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2022-2023 CRA Annual Corporate Research – Quantitative Phase

Executive Summary

Prepared for the Canada Revenue Agency

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This public opinion research report presents the results of a quantitative study conducted by Quorus Consulting Group Inc. on behalf of the Canada Revenue Agency. The quantitative study was conducted through two data collection phases, a telephone survey with the general public administered between February 13 and March 24, 2023, and an online survey with small and medium sized businesses as well as tax intermediaries administered between February 16, 2023, to March 17, 2023

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Research Purpose and Objectives

The Canada Revenue Agency (CRA) has conducted annual survey research for strategic planning and reporting since 2005. The structure of the Annual Corporate Research (ACR) has undergone various changes over the years to reflect evolving corporate priorities, tax-related themes, and technological changes. In 2021, the ACR was updated to include a core survey to be conducted annually, with additional service and compliance modules conducted with a split-sample design. The decision to conduct the additional modules annually will assist with gathering improved tracking results across service and compliance themes.

For 2023, specific objectives of the quantitative component of the research included:

- reputation and overall perceptions of the CRA;
- experience with income tax filing;
- perceptions of contacts and dealings with the CRA;
- methods of contact;
- attitudes about services and service expectations (website, portals and communications);
- attitudes about compliance, underground economy and related activities, and,
- demographics.

The various purposes of this research included, but were not limited to, the following:

- Understanding public perceptions and attitudes, enabling the CRA to identify target audiences for specific action and communication.
- Having data findings to supplement the CRA's strategic planning exercises and internal analysis of trends in public opinion.
- Using the findings in other corporate reporting and tracking initiatives including the data necessary to populate the Service Satisfaction Index, the Trust Index, as well as a key performance indicator regarding Access to Information and Privacy.

Target Populations

There were three target audiences:

- **Individual taxpayers:** Those aged 18 and over who have resided in Canada for a minimum of one year.
- **Small and medium-sized businesses (SMEs):** Businesses of less than 100 employees¹. Participants included business decision-makers or individuals involved in decisions related to the business tax matters, payroll, GST/HST preparation, or bookkeeping. Acceptable job titles included:
 - President/CEO/Owner
 - CFO/Comptroller
 - Accountant
 - Payroll Manager/Officer
 - Manager
 - Bookkeeper
 - Financial Officer
- **Tax Intermediaries (TIs):** Those who work with small and medium size business clients on tax-related or payroll matters.

¹ A small sample of businesses with 100 or more employees were included (n=30).

Research Methodology

Two data collection modes were used to complete this research:

- A telephone survey entailing a random sample of 2,407 adult Canadians 18 years of age or older was conducted from February 13, 2023, to March 24, 2023. The specific target audience was individual taxpayers aged 18 and over who have resided in Canada for a minimum of one year (operationalized in this research as being a sampling of adult Canadians who almost universally have resided in Canada for a minimum of one year). Quotas were established by region, age and gender to ensure a representative sampling. The survey took 17 minutes on average to complete. A sample of 2,407 respondents engenders an overall margin of error of +/- 2.0 percentage points, 19 in 20 times. As this is a probability sampling conducted via a randomized data collection approach, the survey results are projectable to the overall Canadian adult population. The results for subgroups have a larger margin of sampling error than for the overall sample because of their smaller sample sizes.
- An online survey of 806 small and medium-sized businesses and 810 tax intermediaries was conducted from February 16, 2023, to March 17, 2023. Data collection quotas were established by region to ensure a representative sampling. The survey required 12 minutes on average to complete. As surveying small and medium-sized businesses as well as Tax Intermediaries were non-probability sampling endeavours conducted via the usage of a commercially available online panel of business respondents, the results of this survey are not statistically projectable to the target population because the sampling method used does not ensure that the sample represents the target population with a known margin of sampling error. Reported percentages are not generalizable to any group other than the sample studied, and therefore no formal statistical inferences can be drawn between the sample results and the broader target population it may be intended to reflect.

Key Findings

Perceptions of the CRA

Overall perceptions

Canadians were asked to provide a ranking for the performance of the government of Canada on a scale of 1 to 10 (where 1 represented terrible and 10 was excellent)

- More than a fifth of general population respondents (21%) rated the overall performance as good (scores of 8 – 10), while nearly 3 in 5 (56%) provided neutral scores (scores of 4 – 7), resulting in an average score of 5.6.
- More than 2 in 5 SME respondents (43%) rated the overall performance as good, with a similar proportion (40%) providing neutral scores, resulting in an average score of 6.5.
- Nearly a third of TI respondents (28%) rated the overall performance as good, while more than half (55%) provided neutral scores, resulting in an average score of 6.0.

