
Ottawa, Ontario



# Appendix C | Detailed Financial Information

**Table 1: Agency Planned Spending**

(thousands of dollars)	Forecast Spending 2004-2005 <sup>1</sup>	Planned Spending 2005-2006	Planned Spending 2006-2007	Planned Spending 2007-2008
<b>Program Activities</b>				
Client Assistance	313,050	329,501	328,991	328,610
Assessment of Returns and Payment Processing	827,849	763,229	781,562	783,531
Filing and Remittance Compliance	711,253	653,936	643,406	643,214
Reporting Compliance	1,105,522	1,033,296	1,022,232	1,016,745
Appeals	127,056	116,529	115,575	115,526
Benefit Programs	290,153	280,532	283,830	290,772
<b>Budgetary Main Estimates (gross)</b>	<b>3,374,883</b>	<b>3,177,023</b>	<b>3,175,596</b>	<b>3,178,398</b>
Less: Revenues Credited to the Vote	142,732	148,127	148,006	148,006
<b>Total Main Estimates<sup>1</sup></b>	<b>3,232,151</b>	<b>3,028,896</b>	<b>3,027,590</b>	<b>3,030,392</b>
<b>Adjustments</b>				
Carry Forward from 2003-2004	217,626			
<b>Supplementary Estimates</b>				
Transfer to CBSA as a result of December 12, 2003 government restructure	(250,981)			
Reduction to spendable revenue related to the transfer of border operations	(12,110)			
Transfer of Crown Corporation Secretariat from Transport Canada	711			
National initiative to combat money laundering	4,921			
Additional Contribution to the government-wide reallocation exercise	(12,000)			
Charities Regulatory Reform – Budget 2004	10,236	11,255	11,198	11,270
Tax Shelters – Budget 2003	1,195	5,332	5,007	5,062
Other Initiatives relating to 2004 Budget	4,324	3,891	3,155	3,278
Government On-Line	5,063	378		
Campaign Tax Filing/Regional Tailoring	1,590			
Offshore Trusts (Legislation Pending)	(15,332)			
CBSA Transfer Adjustment		(3,000)	(3,000)	(3,000)
<b>Technical</b>				
Funding for collective agreements/awards signed prior to 2004-2005	8,423			
Funding for collective agreements/awards signed in 2004-2005	81,000	92,486	132,177	156,314
2004-2005 Adjustment to EBP related to Supplementary Estimates	(14,133)			
2004-2005 Adjustment to Spendable Revenue Statutory Vote	1,429			
2004-2005 Adjustment to CPP/EI work	6,215			
2004-2005 Adjustment to Revenue Credited to the Vote 1	(5,415)			
<b>Planned Spending before Budget Announcements<sup>2</sup></b>	<b>3,264,913</b>	<b>3,139,238</b>	<b>3,176,127</b>	<b>3,203,316</b>

(thousands of dollars)	Forecast Spending 2004-2005 <sup>1</sup>	Planned Spending 2005-2006	Planned Spending 2006-2007	Planned Spending 2007-2008
<b>February 23, 2005 Budget Announcements</b>				
<b>New Initiatives Affecting Income Tax<sup>3</sup></b>				
Increased audit and enforcement to discourage tax havens		30,000	30,000	30,000
Enhance federal tobacco tax compliance and enforcement		1,800	1,800	1,500
<b>Sub-total</b>		<b>31,800</b>	<b>31,800</b>	<b>31,500</b>
<b>Expenditure Review Announcements<sup>4</sup></b>				
Tax Return Processing		(5,200)	(12,900)	(20,400)
Cash counters in Tax Service Offices and Tax Centres			(4,900)	(5,300)
Enquiries Counter Services in Tax service Offices and Tax Centres		(500)	(6,400)	(12,500)
Corporate Services		(24,500)	(39,000)	(50,600)
Pay Compensation Delivery Services		(400)	(2,800)	(5,300)
Corporate Overhead at Headquarters		(4,000)	(7,200)	(8,000)
Corporate Overhead outside Headquarters		(500)	(600)	(7,900)
Procurement Savings		(1,680)		
<b>Sub-total</b>	-	(36,780)	(73,800)	(110,000)
<b>Planned Spending Including Budget Announcements</b>	<b>3,264,913</b>	<b>3,134,258</b>	<b>3,134,127</b>	<b>3,124,816</b>
Less: Non-Respendable Non-Tax Revenue	1,959,199	1,956,051	1,956,051	1,956,051
Respendable Revenue pursuant to CCRA Act	20,518	20,535	20,703	20,965
Plus: Cost of services received without charge	474,919	474,444	476,576	477,960
<b>Net cost of Agency</b>	<b>1,760,115</b>	<b>1,632,116</b>	<b>1,633,949</b>	<b>1,625,760</b>
<b>Full-Time Equivalents (Planned before Budget Announcements)</b>	<b>37,911</b>	<b>38,199</b>	<b>38,019</b>	<b>37,972</b>

<sup>1</sup> The 2004-2005 Main Estimates for CRA included corporate support resources which were transferred to CBSA through 2004-2005 Supplementary Estimates A.

