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Canada The wordmark for Canada, with a small red maple leaf icon above the letter 'a'.

Qualitative Research on First-Time Tax Filing with Newcomers to Canada

Final Report

Prepared for Canada Revenue Agency

Supplier name: Environics Research

May 2023

The Canada Revenue Agency (CRA) commissioned Environics Research to conduct qualitative research with newcomers to Canada focusing on their experience, attitudes, behaviours, barriers/challenges to tax filing to identify gaps and opportunities in supporting them and ensuring they receive the benefits to which they are entitled.

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Executive summary

1. Background and objectives

Canada welcomed just over 1.3 million new immigrants into Canada from 2016 to 2021, the highest number of recent immigrants recorded in a Canadian census. This reflects hundreds of thousands of people coming into Canada each year. The CRA developed a working definition of “newcomer” for the purposes of this research: an individual, and family members living with them, who has entered Canada within the last 5 years as either a permanent resident or a temporary resident (work and/or study in Canada) with the intention of establishing, for the first time, a residence in Canada. Protected persons (refugees) were included in previous research¹ and were not included in this current study.

To ensure newcomers to Canada can fully participate in the Canadian tax and benefit system, the CRA wanted to understand their lived experience, their attitudes, behaviours, barriers/challenges to filing taxes, and identify gaps and opportunities in serving them and ensuring they receive the benefits to which they are entitled.

This research was intended to help the CRA develop and implement a targeted strategy to support newcomers to Canada filing their first income tax and benefit return.

Thus, the objectives of this qualitative research included:

- Better understanding the lived experience of newcomers to Canada in regard to understanding and participating in the tax system;
- Gathering insight into newcomers’ unique attitudes, behaviours and barriers/challenges in relation to tax filing and access to benefits;
- Identifying gaps and opportunities for the CRA to better serve these audiences and help ensure they receive the benefits to which they are entitled.

2. Methodology

The research involved 30 in-depth individual interviews (IDIs) with newcomers to Canada, aged 18 and over, who have lived in Canada for five years or less. Environics recruited participants through organizations that provide programs and services to the target populations of interest, including settlement, cultural and community organizations. We carefully chose organizations to attain and balance the following characteristics:

1. A mix of permanent residents (received residency status while outside Canada and now live here) and temporary residents (work/study permit holders);
2. Newcomers drawn primarily but not exclusively from the top five places of birth reported by recent immigrants in the 2021 census: India, the Philippines, China, Syria and Nigeria;
3. Different regions of and official languages of Canada;
4. Mix of ages and genders.

¹ *Ethnography of vulnerable newcomers’ experiences with taxes and benefits*. Canada Revenue Agency, 2019.

Interviews were conducted virtually (through Zoom) between April 12 and May 5, 2023, ranging between 30-60 minutes in length depending on participants' responses. Twenty-eight (28) interviews were completed in English and two (2) in French.

More information about the study methodology is included in Appendix A.

Statement of limitations: Qualitative research provides insight into the range of opinions held within a population, rather than the weights of the opinions held, as measured in a quantitative study. The results of qualitative research should be viewed as indicative or directional in nature rather than statistically projectable to the population.

3. Key findings

The research findings reveal that, overall, recent newcomers to Canada share an understanding of the value of taxes for quality of life in Canada and therefore understand and accept their responsibility for filing income taxes here. Their limited previous experience with income taxes in their countries of origin appears to contribute to appreciating the relative transparency of the tax and benefit system in Canada.

Despite these commonalities, a key finding of this research is that **newcomers do not follow a singular, monolithic path when it comes to learning about and eventually filing their taxes**, speaking to a greater need for unique resources segmented to specific scenarios. Not only are there differences by status (permanent vs temporary resident) or family composition (with or without children, single parents), but there are differences in mindset and outlook, such as confidence about and interest in independently navigating the tax filing system. Moreover, the newcomers who participated in this research clearly represent the highly skilled immigrants Canada has been seeking to attract. These newcomers were largely able to communicate in an official language and had all successfully filed their income taxes at least once; , this will not necessarily be the case for all recent newcomers.

The following paragraphs summarize the research results:

Past experience with and perceptions of taxes

- Newcomers who have arrived in Canada in the last five years are **unlikely to have previously experienced tax filing**. For some, this was because their home country did not impose income tax, while for others, income tax was automatically deducted from paychecks and required no further action on their part.
- Newcomers commonly arrive to Canada with two distinct perceptions about the Canadian tax system.
 - First, there is a perception that **taxes in Canada are expensive**. Not only does tax on top of the prices of goods and services add up quickly and make life in Canada expensive, there is also a perceived substantial difference between net and gross pay.