Canadians were asked to provide an overall ranking of the performance of the CRA on a scale of 1 to 10 (where 1 represented terrible and 10 was excellent) as well as an explanation for their ranking:

- Less than a third of general population respondents (30%) rated the CRA's performance as good (scores of 8 – 10), while more than half (56%) provided neutral scores (scores of 4 – 7), resulting in an average score of 6.3. These ratings were primarily driven by a lack of issues in dealing with the CRA (20%), followed by responsiveness when being contacted (10%), a general dislike of paying taxes (9%), general room for improvement (8%), and good customer service (8%).
- More than half of SME respondents (52%) rated the CRA's performance as good, while nearly 2 in 5 (37%) provided neutral scores, resulting in an average score of 7.1. These ratings were primarily driven by experience with customer service (good customer service – 28%; poor customer service – 20%), poor performance overall (8%) and quality or functionality of the CRA's website (6%).
- More than a third of TI respondents (34%) rated the CRA's performance as good, while more than half (51%) provided neutral scores, resulting in an average score of 6.4. TI ratings were primarily driven by experience with customer service (good customer service – 29%; poor customer service – 29%), general inefficiency (13%), and slow service (8%).

Trust in the CRA

Respondents were asked to describe the overall extent to which they trust the CRA using a scale of 1 to 7, where 1 represented a lack of any trust and 7 was complete trust:

- Nearly half of Canadians (49%) expressed trust in the CRA (scores of 6 – 7), while more than 2 in 5 (44%) provided a neutral score (scores of 3 – 5), resulting an average score of 5.3.
- Nearly half of Canadian SME respondents (48%) expressed trust in the CRA, while more than 2 in 5 (43%) provided a neutral score, resulting in an average score of 5.1.
- Nearly a third of Canadian TI respondents (32%) expressed trust in the CRA, while nearly 3 in 5 (57%) provided a neutral score, resulting in an average score of 4.7.

Canadians were asked to provide their level of agreement on a scale of 1 to 10 towards a series of trust-related statements, with 1 being completely disagree and 10 being completely agree:

- Roughly half of general population respondents strongly agreed (scores of 8 – 10) that people at the CRA are trustworthy (54%), and capable of doing their job well (50%). Just over 2 in 5 respondents further agreed that the CRA is working for the benefit of all Canadians (44%) or does what was is right (43%).
- Nearly 3 in 5 Canadian SME respondents had a high level of agreement that people at the CRA were trustworthy (57%), and that the people at the CRA are capable of doing their job well (56%). More than half of SME respondents agreed that the CRA does what was is right (53%) and is working for the benefit of all Canadians (51%).
- Nearly half of TIs had a high level of agreement that people at the CRA were trustworthy (45%) and that the people at the CRA were capable of doing their job well (45%). Roughly 2 in 5 TIs agreed that the CRA does what was is right (43%) and is working for the benefit of all Canadians (40%).

An index calculation was developed to produce an overall score to evaluate the perceptions of trust for the CRA using the following calculation:

$$\text{Trust index} = \text{SUM} (\text{I can trust the CRA to do what is right} + \text{The CRA works for the benefit of all Canadians} + \text{I feel that the people at the CRA are trustworthy} + \text{The people at the CRA are capable of doing their job well}) / 4$$

- When evaluating overall trust index scores, nearly 2 in 5 general population respondents (37%) had high trust index scores (scores of 8 – 10), and 52% had mid-range index scores (scores of 4 – 7), resulting in an average index score of 6.9.

- High trust index scores were the most common among SME respondents (50%) with many (37%) providing mid-range scores, resulting in an overall average index score of 6.8.
- More than a third of Canadian TIs provided a high trust index score (34%), with more than half of remaining TIs having mid-range index scores (53%), resulting in an average index score of 6.2.
- The overall Trust Index score (i.e. the average of the scores for the three client groups) is 6.6.

Helpfulness of the CRA

In addition to evaluating a series of trust-related statements, Canadians were asked to rate the Canada Revenue Agency on help-related statements using the same scale of 1 to 10, with 1 being completely disagree and 10 being completely agree:

- Just under half of general population respondents had a high-level of agreement (scores of 8 – 10) that the CRA makes the process of filing taxes easy (47%), while fewer agreed that the CRA is generally helpful (41%).
- Nearly two-thirds of SME respondents strongly agreed that the CRA processes their business' tax returns in a timely manner (65%) and that information arrives in time for their business (62%). More than half felt the CRA provides enough information to meet their business tax obligations (56%) and makes the process of filing their business taxes easy (56%). Slightly fewer agreed the CRA is generally helpful (51%), and that the CRA works hard at helping Canadians with their tax matters (49%).
- Nearly half of TI respondents had a high level of agreement that the CRA processes their clients' tax returns in a timely manner (48%). More than 2 in 5 agreed that they were given enough information to meet clients' tax obligations (42%) and that information arrived on time for clients (44%), while a similar proportion felt the CRA is helpful (43%), makes the process of filing business taxes easy (42%), and works hard to help Canadians with tax matters (41%).