<sup>2</sup> Subsequent tables balance to these amounts as applicable, and do not reflect amounts relating to the February 23, 2005 Federal Budget Announcements.

<sup>3</sup> This reflects changes to planned program spending for the upcoming planning period as a result of 2005 Budget Announcements.

<sup>4</sup> This reflects the reduction to the Agency's planned spending, including Employee Benefit Plans, as a result of the ERC exercise announced in the 2005 Budget – more information will be provided in the next Supplementary Estimates.

While the planned spending total is relatively stable over the planning period, the CRA is facing a number of critical challenges. These include sustaining the integrity of existing core activities while at the same time being in a position to undertake promising opportunities to enhance service to individuals and businesses, lower overall costs of government, and target specific compliance risks. Previous productivity improvements and reallocations have helped the Agency manage increased volumes and complexity. The Agency will remain aggressive in this approach not only to meet government-wide reallocation initiatives but also to partially fund new internal requirements and priorities. However, a stable and appropriate long term business sustainability strategy can only be successful if an agreement is reached on a resourcing arrangement to compensate for the non-discretionary annual growth in transactional volumes.

**Table 2: Program Activities for 2005-2006**

(thousands of dollars)	Budgetary				Total Main Estimates NET	Adjustments	Total Planned Spending
	Operating	Grants and Contributions	GROSS	Revenues Credited to the Vote 1			
<b>Program Activities</b>							
Client Assistance	329,501		329,501	(12,721)	316,780	11,047	327,827
Assessment of Returns & Payments Processing	648,229	115,000	763,229	(28,250)	734,979	27,076	762,055
Filing & Remittance Compliance	653,936		653,936	(85,698)	568,238	31,404	599,642
Reporting Compliance	1,033,297		1,033,297	(11,163)	1,022,134	26,757	1,048,891
Appeals	116,529		116,529	(8,115)	108,414	6,256	114,670
Benefit Programs	113,531	167,000	280,531	(2,180)	278,351	7,802	286,153
<b>Total</b>	<b>2,895,023</b>	<b>282,000</b>	<b>3,177,023</b>	<b>(148,127)</b>	<b>3,028,896</b>	<b>110,342</b>	<b>3,139,238</b>

**Table 3: Voted and Statutory Items listed in Main Estimates**

Vote or Statutory Item	(thousands of dollars)	2005-2006 Main Estimates	2004-2005 Main Estimates
<b>Canada Revenue Agency</b>			
1	Operating expenditures	2,317,891	2,449,124
5	Contributions	115,000	143,726
(S)	Minister of National Revenue – Salary and motor car allowance	70	70
(S)	Spending of revenues received through the conduct of its operations pursuant to Section 60 of the <i>Canada Customs and Revenue Agency Act</i>	20,535	31,199
(S)	Contributions to employee benefit plans	408,400	449,032
(S)	Children's Special Allowance payments	167,000	159,000
<b>Total Agency</b>		<b>3,028,896</b>	<b>3,232,151</b>

The 2005-2006 Main Estimates for the Canada Revenue Agency decrease by \$203.3M from 2004-2005. The major differences include: a decrease of \$145M for the transfer of corporate services to the Canada Border Services Agency (CBSA) (the transfer of program resources was already included in the 2004-2005 Estimates); a net increase of \$17M associated with more workload offset by sunsetting policy initiatives; an increase of \$11M related to prior years collective agreement funding; a decrease of \$9M related to the \$1B Government Restructuring Initiative as the Agency's contribution for 2005-2006 rises to \$31M; and a technical increase to vote netted revenues of (\$5M) related to workload increases.

In addition, a technical adjustment of (\$29M) in contributions reflecting the carry forward of unused amounts available from the previous year which will have no impact on spending patterns; a reduction in spendable revenue (\$11M) associated mainly with the creation of the CBSA; a reduction in Employee Benefit Plans (EBP) to reflect the transfer of corporate services to CBSA and the change in EBP rate (\$40M); and a technical adjustment of \$8M to Children's Special Allowance payments related to volume and price increases.