- The second is that **taxes are something that Canadians benefit from**. Regardless of home country or mother tongue, newcomers indicated that taxes are fundamental to quality of life. The fact that roads are drivable and healthcare is free makes newcomers feel the tax they pay is actually being used to improve everyday life. This was refreshing to those who arrived in Canada in the last five years.

Journey and pain points

- There are two main paths to tax return completion.
 - Newcomers **who are more comfortable with the Internet or expressed a self-reliant attitude to complexity were more likely to prepare and file taxes themselves using software such as Wealth Simple**. Newcomers who took this route often said that taxes were less complicated than they had previously imagined, and plan to use the same approach in subsequent tax seasons;
 - Other **newcomers turn to a free tax clinic offered by community organizations or to an accountant recommended by family or friends**. This group often expresses either less confidence in their ability to adequately complete their return or less interest in doing so. While they would have to pay an accountant, it would ensure their taxes would be correctly filed and all possible benefits would be identified.
- Regardless of the path taken, there are a few pain points that newcomers typically encounter, including:
 - **Feeling overwhelmed by the amount of information on government websites** and, accordingly, unable to find the correct information relevant to one's specific situation or to answer specific questions.
 - **Confusion about terminology used in information resources such as "credit," "benefit," and even "void cheque"**. While it is assumed there is a common understanding of these terms, newcomers' lack of experience with tax filing means this is not necessarily the case.
 - **Inability to navigate or access key CRA resources, including the website or helpline**. A key source of confusion is the inability to sign up for MyCRA until they have filed their first tax return.
 - **Difficulties accessing tax clinics or accountants who are well-versed in the needs of newcomers**. Because these are important resources for newcomers who choose not to prepare their own taxes, it is critical they have the capacity and correct information to serve this population.

Benefits

- **Newcomers mainly learn about benefits through word of mouth**. This often means that newcomers do not get information about benefits immediately. Once made aware, however, **it is extremely important to newcomers to apply**, as receiving benefits help to relieve some of their financial burden since immigrating;

- **There is not a good understanding that newcomers can access benefits upon arrival** as well as a lack of clarity around the rules for different residency statuses;
- There is **a feeling that there are a lot of variables affecting eligibility and the steps needed to go through/mail to apply are unclear and daunting**. In fact it is **not self-evident** where/how/when to access benefits, pushing newcomers to put effort into asking questions and consulting with friends and family to get necessary information.

Sources of information and avenues for support

- **The CRA website is a widely consulted and trusted source of information**. However, newcomers find it challenging to find information that is personalized and relevant to their situation or that answers their specific questions.
- **Newcomers are not familiar with the two CRA resources presented in the interview**. Once viewed, they expressed general interest in this type of information, with a preference for visual/infographic type resources over text-heavy pages. **Any published resources should not assume that newcomers share the same understanding of tax terminology**. For example, terms such as “tax credit,” “benefit,” “void cheque,” and “sign-in partner” are not immediately understood by newcomers and need be clearly (but concisely) explained.
- **Aside from the CRA, newcomers also rely heavily on family and friends, especially other newcomers, for tax-related information**. This is because other newcomers have wisdom and lessons to share from their own experience navigating the tax filing process, but also reflects the challenge finding information specific to their needs through official government channels. **Internet sources such as YouTube and Reddit also prove to be helpful for some newcomers who have chosen to learn about taxes on their own**, rather than rely on tax clinics or accountants.
- **In terms of support for themselves or future newcomers to Canada, interview participants emphasized the need for personalized guidance customized to their situation**.
 - Those who prefer to prepare and file their own return want a place to get answers to their specific questions, thereby alleviating their concerns about potentially getting something wrong.
 - Those who rely on outside resources such as accountants or tax clinics held by settlement organizations want those professionals to be up to speed on the tax filing issues relevant to newcomers. For example, these professionals should understand how to help newcomers with ‘complicated’ tax situations such as those living at a temporary address or working in a transitional job.

4. Cost of research

The cost of this research was \$57,969.00 (HST included).

5. Political neutrality statement and contact information

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

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Introduction

Background

Canada welcomed just over 1.3 million new immigrants into Canada from 2016 to 2021, the highest number of recent immigrants recorded in a Canadian census. This reflects hundreds of thousands of people coming into Canada each year. The CRA developed a working definition of “newcomer” for the purposes of this research: an individual, and family members living with them, who has entered Canada within the last 5 years as either a permanent resident or a temporary resident (work and/or study in Canada) with the intention of establishing, for the first time, a residence in Canada. Protected persons (refugees) were included in previous research¹ and were not included in this current study.

To ensure newcomers to Canada can fully participate in the Canadian tax and benefit system, the CRA wanted to understand their lived experience, their attitudes, behaviours, barriers/challenges to filing taxes, and identify gaps and opportunities in serving them and ensuring they receive the benefits to which they are entitled.

This research was intended to help the CRA develop and implement a targeted strategy to support newcomers to Canada filing their first income tax and benefit return.