Impact of a rising cost of living

Using the same scale of 1 to 10 with 1 being completely disagree and 10 being completely agree, Canadians were asked to provide their level of agreement for whether the rise in cost of living was having a negative impact on their household finances.

Most Canadians surveyed strongly agreed (scores of 8 – 10) that their household finances were being negatively impacted (70%), while over a fifth of respondents (22%) provided a neutral score (scores of 4 – 7), resulting in average score of 8.1. In contrast, very few (7%) said that their household finances were not impacted by the rising cost of living.

Access to information and privacy

Using the same scale of 1 to 10 with 1 being completely disagree and 10 being completely agree, Canadians were asked to provide their level of trust in the CRA to handle their respective information appropriately:

- Nearly 3 in 5 general population respondents strongly agreed (scores of 8 – 10) that they trust the CRA to handle their personal information (59%), while nearly a third of respondents (30%) provided a neutral score (scores of 4 – 7), resulting in an average score of 7.4.
- More than 3 in 5 Canadian SMEs rated the CRA an 8 or more when it comes to trusting the CRA to handle their business information (62%), while more than a quarter of respondents provided a neutral score (27%), resulting in an average score of 7.5.
- Opinions were split among the TI respondents, with 46% reporting a high level of agreement when it comes to trusting the CRA with access to their business clients' information and 44% providing a neutral score, resulting in an average score of 7.0.

Equality and equity

Canadians were asked to provide their level of agreement on a scale of 1 to 10 for a series of equality and equity statements based on their perceptions of the CRA, with 1 being completely disagree and 10 being completely agree:

- Nearly three quarters of general population respondents (73%) strongly agreed (scores of 8 – 10) that those found guilty of tax cheating should face equal penalties, no matter who they are. Fewer agreed that the CRA assumes taxpayers report their taxes accurately (63%), or that the CRA treats taxpayers fairly (38%) or provides equal treatment for everyone (38% respectively).
- More than three quarters of SME respondents had a high level of agreement that those found guilty of tax cheating should face equal penalties (77%), while roughly 3 in 5 respondents agreed that the CRA assumes taxpayers report their taxes accurately (60%). Less than half of respondents agreed that the CRA treats taxpayers fairly (49%) or treats everyone the same (49%).
- Nearly two-thirds of tax intermediaries surveyed (65%) had a high level of agreement that those found guilty of tax cheating should face equal penalties, while nearly half agreed that the CRA assumes taxpayers report their taxes accurately (49%). Roughly 2 in 5 respondents agreed that the CRA treats taxpayers fairly (40%) or provides equal treatment for everyone (40%).

Openness and transparency

Canadians were asked to provide their level of agreement using the same scale of 1 to 10 for a series of openness and transparency statements based on their perceptions of the CRA, with 1 being completely disagree and 10 being completely agree:

- More than half of respondents (55%) strongly agreed (scores of 8 – 10) that the CRA holds itself accountable for the written information it provides, while nearly half agreed that the CRA supports making government products and client service accessible for everyone (49%). The proportion who agree that the CRA is transparent with how it pursues those who might owe taxes was much lower in comparison, with only 21% rating this an 8-10.
- Nearly 3 in 5 SME respondents had a high level of agreement that the CRA holds itself accountable for the written information it provides (58%), and that the CRA supports making government products and client service accessible for everyone (56%). Nearly half of respondents (47%) agreed that the CRA is transparent with how it pursues those who might owe taxes.
- Nearly half of tax intermediaries surveyed report a high level of agreement when it comes to the CRA holding itself accountable for the written information it provides (48%), and making government products and client service accessible for everyone (48%). A third of respondents (34%) agreed that the CRA is transparent with how it pursues those who might owe taxes.

Tax filing

Nearly 9 in 10 general population respondents (89%) indicated that they had sent in a personal income tax return in the past year. Two-thirds of tax filers (68%) had received assistance preparing their income tax return, including 81% among this subset who sought help from a professional tax preparer or an accountant and 18% who turned to friends or family members for assistance. Most tax filers (81%) filed their income tax return online, while 12% filed via mail.

Canadian SMEs were asked to describe their approach to filing their business income taxes, more specifically whether they utilized internal or external services throughout the filing process. A plurality (42%) used external services exclusively while 31% relied exclusively on internal resources. The remaining 25% used a combination of both.

When it comes to tax planning more specifically, 34% used in-house resources exclusively, 33% used external services exclusively while 29% used a combination of both.