**Table 4: Net Cost of Agency for the Estimates Year**

(thousands of dollars)	Total
Net Planned Spending	3,139,238
<b>Plus: Services Received Without Charge</b>	
Accommodation provided by Public Works and Government Services Canada (PWGSC)	232,100
Payroll Services provided by Public Works and Government Services Canada (PWGSC)	1,434
Contributions covering employers' share of employees' insurance premiums and expenditures paid by Treasury Board Secretariat	170,381
Salary and associated expenditures of legal services provided by Justice Canada	66,678
Audit Services by the Office of the Auditor General	2,170
Workers' Compensation coverage provided by Social Development Canada	1,681
<b>Total Services Received Without Charge</b>	<b>474,444</b>
Less: Respendable Revenue <sup>1</sup>	20,535
Less: Non-respendable Non-tax Revenue	1,956,051
<b>2005-2006 Net Cost of the Agency</b>	<b>1,637,096</b>

<sup>1</sup> Includes only Respendable Revenue – Pursuant to the CCRA Act.

**Table 5: Sources of Respendable Revenue and Non-Respendable Non-Tax Revenue****Table 5.1: Respendable Revenue**

(thousands of dollars)	Forecast Revenue 2004-2005	Planned Revenue 2005-2006	Planned Revenue 2006-2007	Planned Revenue 2007-2008
<b>Pursuant to the CCRA Act</b>				
Refunds of previous years' expenditures	952	952	952	952
Services of a regulatory nature	2,598	2,598	2,598	2,598
Services of non-regulatory nature	17,802	17,814	17,985	18,267
Sales of goods and information products	82	82	82	82
Other fees and charges	40	40	40	40
<b>Sub-total</b>	<b>21,474</b>	<b>21,486</b>	<b>21,657</b>	<b>21,939</b>
Less: Amounts recovered on behalf of OGDs	956	951	954	974
<b>Total – Pursuant to the CCRA Act</b>	<b>20,518</b>	<b>20,535</b>	<b>20,703</b>	<b>20,965</b>
<b>Revenues Credited to the Vote</b>				
Canada Pension Plan	72,067	72,047	71,926	71,926
Employment Insurance	76,080	76,080	76,080	76,080
<b>Total – Revenues Credited to Vote 1</b>	<b>148,147</b>	<b>148,127</b>	<b>148,006</b>	<b>148,006</b>
<b>Total Respendable Revenue</b>	<b>168,665</b>	<b>168,662</b>	<b>168,709</b>	<b>168,971</b>

**Table 5.2: Non-responsible Non-Tax Revenue**

(thousands of dollars)	Forecast Revenue 2004-2005	Planned Revenue 2005-2006	Planned Revenue 2006-2007	Planned Revenue 2007-2008
Refunds of previous years' expenditures				
Adjustments to prior year's payables	4,100	952	952	952
Sales of goods and services				
Lease and use of public property	497	497	497	497
Services of a regulatory nature				
Sundries	14	14	14	14
Other fees and charges				
Recovery of employee benefits	25,921	25,921	25,921	25,921
Deferred revenues	(81)	(81)	(81)	(81)
Sundries	350	350	350	350
	<b>26,701</b>	<b>26,701</b>	<b>26,701</b>	<b>26,701</b>
Miscellaneous				
Interest and Penalties				
Personal Income tax	1,842,402	1,842,402	1,842,402	1,842,402
Corporations	826,133	826,133	826,133	826,133
GST/HST, Excise and Air Travellers Security Charge	189,364	189,364	189,364	189,364
<b>Sub Total</b>	<b>2,857,899</b>	<b>2,857,899</b>	<b>2,857,899</b>	<b>2,857,899</b>
Interest paid on Refunds				
Personal Income tax	(85,559)	(85,559)	(85,559)	(85,559)
Corporations	(804,433)	(804,433)	(804,433)	(804,433)
GST/HST, Excise and Air Travellers Security Charge	(49,239)	(49,239)	(49,239)	(49,239)
<b>Sub Total</b>	<b>(939,231)</b>	<b>(939,231)</b>	<b>(939,231)</b>	<b>(939,231)</b>
Sundries				
Court Fines	8,677	8,677	8,677	8,677
Administration charge dishonoured payment instrument	2,951	2,951	2,951	2,951
Interest earned on non-tax revenues	17	17	17	17
Miscellaneous	(2,244)	(2,244)	(2,244)	(2,244)
Other	329	329	329	329
<b>Sub Total</b>	<b>9,730</b>	<b>9,730</b>	<b>9,730</b>	<b>9,730</b>
	1,928,398	1,928,398	1,928,398	1,928,398
<b>Total Non-Responsible Non-Tax Revenue</b>	<b>1,959,199</b>	<b>1,956,051</b>	<b>1,956,051</b>	<b>1,956,051</b>