Research Objectives

The purpose of this research is to gain a general sense of how CRA’s information resources, communication strategies and experiences with tax filing can impact newcomers’ filing and benefit uptake rates.

The specific objectives of this qualitative research include but are not limited to:

- Better understanding the lived experience of newcomers to Canada in regard to understanding and participating in the tax system
- Gathering insight into newcomers’ unique attitudes, behaviours and barriers/challenges in relation to tax filing and access to benefits
- Identifying gaps and opportunities for the CRA to better serve these audiences and help ensure they receive the benefits to which they are entitled.

Detailed findings

I. Context and expectations around taxes

The first section of the interview gauged newcomers' general perspectives on income taxes in Canada, including any preconceptions they held and how the system is similar to, or different from their origin country.

It was evident that, while tax filing was deemed important by newcomers, it was not top-of-mind upon arrival, compared to other matters. Finding a house, job, and simply getting used to day-to-day life in Canada was the main focus for newcomers in their first few months – a period they at times found to be disorienting and stressful. Tax filing was likely to be confronted spontaneously and urgently once the season came around.

Newcomers rarely had experience preparing and filing income taxes in their home country, making it a completely new experience when they arrived in Canada. For some, this was because their home country did not require income tax filing. For others, income tax was deducted directly from their paycheque and required no further action on their part, or their income tax filing was entirely handled by the family accountant.

"We just got our salaries, and nothing was deducted."

"No, [we didn't file taxes.] Not like this. Government employees [in my home country] get deductions out of their income. I didn't because I worked in the private sector."

"There are no taxes in Yemen. Even when you go to the supermarket, you don't pay an extra cost."

"In India, it's a cultural thing to use an accountant and it's very cheap."

Despite limited pre-existing knowledge about tax filing, newcomers understood it to be an important part of living in Canada. Taxes being an integral characteristic of living in Canada is something that newcomers had heard from family or friends who had previously immigrated. It was observed that this perception of importance, when paired with a lack of experience and knowledge, made some newcomers fear the potential consequences of making mistakes while filing taxes.

"I learned through people in Canada that [filing taxes is] very important for a lot of things like [getting a good] credit score, getting house renting credit, accessing loans and a mortgage in the future, even though I don't yet make an income."

"I'm constantly afraid of having to pay a penalty [if I didn't file taxes]."

"No. I didn't have a good idea of how expensive [taxes] would be. I just knew that it was a big part of the Canadian society here."

"It was really hard to pay for that [community] clinic to do my taxes. However, I realized that it was important to pay taxes and was scared if I didn't."

"[I felt] hectic and draining psychologically [about tax filing.] I knew it [filing taxes] was a serious thing but I didn't know what was required of me."

When asked if they arrived with any preconceptions about the Canadian tax system, newcomers often mentioned it being an “expensive” part about living in Canada. Especially because newcomers are often earning little or no income in their early years in Canada, they emphasized the need to keep as much of their income as possible. Any actual or potential deduction – either in the form of goods and services tax or incomes taxes – is concerning to them. The other main preconception was that preparing and filing taxes would be extremely complicated.

“When I used to hear about [taxes in Canada], I was intimidated by all the documentations and everything you need [to file taxes.] I felt that it would be tedious. It [tax filing] ended up being a lot simpler than I expected.”

“It was harder than I expected. My husband was better with numbers, so he figured it out. People told us that it’s very complicated and ‘even Canadians got help from accountants.’”

“I knew that Canadians pay a lot of taxes.”

“Here [in Canada] you hear so much about how taxes are high and complicated. On immigrant social media sites and TikTok, there are all these videos and threads with people talking about how complicated it [tax filing] is and telling you to be careful, so you don’t wind up with this huge tax bill. So, it’s scary.”

Despite the preconception that tax is an ‘expensive’ part of living in Canada, newcomers acknowledged that taxes benefit members of Canadian society. Examples given of these benefits included good roads and infrastructure, free healthcare, schooling and libraries.

“They [taxes] add up, so I wish they were less. But at the same time, I understand what [were taxes] being spent on.”

“Although it’s hard to sometimes see your gross vs. net pay, I appreciate seeing what the taxes are used for. It is justifiable. Although it [filing taxes] is not convenient, at the end of the day I feel like that taxes are a contribution to the general wellbeing.”

“In Islam we have the concepts of ‘helping people in need’ or ‘relying on your community.’ People with money should be helping the poor. They are applying them [the concepts] here [in Canada].”

Newcomers had a sense that the Canadian tax system is transparent and accountable. Newcomers mentioned feeling content paying towards benefits they can actually see and enjoy, which is something they had not experienced in their home country.

“I have an expectation that I will get benefits here [in Canada]. In India, it [paying taxes] felt like a burden. But when you notice the benefits of it, it is less of a burden. The tax rates are higher here, so my expectations are higher.”