Using a scale of 1 to 10, with 1 being completely dissatisfied and 10 being completely satisfied, SMEs were asked to score their satisfaction with the CRA based on their latest tax filling experience. A majority (70%) provided a high level of satisfaction (scores of 8 to 10), while 25% provided a moderate score (scores of 4 to 7), resulting in an average overall satisfaction score of 7.9.

Using the same scale, TIs were also asked to provide an overall satisfaction score based on their latest tax filling experience. Half of TI respondents provided a high level of satisfaction (50%), while 41% provided a moderate score, resulting in an average overall satisfaction score of 7.1.

Interaction with CRA

Interaction within the last 12 months

Canadians were asked whether they had interacted with the CRA in the last 12 months – this could be any interaction with the Agency that occurred online, by phone, or by mail for any reason. Across demographic groups, some interesting differences emerged:

- More than 2 in 5 general population respondents (42%) had interacted with the CRA in the past 12 months, while 57% had not.
- Nearly 3 in 5 businesses (57%) had had some form of interaction with the CRA, while 38% had had no contact with the CRA in the last 12 months.
- More than 3 in 5 TIs (62%) had interacted with the CRA, while 31% reported no form of interaction over the past year.

Those who had interacted with the CRA within the last 12 months were asked how they most recently interacted with the Agency:

- More than 2 in 5 general population respondents had interacted with the CRA over the phone (42%), 27% through the My Account portal, and 17% interacted via mail. One in ten reported that their most recent interaction with the CRA occurred through the tax pages of the Canada.ca website (10%).
- Nearly a third of SME respondents had contact with the CRA over the phone (32%), 23% through the My Business Account portal, and 21% communicated with the CRA through the mail.
- Nearly half of TIs (48%) indicated using the phone, 22% interacted through the pages of the Canada.ca website and 16% through the Represent a Client portal.

Purpose of Interaction

The reasons for contacting the CRA over the past 12 months were quite mixed across all three target audiences:

- Among those in the general public who had interacted with the CRA in the past 12 months, personal income tax (e.g., filing taxes, getting a refund, making a payment, submitting documents CRA had requested, etc.) stood out as the most cited reason for doing so (40%). Obtaining general information outside of filing taxes (18%), information relating to other benefits (16%), or their My Account service (15%) made up a secondary tier, with at least one in ten saying they interacted with the CRA for these reasons. Roughly 1 in 10 respondents were seeking clarifications surrounding information sent by the CRA (11%), or were attempting to resolve an audit, dispute, or review with the CRA (8%).
- Results among Canadian businesses were mixed, with more than a third of respondents citing information related to their My Business Account service (37%), GST/HST (36%), or business taxes (36%) as the purpose of their interaction. One in four reported seeking general information not related to filing business taxes (27%) or clarification for information sent by the CRA (25%) as reasons for their most recent interaction.
- Among the tax intermediaries, just over a quarter said that their most recent interaction with the CRA involved their client's personal taxes (29%) or business taxes (27%). Nearly as many contacted the CRA regarding their Represent a Client account (24%), for general information (23%), or for clarifications for information sent by the CRA (21%). Another 16% of TI respondents were attempting to resolve an audit, dispute, or review with the CRA.
 - When it comes to their most recent interaction, TIs were most commonly representing an individual (52%), followed closely by a business (40%), while fewer represented an estate or trust (4%).

Service satisfaction

Canadians who reported having had contact with the CRA in the past 12 months were asked to provide their level of agreement on a scale of 1 to 10 regarding a series of service-related satisfaction statements based on their experience, with 1 being completely disagree and 10 being completely agree:

- Roughly three quarters of general population respondents expressed a high level of agreement (scores of 8 – 10) that the CRA representative was professional (75%) or courteous (74%), and the information they were given was accurate (73%). Roughly two thirds agreed that the information given was complete (68%), and that the representative

took time to understand their situation (67%). Agreement was slightly lower when it comes to ease of understanding information provided (60%), timeliness of service (57%), and ease of access (54%).

- Roughly three quarters of SMEs strongly agreed that the CRA representative they dealt with was courteous (78%), and professional (75%) – though not quite as many felt as though the representative took time to understand their situation (69%). Roughly seven in ten felt that the information they were given was complete (73%) accurate (70%) and easy to understand (69%), while two thirds agreed that the CRA’s service was timely (66%) and easy to access (66%).
- Roughly 3 in 5 tax intermediaries had a high level of agreement that the CRA representative was courteous (61%) and professional (59%). A majority agreed that the information given was accurate (58%), easy to understand (56%), and complete (54%) and that the representative took time to understand their situation (49%). Nearly half also agreed that the CRA’s service was easy to access (48%) and that the service was timely (47%).