**Table 6: Resource Requirements by Functional Organization**

(thousands of dollars)	Program Activity						Total Planned Spending
	Client Assistance	Assessment of Returns and Payment Processing	Filing and Remittance Compliance	Reporting Compliance	Appeals	Benefit Programs	
Executive Office	535	1,393	1,339	1,661	161	268	5,357
Policy and Planning Branch	69,024	123,490	8,164	10,123	980	1,633	213,414
Assessment and Client Services Branch	185,339	398,766	6,475			247,787	838,367
Revenue Collections Branch			401,341				401,341
Compliance Programs Branch		48,790		811,026			859,816
Appeals Branch					91,650		91,650
ACs, Regional Operations	2,548	6,628	6,373	7,902	765	1,275	25,491
Public Affairs Branch	4,191	10,895	10,476	12,991	1,257	2,095	41,905
Corporate Audit and Evaluation Branch	1,107	2,879	2,768	3,433	332	554	11,073
Finance and Administration Branch	24,646	64,080	61,615	76,403	7,394	12,323	246,461
Human Resources Branch	12,388	32,207	30,969	38,401	3,716	6,194	123,875
Information Technology Branch	28,049	72,927	70,122	86,951	8,415	14,024	280,488
<b>Total Planned Spending</b>	<b>327,827</b>	<b>762,055</b>	<b>599,642</b>	<b>1,048,891</b>	<b>114,670</b>	<b>286,153</b>	<b>3,139,238</b>

**Table 7: Summary of Transfer Payments**

(thousands of dollars)	Forecast Spending 2004-2005	Planned Spending 2005-2006	Planned Spending 2006-2007	Planned Spending 2007-2008
<b>Grants</b>				
Benefit Programs				
Children's Special Allowance payments	159,000	167,000	173,000	180,000
<b>Contributions</b>				
Assessment of Returns and Payment Processing				
Contributions to the Province of Quebec in respect of the joint administration costs of federal and provincial sales taxes	160,900	115,000	143,000	143,000
<b>Total Transfer Payments</b>	<b>319,900</b>	<b>282,000</b>	<b>316,000</b>	<b>323,000</b>

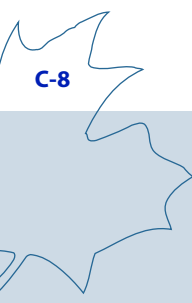
Further information on these Transfer Payments can be found at: [www.tbs-sct.gc.ca/est-pre/estime.asp](http://www.tbs-sct.gc.ca/est-pre/estime.asp)



**Table 8: CRA Investment Plan 2005-2006 to 2007-2008**

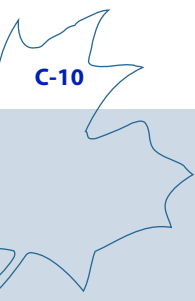
Project (thousands of dollars)	Forecasted Expenditures to Date	2005-2006	2006-2007	2007-2008	Future Spending	Total Estimated Cost	Project Description
<b>NEW PROJECTS SINCE LAST PLAN</b>							
<b>Intranet Renewal Project</b>		700	700			1,400	CRA's Intranet has evolved into an important work tool and key internal program and service delivery instrument for the whole of the Agency. This project is a coherent approach to using CRA's Internet standards and a single ITB-managed server will increase staff productivity and information security, and reduce costs and risks.
<b>Total New Projects</b>	<b>0</b>	<b>700</b>	<b>700</b>	<b>0</b>	<b>0</b>	<b>1,400</b>	
<b>EXISTING PROJECTS</b>							
<b>Business Number Registry (A&amp;C Business Services Investment Envelope)</b>	2,987					2,987	Integrated Business Number registration is the next phase of integrated business program registration, which the CRA is implementing with some provinces and other departments. The next phase is expanding the Business Number (BN) to more integrated registration partners.
<b>GST/HST Redesign (A&amp;C Business Services Investment Envelope)</b>	66,591	38,516				105,107	GST/HST Redesign will increase efficiency and reduce compliance costs. It seeks to improve client service and program delivery, position the CRA to develop new partnerships with the provinces and territories, and address interface with the Ministère du Revenu du Québec and the harmonized provinces.
<b>T2 Development – T2 Internet Filing (A&amp;C Business Services Investment Envelope)</b>	2,157					2,157	This project expands paper filing and EFILE options. Clients will benefit from a convenient and secure filing method, while the CRA will benefit from reduced processing costs.