The service satisfaction index (SSI) calculation was developed to produce an overall score to evaluate clients’ experience with CRA services. The questions making up the SSI were asked of those who had interacted with the CRA in the past 12 months. The index is calculated as outlined below:

$$\text{Service satisfaction index} = \text{SUM} (\text{The CRA's service was easy to access} + \text{The CRA's service was timely} + \text{The information I was given was accurate} + \text{The information I was given was complete} + \text{The information I was given was easy to understand} + \text{The CRA representative took time to understand my situation} + \text{The CRA representative was professional} + \text{The CRA representative was courteous}) / 8$$

- Nearly 3 in 5 Canadian adults (57%) had high service satisfaction index scores (scores of 8 – 10), while 37% had moderate scores (scores of 4 – 7), resulting in an average index score of 7.8.
- Two-thirds of SMEs (66%) had a service satisfaction index score ranging between 8-10, while a quarter fell into the moderate score range (27%), resulting in an average index score of 7.6.
- More than 2 in 5 TIs (43%) had high service satisfaction index scores while 46% had moderate scores, resulting in an average score of 6.6.
- The overall Service Satisfaction Index score (i.e. the average of the scores for the three client groups) is 7.3.

Most SMEs (77%) and tax intermediaries (80%) who had contacted the CRA themselves in the past year felt the CRA had successfully met their needs during their most recent contact.

When comparing customer service at the CRA to that of financial institutions, 42% of SMEs and 53% of TIs rated these as being about the same. Alternatively, SMEs were just as likely to instead view CRA's service more favourably (41% felt the CRA provided better service) though only 26% of TIs felt the same.

Service delivery

Confidence without external assistance

Canadian businesses who utilized an outside tax preparation service were asked to provide their level of confidence in their business' ability to handle their taxes without outside help. Respondents provided their level of confidence on a scale of 1 to 10, with 1 being not at all confident and 10 being extremely confident. More than 2 in 5 SMEs (44%) expressed a high level of confidence (scores of 8 – 10), while 26% expressed a moderate level of confidence (scores of 4 – 7), resulting in an average confidence score of 6.2.

Contact preferences when dealing with the CRA

Both SMEs and TIs were asked to describe their preferred means of receiving service or information when they require basic information from the CRA. The top two methods for both target audiences were visiting the tax pages of Canada.ca (34% among SMEs and 38% among TIs) and contacting the CRA by telephone (18% among SMEs and 20% among TIs).

When it comes to their preferred means of receiving service or information when they require clarification on information sent by the CRA, the telephone is by far the most preferred means for both target audiences: 38% among SMEs and 40% among TIs. The online chat function was a distant second among SMEs (13%), while the tax pages of the Canada.ca website ranked second among TIs (16%).

The telephone is again the strong favourite when respondents were asked to describe their preferred means of receiving service or information for assistance on a personal tax matter (34% among SMEs and 44% among TIs).

Confidence resolving a tax disagreement

SMEs and TIs were asked how confident they feel that any potential disagreements with the CRA would be resolved (using a scale of 1 to 10, with 1 being not at all confident and 10 being extremely confident).

- More than half of SMEs (52%) were quite confident (scores of 8 – 10), while less than a third (31%) were moderately confident (scores of 4 – 7), resulting in an average confidence score of 7.0.
- Among TIs, respondents were just as likely to be quite confident (43%, ranked 8-10) as they were to be moderately confident (43%, ranked 4-7), resulting in an average confidence score of 6.6.

Using the same confidence scale, SMEs and TIs were asked how confident they would be that the CRA's process would be conducted fairly in the event there was a disagreement over their business taxes.

- More than half of SMEs (51%) were quite confident (scores of 8 – 10), while a third (35%) were moderately confident (scores of 4 – 7), resulting in an average confidence score of 7.0.
- Roughly 2 in 5 TIs (40%) were quite confident, while 46% were moderately confident, resulting in an average confidence score of 6.6.

Service delivery

Canadians were asked to provide their level of agreement on a scale of 1 to 10 regarding a series of service delivery statements (1 being completely disagree and 10 being completely agree):

- Nearly 4 in 5 general population respondents (79%) strongly agreed (scores of 8 – 10) that when contacting the CRA by telephone, they were able to get service in the official language of their choice. Less than half (45%) agreed that they know how to access the tax benefits and credits they are entitled to.
- Among the SMEs segment, 76% had a high level of agreement that when contacting the CRA by telephone, they were able to get service in the official language of their choice. Roughly half agreed that the CRA offers online services that meet their needs (55%), and that they know how to access the tax benefits and credits their business is entitled to (51%). A similar proportion of businesses reported feeling well-informed about the services the CRA has to offer (49%).
- Two-thirds of tax intermediaries (67%) strongly agreed that when contacting the CRA by telephone, they were able to get service in the official language of their choice. Half (50%)

agreed that they know how to access the tax benefits and credits their clients are entitled to, while 43% felt they were well-informed about the services the CRA has to offer. Another 47% feel the CRA offers online services that meet their needs.