Project (thousands of dollars)	Forecasted Expenditures to Date	2005-2006	2006-2007	2007-2008	Future Spending	Total Estimated Cost	Project Description
<b>Information Returns Redesign (part of A&amp;C Business Services Investment Envelope)</b>	2,217					2,217	Redesign of the system that processes returns filed on magnetic media. The new system will be the platform for the Info Returns Electronic Service Delivery. It will use supported hardware and software in line with current technology.
<b>Other Levies Project (OLP) (part of A&amp;C Business Services Investment Envelope)</b>	43,478	70				43,548	Enhancements to the current excise tax systems to improve client service and improve program delivery.
<b>Business Integration and System Support (Compliance Programs Branch)</b>	12,309	6,600	4,179			23,088	To provide integrated system tools for verification and enforcement, to better manage Compliance Programs workload, and improve performance reporting.
<b>Government On-Line Round 3</b>	30,116	81				30,197	Initiatives include Common BN, Corporate Internet Filing, Interactive Information Service, Income Verification Program, Individual's Welcome Page, OAS/GIS/CPP, Payroll Feasibility, Shared RAP, T4 Internet Filing Service.
<b>Call Centre Enhancements</b>	2,724	204				2,928	Improvements to the CRA Collections Call Centre to automate routine processes and result in more efficient use of resources and allow clients to self-serve.
<b>Integrated Revenue Collections</b>	14,507	16,857				31,364	Automated revenue collections workloads resulting in greater operating efficiencies through improved workload allocation and case management.
<b>Remittance Image Archiving &amp; Retrieval Service</b>	6,900					6,900	For microfilming part of the approximately 42 million cheques and vouchers the CRA records at numerous sites.



Project (thousands of dollars)	Forecasted Expenditures to Date	2005- 2006	2006- 2007	2007- 2008	Future Spending	Total Estimated Cost	Project Description
<b>Fairness System Review</b>	2,744	200				2,944	Enhancements to the system to register, manage, and report on requests from Canadians for discretionary cancellations or waivers of interest.
<b>IT Infrastructure Envelope</b>		16,500				16,500	Infrastructure requirements for Service Availability, Data Centre Recoverability, E-commerce, and others.
<b>E-Comm Infrastructure</b>	15,437					15,437	To acquire a new e-Business Computing Infrastructure to enhance current e-commerce services and enable future growth of e-Business initiatives.
<b>Service Availability</b>	30,083					30,083	To provide round-the-clock service for the mainframe computing infrastructure.
<b>Data Centre Recoverability</b>	32,165	362				32,527	To develop and implement recovery capabilities of essential CRA systems in the event of catastrophic loss of either Data Centre Heron (DCH) or Data Centre St. Laurent (DCSL).
<b>Business Intelligence/ Decision Support (BI/DS)</b>	5,248					5,248	To allow for replacement of existing "stove-pipe" information systems with an integrated agency-wide "data warehouse"; to improve program delivery by identifying trends, evaluating risks, and analysing policy effectiveness.
<b>Compensation Services Delivery Renewal</b>	29,902	1,255				31,157	A new, modernized compensation service system will reduce paper and the manual processing of large volumes of data by maximizing the use of available technology. It will also allow managers and employees to access compensation information directly.
<b>Human Resources Management Tracking</b>	2,568	42				2,610	This initiative will review the data integrity of the organizational management data in the HR Module of CAS and enable enhancement of both the HR and Finance modules in CAS.

Project (thousands of dollars)	Forecasted Expenditures to Date	2005-2006	2006-2007	2007-2008	Future Spending	Total Estimated Cost	Project Description
<b>Agency Classification System</b>	2,865					2,865	Continue the work required to improve the functionality and data integrity of the Classification Organization Management module in CAS which is required for the Agency Classification System and future classification conversions. The CAS Organization Management module is also a dependency for downstream projects, e.g. Human Resources Management Tracking (HRMT), Compensation Services Delivery Renewal Project (CSDRP), Employee Self Service (ESS), Manager Self Service (MSS), Personal Cost Planning (PCP), Resourcing, etc.
<b>HR Resourcing</b>	5,914	160				6,074	The implementation of state-of-the-art technology to support employee self-service and Human Resources Management.
<b>Administrative Reform and Renewal</b>	16,526	1,674				18,200	This initiative will enhance administrative service delivery by strengthening our Management Framework and introducing administrative integration, flexibility and efficiencies.
<b>FIS Development Phase 2</b>	21,738	526				22,264	Phase 2 will enhance the Revenue Ledger System and processes to support accrual accounting, control, reconciliation and internal and external reporting requirements of the government Financial Information Strategy.
<b>Activity-Based Costing</b>	930	40				970	This initiative will improve the Agency's strategic cost management by expanding the implementation of activity-based costing to improve the accuracy of cost information and support the integration of financial and non-financial information.