Registered for online services

More than two-thirds of Canadians surveyed (68%) said that they are registered for CRA's My Account service. Among businesses, 62% reported being registered with the CRA's My Business Account service, 29% were not and 9% indicated they weren't sure or refused to answer. Among TIs, 55% were registered with CRA's Represent a Client online service.

My Business Account portal subscribers whose most recent contact with the CRA took place over the phone were asked to describe why they did not use the secure tax portal instead. For more than one in ten, the need for clarifications related to information received from the CRA was what prompted them to opt for a phone conversation (14%). Roughly a fifth of SMEs (20%) also described the convenience of engaging with the CRA over the phone, while 14% cited various security or privacy concerns utilizing the online portal.

Represent a Client portal users were asked a similar question. A third of these tax intermediaries (32%) described needing access to specific information, including 18% who specifically mentioned the need for clarifications related to information that was received from the CRA. Convenience was cited by a quarter (27%) of TIs for engaging with the CRA over the phone.

Business tax processes

Looking at who handles CRA correspondences, just over half of SMEs (56%) reported being responsible for reading and dealing with any letters received from the CRA, while fewer (36%) personally read the letter and give it to their accountant or finance area to handle. Among those who would provide the letter to their accountant/finance area, 40% had dedicated employees to deal with the CRA on behalf of the organization.

Use of and satisfaction with tax-related information on Canada.ca

Sizeable proportions among both the SME (71%) and TI (84%) segments had previously visited the Canada.ca website for tax-related information. Among website users, the following results were revealed:

- A slight majority of SME website users (55%) expressed a high level of agreement (scores of 8 – 10) that the website provided the information that was needed, 49% agreed that the information provided was easy to understand and 46% agreed that the information was easy to find.

- More than half of TI website users (53%) expressed a high level of agreement that the website provided the information that was needed. Slightly fewer agreed that the information provided was easy to understand (49%) and was easy to find (44%).

Tax filing burden

Businesses and TIs were asked to provide their level of agreement on a scale of 1 to 10 regarding a series of tax filing-related metrics (with 1 being completely disagree and 10 being completely agree):

- Nearly half of SMEs (49%) strongly agreed (scores of 8 – 10) that they spent less time searching for information required to meet business tax obligations over the past year. Another two in five agreed that the CRA takes their needs into account when developing products and services (42%), and that new products and services are in line with the realities of conducting business (42%).
- Roughly 2 in 5 TIs expressed a high level of agreement that the CRA takes their needs into account when developing products and services (40%), that less time was spent searching for information required to meet business tax obligations over the past year (39%), and that those new products and services are in line with the realities of conducting business (38%).

Businesses and TIs were then asked to rate the level of burden they had experienced while meeting their business tax obligations (with 1 being not at all burdensome and 10 being extremely burdensome):

- Roughly 2 in 5 SMEs (40%) expressed a high level of burden (scores of 8 – 10), while slightly fewer provided neutral scores between 4 and 7 (37%), resulting in an average burden score of 6.2.
- TIs were not as likely to rate fulfilling their tax obligations as burdensome, with a quarter (26%) providing a high level of burden score, while 48% scored between 4 and 7, resulting in an average burden score of 5.6.

Attitudes towards tax compliance

Fairness

All three audiences were asked to specify whether the amount of money they pay in taxes is representative of the services received from the Canadian government:

- A third of general population respondents (33%) felt that they paid significantly too much compared to services received, 23% felt that they paid somewhat too much and 35% felt that they paid the right amount. Very few (5%) felt that they paid too little.
- Less than a third of SMEs felt that they paid significantly too much (28%) or somewhat too much (29%). On the other hand, 28% felt that they paid the right amount and 9% felt that they paid too little.
- More than 1 in 10 tax intermediaries felt that Canadian businesses paid significantly too much (14%), while 30% felt that they paid somewhat too much. Among the rest, 33% felt that they paid the right amount and 17% felt that they paid too little.

Catching tax cheaters

The following perceptions of tax cheating were explored:

- Nearly half of SME respondents (49%) felt that business tax cheating was quite common (scores of 8 – 10), while 34% felt it was moderately common (scores of 4 – 7), resulting in an average likelihood score of 7.3.
- More than a third of TI respondents (34%) felt that business tax cheating was quite common, while 46% felt it was moderately common, resulting in an average likelihood score of 6.5.

Businesses and TIs were then asked to rate the level of effort put forth by the CRA to reduce business tax cheating in Canada:

- Among SMEs, 39% felt that the CRA put forth the right amount of effort to reduce tax cheating. On the other hand, 26% instead felt that CRA put too little effort versus more than one in ten (15%) who felt that the CRA put forth too much effort. A fifth (20%) were not sure or refused to answer.
- Among TIs, nearly half (47%) felt that the right amount of effort was made by the CRA to reduce tax cheating. As was the case with SMEs, more than a quarter instead felt the CRA was doing too little (29%) and 11% felt that the CRA put forth too much effort. Another 14% were not sure or refused to answer.