Project (thousands of dollars)	Forecasted Expenditures to Date	2005-2006	2006-2007	2007-2008	Future Spending	Total Estimated Cost	Project Description
<b>Performance Measurement</b>	14,671	2,710				17,381	Implement a corporate performance measurement framework, including TBS requirement for a Management Resources and Results Structure (MRRS), to satisfy reporting requirements and move the Agency toward a strategically operating entity able to quickly adjust to changing needs and environmental impacts.
<b>Total Existing Projects</b>	<b>364,777</b>	<b>85,797</b>	<b>4,179</b>	<b>0</b>	<b>0</b>	<b>454,753</b>	

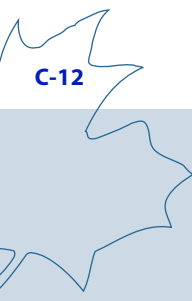
**COMPLETED PROJECTS SINCE LAST PLAN**

<b>Debit Cards [Tax Services Office (TSO)] (part of A&amp;C Business Services Investment Envelope)</b>	1,310					1,310	To develop a debit card application for the payment of taxes at cash counters in the tax services offices and tax centres.
<b>EFILE Modernization (part of A&amp;C Business Services Investment Envelope)</b>	5,002					5,002	EFILE Modernization (a.k.a. EFILE Online) will allow agents to file T1 returns, retrieve acknowledgments, and view the results of the System for Electronic Notification of Debts (SEND) results online using the Internet.
<b>T1 Income Tax Returns Matching Redesign</b>	2,846					2,846	Enhancements to the T1 Matching System will allow for T3 matching, possible expansion of identification and error correction favouring the client, and expanded functions for provincial claim/credit validation.
<b>T3 Tax Returns Automation</b>	2,095					2,095	To develop an automated system to accept the electronic filing of T3 returns to reduce processing costs and increase efficiency.

Project (thousands of dollars)	Forecasted Expenditures to Date	2005-2006	2006-2007	2007-2008	Future Spending	Total Estimated Cost	Project Description
<b>Government On-Line Phase 1</b>	18,382					18,382	Government On-Line initiatives including T4 Netfile, Payroll Telefile, Registrations-Partners, GST/HST NETFILE, Self-Serve Options, Access to Accounts and Change of Address, and other Identification changes on the Net.
<b>Corporate Administration System Stabilization</b>	20,800					20,800	CAS improvements include eliminating non-essential use of online pay, reducing batch processing errors, implementing current Legal Change Patches, resolving data integrity issues, and updating system/training documentation.
<b>Corporate Administration System Upgrade</b>	5,150					5,150	To upgrade the SAP product to 4.6 to enable processes identified as key Administrative Reform and Renewal objectives.
<b>Total Completed Projects</b>	<b>55,585</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>55,585</b>	
<b>Total Funding Committed</b>	<b>420,362</b>	<b>86,497</b>	<b>4,879</b>	<b>0</b>	<b>0</b>	<b>511,738</b>	
<b>Unallocated Funding</b>	<b>19,700</b>	<b>16,791</b>	<b>71,421</b>	<b>76,300</b>	<b>76,300</b>	<b>260,512</b>	
<b>Total Investment Fund</b>	<b>440,062</b>	<b>103,288</b>	<b>76,300</b>	<b>76,300</b>	<b>76,300</b>	<b>772,250</b>	

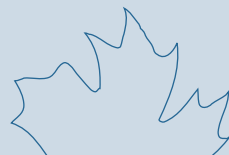
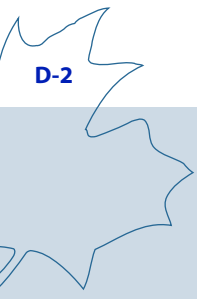
**Table 9: AMP Multi-Year Summary**

(thousands of dollars)	Forecast 2004-2005	Planned 2005-2006	Planned 2006-2007	Planned 2007-2008
Vehicles	693	382	382	382
Servers, Mainframe, and Annual Software Renewal and Maintenance	112,000	72,677	79,183	86,649
Desktops, and Laptops	24,000	35,231	34,774	37,400
Other Replacement Funding	950	950	950	950
Total for Vehicles and Equipment	137,643	109,240	115,289	125,381
Real Property	27,483	17,760	15,325	14,775
<b>Total Asset Replacement Funding</b>	<b>165,126</b>	<b>127,000</b>	<b>130,614</b>	<b>140,156</b>