Canadians were asked to rate the likelihood that tax cheaters would be caught by the CRA on a scale of 1 to 10, with 1 being very unlikely and 10 being very likely:

- One in four Canadian adults (25%) felt it was very likely (scores of 8 – 10) that the CRA would catch tax cheaters, while half (50%) provided a moderate score (scores of 4 – 7), resulting in an average likelihood score of 5.8.

Canadian SMEs and TIs were asked to rate the likelihood that business tax cheaters would be caught by the CRA on a scale of 1 to 10, with 1 being very unlikely and 10 being very likely:

- Half of SME respondents (50%) provided a high likelihood score (scores of 8 – 10), while a third (33%) provided a moderate score (scores of 4 – 7), resulting in an average likelihood score of 7.3.
- Fewer TIs (35%) felt the CRA would be very likely to catch business tax cheats, while 45% provided a moderate score, resulting in an average likelihood score of 6.3.

Canadian businesses and TIs were asked how likely they would be to report a company who may be cheating on their taxes using a scale of 1 to 10, where 1 means not at likely and 10 means very likely:

- When presented with a situation where they suspected a business may be cheating on their taxes, 47% of SMEs said that they would be likely to report them (scores of 8 – 10). Results increased to 58% when respondents were certain that the business was cheating.
- When presented with a situation where they suspected a business may be cheating on their taxes, 31% of TIs were likely to report them. This jumped to 46% when respondents were certain that the business was cheating.

To further understand perceptions related to tax cheaters getting caught, respondents were asked the extent to which they agreed with two specific statements using a scale of 1 to 10, with 1 being completely disagree and 10 being completely agree:

- Nearly a third of general population respondents strongly agreed (scores of 1 – 10) that the CRA would never find out about income received in cash that is not declared (32%), while 27% agreed the CRA catches those who cheat on their taxes.
- Nearly half of businesses strongly agreed that the CRA catches those who cheat on their taxes (46%). A similar proportion also believe that the CRA would never find out about income received in cash that is not declared on business tax forms (46%).
- Roughly 2 in 5 (40%) TIs strongly agree that the CRA catches those who cheat on their taxes. That said, 35% also strongly agree that the CRA would never find out about income received in cash that is not declared on business tax forms.

Perceptions of tax cheating

Canadians were asked to provide their level of agreement on a scale of 1 to 10 regarding a series of tax cheating statements, with 1 being completely disagree and 10 being completely agree:

- Nearly two-thirds of general population respondents (63%) expressed a high level of agreement (scores of 8 – 10) that income tax cheating reduces money available for essential services. Roughly a third strongly agreed that penalties are effective at discouraging future tax cheating (34%), and that the CRA should publish a list of people found guilty of tax offences (33%).
- Roughly three quarters of businesses (72%) strongly agree that businesses cheating on their income taxes reduces money available for essential services. Nearly the same number (67%) strongly agree that businesses that are not paying tax on all income or are not collecting GST or HST have an unfair advantage over businesses that do. Slightly fewer (62%) agreed that it is acceptable for the CRA to use publicly available information (like social media) to catch tax cheating businesses while 59% agreed the CRA should publish a list of people found guilty of tax offences in court.

Strong agreement drops slightly to 52% when it comes to believing that penalties are effective at discouraging tax cheating. Nearly a third (32%) agreed that it is OK for businesses not to declare income received in cash versus 46% who disagreed with this statement.

- A majority of TIs strongly agreed with half of the statements presented. More specifically, 58% strongly agreed that businesses cheating on their income taxes reduces money available for essential services, while 53% strongly agreed that businesses that are not paying tax on all income or are not collecting GST or HST have an unfair advantage over those that do, and 52% strongly agreed that it is acceptable for the CRA to use publicly available information to catch tax cheating businesses.

Roughly two-fifths of TI's strongly agreed that the CRA should publish a list of people found guilty of tax offences in court (43%), and that penalties are effective at discouraging tax cheating (40%). TIs were the least likely to agree that it's okay for businesses not to declare income received in cash (20%) – nearly half fully disagreed with this type of activity (49%).

There was specific interest in gauging how respondents view CRA's treatment of rich people (without specifying or defining "rich"). To achieve this, respondents were asked the extent to which they agreed with two statements by using a scale of 1 to 10, with 1 being completely disagree and 10 being completely agree:

- Results reveal that 63% of general population respondents strongly agree (score of 8 – 10) that rich people have an easier time tax cheating than middle class Canadians and nearly half (49%) strongly agree that the CRA goes after middle class Canadians but turns a blind eye to rich taxpayers and corporations.