## Appendix D | Horizontal Initiatives

The number of initiatives that require co-ordination and co-operation among a number of federal government partner organizations is steadily increasing. Many departments and agencies work together to deliver policies, programs, and services to Canadians. These initiatives are key to the success of our public service in the new knowledge-based economy. The Treasury Board Secretariat lists the main initiatives on its Web site at: [www.tbs-sct.gc.ca/rma/eppi-ibdrp/hr-rh\\_e.asp](http://www.tbs-sct.gc.ca/rma/eppi-ibdrp/hr-rh_e.asp)





## Appendix E | Service Standards

Client service standards publicly state the level of performance that citizens can reasonably expect from the CRA under normal circumstances. The CRA is committed to developing, monitoring, and reporting on a full suite of service standards in areas of significance to our clients. Service standards support our commitment to Canadians, transparency in government, management accountability, and citizen-centred service. Since 2000, the CRA has been a lead agency in the government-wide Service Improvement Initiative (SII) and, in many cases, our service standards serve as a model for other government departments. As the SII comes to a close, the CRA will continue to provide leadership in the improvement and service transformation agenda but as part of the government's ongoing efforts to transform service for Canadians.

In accordance with the *Canada Customs and Revenue Agency's Guide to Service Standards*, new standards, as well as any revisions to existing ones, must receive final approval through the Corporate Business Plan. In 2005-2006, we plan to introduce a new standard for the timely delivery of T1 packages to clients. Except for the proposal to lower the target for counter wait times to 90%, we are not proposing any significant reductions to our targets, even though some parts of the Agency are finding it challenging to meet these targets in times of fiscal restraint.

### Exhibit 6: Changes planned for 2005-2006

Program	Service Standard	Target
<b>For implementation</b>		
<b>Tax Services</b>	Timely delivery of T1 packages to clients <ul style="list-style-type: none"> <li>Will apply to mailing of T1 General packages to clients, delivery of T1 General packages to postal outlets, and availability of T1 General package information on the CRA Web site.</li> </ul>	tbd
<b>Improvements and revisions</b>		
<b>Tax Services</b>	Counter service wait times <ul style="list-style-type: none"> <li>Proposed reduction in target from 100% to 90%. Counter service is our most expensive delivery channel. In this period of resource restraint, we are seeking to move clients from this channel to other more efficient modes such as the Web site.</li> </ul>	90%

In the current atmosphere of fiscal restraint, monitoring service standards may play an important role in measuring the impact on service of changes in resource levels. Hence, it is important to carefully evaluate and monitor our performance against our service standards. We need to strike an effective balance between affordable operations and client expectations. We have to weigh our performance against our targets and the full range of consequences of not meeting these targets—including the impact on compliance. In some cases, we may have to accept, on a temporary basis, a level of performance lower than our target due to fiscal constraints, but we should fully assess all implications and risks before doing so.

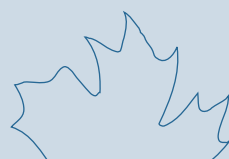
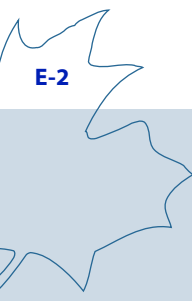
Although we may be constrained by financial realities, the CRA remains committed to improving service and developing new service standards, as illustrated in our ongoing work listed below. We report our overall performance against service standards in the Annual Report. Service standards are useful management tools for determining the needs and expectations of clients, establishing priorities, and informing the decision-making process. As we develop our Performance Activity Architecture and Management Resources Results Structure where service standards are used as indicators with their targets, we will be able to more closely establish the costs for delivering services at a given level, thereby better linking resources to results.

**Exhibit 7: Developments planned for 2005-2006 to 2007-2008**

Under development	
<b>Tax Services</b>	Responding to correspondence related to General and Business Enquiries <ul style="list-style-type: none"> <li>• Proposed standard – tbd</li> </ul>
	Processing excise – Other levies returns (follow-up required – based on information in draft Compendium, but not submitted in CBP branch material) <ul style="list-style-type: none"> <li>• Proposed standard – tbd</li> </ul>
	Charities – Response to written enquiries <ul style="list-style-type: none"> <li>• Proposed standard – within 4 months</li> <li>• Target – 90%</li> </ul>
	Charities – Processing of applications for charitable registration <ul style="list-style-type: none"> <li>• Proposed standard – within 4 months of receipt of completed application</li> <li>• Target – 90%</li> </ul>
	Responding to enquiries regarding GST/HST rulings – telephone and written enquiries <ul style="list-style-type: none"> <li>• Proposed standards are: response within 1 working day for telephone enquiries and 45 working days for written enquiries</li> </ul>
	Change My Return – via “My Account” <ul style="list-style-type: none"> <li>• Proposed standard – tbd</li> </ul>
<b>Benefits<sup>1</sup></b>	Canada Child Tax Benefit (CCTB) telephone service <ul style="list-style-type: none"> <li>• Development in 2005-2006 with implementation planned in 2006-2007</li> </ul>

<sup>1</sup> In last year’s Corporate Business Plan, we had indicated that we were developing a service standard to cover the processing of Disability Tax Credit claims. We have now determined that this is not necessary, as this activity is done as part of the normal T1 processing work load.