Severity of tax avoidance and cheating

Canadians were asked to rate the extent to which a series of tax avoidance behaviours were considered cheating on a scale of 1 to 10, with 1 being not cheating at all and 10 being serious cheating:

- Nearly 4 in 5 respondents (79%) felt that filing false claims for tax benefit programs represented serious cheating (scores of 8 – 10). Nearly three quarters (70%) felt that not claiming foreign assets or income represented serious cheating. Roughly two-thirds of respondents felt the following were serious cheating: receiving a charitable donation credit that was bigger than the donation (68%), not registering one's business (67%), and made represented serious tax cheating, and making a profit from buying or selling cryptocurrency without declaring it (61%).

Nearly 3 in 5 Canadians felt that not claiming money from room or house rentals using online websites (59%), being paid cash to avoid income taxes (58%), and under-reporting cash income (55%) represented serious tax cheating. Far fewer (36%) felt that getting a 'deal' on home or car repairs by paying cash represented serious cheating.

- A strong majority of businesses (83%) felt that filing false claims for tax benefit programs represented serious cheating. Roughly three quarters of respondents considered the following serious cheating: paying employees in cash to avoid payroll taxes (77%), not claiming foreign assets or income (77%), under-reporting cash income (75%), receiving a charitable donation credit that was bigger than the donation (74%) and over-claiming expenses (73%).

Furthermore, roughly two-thirds of SMEs considered the following activities serious cheating: not claiming money from room or house rentals using online websites (70%), not registering one's business (69%) and making a profit from buying or selling cryptocurrency without declaring it (68%). Just over half (55%) felt that not claiming gifts received by influencers on social media was serious tax cheating.

- Among tax intermediaries, the biggest perceived tax offences included filing false claims for tax benefit programs (65%) and not claiming foreign assets or income (62%). Just over half considered the following activities serious cheating: under-reporting cash income (57%), not registering one's business (56%), over-claiming expenses (56%), being paid in cash to avoid income taxes (55%) and not claiming money from room or house rentals using online websites (51%).

Additionally, nearly half (48%) felt that receiving a charitable donation credit that was bigger than the donation made represented serious tax cheating. A similar proportion (47%) felt the same way about making a profit from buying or selling cryptocurrency without declaring it. Far fewer, although still a noteworthy proportion, felt that getting a 'deal' on home or car repairs by paying cash (39%) and not claiming gifts received by influencers on social media (38%) were serious forms of tax cheating.

Businesses and TIs that rated at least one tax avoidance behaviour a score of 5 or lower were then asked to rate the severity of tax avoidance based on the amount of money that was not paid. Responses were registered on a scale of 1 to 10, with 1 being not cheating at all and 10 being serious cheating:

- When asked if avoiding paying \$1,000 in taxes was a serious form of tax cheating, more than 43% of SMEs felt that this represented serious tax cheating (scores of 8 – 10), while 21% provided scores of 5 or lower.

Those who registered a score of 5 or lower were then asked to rate the seriousness if the amount was increased to \$10,000. More than a fifth (23%) felt that this was serious tax cheating, while 30% again provided scores of 5 or lower.

- More than a quarter of TIs (28%) felt that avoiding paying \$1,000 in taxes represented serious tax cheating, while 40% provided scores of 5 or lower.

Those who registered a score of 5 or lower were then asked to rate the seriousness if the amount was increased to \$10,000. Given this scenario, 13% felt that this was serious tax cheating while 49% again provided scores of 5 or lower.

These last respondents were then asked to rate the severity of avoiding paying \$50,000 in taxes, which 6% felt was serious tax cheating.

Lastly, SMEs and TIs were asked to rate the importance of tax avoidance recovery efforts on a scale of 1 to 10, with 1 being not at all important and 10 being very important:


- Many SME respondents (72%) felt that it was important (scores of 8 – 10) that the CRA recover unpaid taxes when people do not declare taxable foreign income or assets while another 70% felt that it was important for the CRA to recover unpaid taxes when people work under the table for cash.
- Not quite as many, roughly half of TIs felt that it was important that the CRA recover unpaid taxes both when people do not declare taxable foreign income or assets (54%) and when people work under the table for cash (54% respectively).

Political Neutrality Certification

I hereby certify as Senior Officer of Quorus Consulting Group Inc. that the deliverables fully comply with the Government of Canada political neutrality requirements outlined in the [Policy on Communications and Federal Identity](#) and the [Directive on the Management of Communications - Appendix C](#).

Specifically, the deliverables do not include information on electoral voting intentions, political party preferences, standings with the electorate or ratings of the performance of a political party or its leaders.

Signed:

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

April 24, 2023
Rick Nadeau, President
Quorus Consulting Group Inc.