We report our overall performance against external service standards in the CRA’s Annual Report. More information on our 2003-2004 performance can be found at: [www.cra.gc.ca/servicestandards](http://www.cra.gc.ca/servicestandards)



## Exhibit 8: Existing Service Standards for 2004-2005

Service	Service standard	Target
<b>Tax Services – Client</b>		
1. Counter-service wait time	20 minutes (except during peak periods)	20 minutes (except during peak periods)
2. Processing visitor (GST/HST) rebate applications	4-6 weeks	95%
3. Responding to client-requested adjustments (T1)	8 weeks	100%
4. Problem Resolution Program	Acknowledged within 48 hrs.	100%
5. Problem Resolution Program	Resolution/client contact within 15 days	100%
6. Processing fairness requests related to accounts receivable and trust accounts programs	4-6 weeks	90%
7. Providing Statements of Arrears (SOA) for corporations	Mailed by the end of the month	95%
8. Providing Statements of Interim Payments (SIP) to corporations on a monthly basis	Mailed by the 18 <sup>th</sup> of the month	95%
9. Charities – response to telephone enquiries	Within 60 seconds	85%
10. General Enquiries – Telephone	Respond to calls in queue within two minutes	80%
11. Business Enquiries – Telephone	Respond to calls in queue within two minutes	80%
12. Advance income tax rulings to taxpayers	Within 60 days	100%
13. Technical interpretations to taxpayers	Within 90 days	100%
14. Applications to register pension plans	Deemed registration within 60 days	85%
15. Applications to register pension plans	Complete review in 180 days	85%
16. Amendments to registered pension plans	9 months	80%
17. Termination of registered pension plans	One year	85%
18. Retirement savings plans (applications to register, amend, or terminate)	Within 60 days	80%
19. Retirement income funds (applications to register, amend, or terminate)	Within 60 days	80%
20. Education savings plans (applications to register, amend, or terminate)	60 days	85%
21. Actuarial valuation reports	9 months	80%
22. Deferred income plans – Response to telephone enquiries	Within 2 working days	100%
23. Deferred income plans – Response to written enquiries	Within 60 days	80%
24. Deferred Profit Sharing Plans	Registration in 180 days	80%
25. Deferred Profit Sharing Plans	Amendments and Terminations in 270 days (nine months)	80%

**Legend:**  New or modified service standard  Existing service standard

Service	Service standard	Target
<b>Tax Services – Returns processing</b>		
26. Processing T1 individual income tax returns (paper)	4-6 weeks	4 weeks
27. Processing T1 individual income tax returns (EFILE, TELEFILE, NETFILE)	2 weeks	2 weeks
28. Processing T3 trust returns	Within 4 months	95%
29. Processing GST/HST returns	21 days	95%
<i>Previous target</i>		100%
30. Processing T2 corporation income tax returns	75% in 50 days	75% in 50 days
	90% in 90 days	90% in 90 days
<b>Tax Services – Review</b>		
<b>Claims – SR&amp;ED tax incentives</b>		
31. Refundable claims – combined target (unaudited and audited)	120 days	90%
32. Non-refundable claims – combined target (unaudited and audited)	365 days	90%
33. Claimant-requested adjustments to refundable claims	240 days	90%
34. Claimant-requested adjustments to non-refundable claims	365 days	90%
<b>Claims – Video and film tax credits</b>		
35. Refundable claims – unaudited	60 days	90%
<i>Previous target</i>		100%
36. Refundable claims – audited	120 days	90%
<i>Previous target</i>		100%
<b>Benefits</b>		
37. Processing CCTB applications	End of second month after month in which application is received	98%
38. Account maintenance/Responding to written enquiries	End of second month after month in which enquiry is received	98%
39. Validation and control. Results of review	60 days	90%
40. Taxpayer Representative Identification System (TRIS)	Processing of T1013s within five days of receipt during non-peak periods and 20 days during peak periods	90%
<b>Appeals</b>		
41. 30-day first contact letter for objections, disputes, and appeals	30 days	85%
<i>Previous target</i>		75%

**Legend:**  New or modified service standard  Existing service standard