“I feel that taxes are a main reason why people want to be in Canada. Where else would the government get money to provide social services, free education, and good roads? It’s a good thing that the CRA puts importance on ensuring that every single person who is of a workable age must file taxes. There is hardly any leak of funds [from the government] and [the government] can meet the obligations they have promised to people. I know that some people have different opinions, but if I look at the whole view, it’s a good thing.”

II. Newcomers' tax filing journey

Newcomers were asked to describe in detail their first tax filing experience, from the moment they first heard about filing taxes until they filed and received their Notice of Assessment. These questions paint a picture of newcomers' unique tax filing journey while also identifying gaps and confusions along the way.

It was evident that interview participants reflected the skilled immigrant population that Canada has aimed to attract: educated, previously employed in their home country often in advanced positions or careers, and capable of speaking one of Canada's official languages. Moreover, all participants had successfully filed income taxes at least once. This is an important context for discussion of the tax filing journey, since not all recent newcomers may fit this profile.

1. Approach to filing taxes

The steps of the first-time tax filing process are fairly similar and straightforward. Broadly speaking, newcomers tend to go through an information gathering phase (becoming aware of their tax filing responsibilities and learning what is required) followed by a completion phase (collecting the necessary documentation, filling in the forms and submitting their tax return). Within this journey, a key decision point is how newcomers choose to approach filing taxes.

Newcomers tend to do their taxes for the first time in one of two ways. The first is by using a free tax clinic, likely to be hosted by a community organization or local university. Newcomers attending university or college during their first year of arrival were likely to encounter a free tax clinic on campus. Others were guided to a free tax clinic through a settlement organization. **Other newcomers decided, either due to their own research or with urging from friends, to use a free tax software.** This group of newcomers tended to express the mindset that they are independent (want to learn how to do taxes themselves) and capable (such as being comfortable using the internet to research any questions they had along the way). Newcomers who took this latter route were often left feeling that filing taxes was easier than they first thought.

"My case worker did it [taxes] for me. But he didn't tell me anything."

"I used canada.ca to find out about tax clinics/volunteers. There is a directory to search depending on the area you live for service."

"They [free tax clinics] do their best but their explanations are really at a high level. They are good for helping you with finding employment or housing, but they are not specialized enough to know how to support you when it comes to taxes."

"I got all of the documents [required for tax filing] myself. I filed it myself using an online program. I found it very easy because I consider myself tech savvy."

"During the first time [of filing taxes], my husband and I did it ourselves using TurboTax."

Newcomers who had used a free tax clinic their first time almost always changed methods the second time. Often, this meant embracing a newfound awareness and confidence to use tax filing software. Other times, this meant paying an accountant who understood their distinct needs. Likely to have been recommended by a friend or family member, the accountant could often speak their mother tongue and/or have direct experience helping other newcomers file taxes. On the other hand, **newcomers who used an online tax preparation software their first time were unlikely to change methods the second time.** Using online software was often described as being simple and intuitive.

“I wanted [the volunteer to understand] that [I was] someone who hadn’t filed [taxes] before and [this was a] new country/new system [to me]. I would have liked it if someone could walk me through it [filing taxes] step by step. Even though it’s been five years, I still don’t understand my Notice of Assessment. I do it myself now.”

“I did it [tax filing] online and that is a great way. I know that many people go to accountants to do their taxes maybe because it is complicated. I don’t find anything difficult on the website.”

“When I did it myself, I used [online] software. It was pretty straightforward.”

“During the first year, we asked the settlement organization how to file taxes and they sent us to a volunteer. We stopped going to her [the volunteer] because she made a huge mistake with our calculations.”

3. “Pain points” while filing taxes

While describing their process of filing taxes in Canada for the first time, newcomers indicated “pain points” along the way, that is, instances of frustration or confusion while attempting to navigate their tax filing.

Most “pain points” involved trying to find information specific to their needs or having questions answered. Other aspects of tax filing such as collecting documents, filling out forms, reviewing, submitting, and setting up Direct Deposit did not elicit the same frustration, likely because it is where tax clinics or software were able to smooth the path. For example, those who used tax software considered it to be an intuitive and straightforward process. Those who received help from tax clinics or an accountant were given distinct instructions on where to find documents and didn’t need to fill out forms, review or submit their return.

- **At the information-gathering stage, several newcomers mentioned feeling overwhelmed by the amount of information on government websites and some confusion about how government departments are connected.** Resources outlining where to go for specific help would be valuable to newcomers who felt this way.

“I have no idea who does what.”

“It is not at all easy to know who does what. [Various government departments] seem to be completely separate entities. It’s not clear how to navigate between them and especially who does what when it comes to taxes.”

- **Terminology used in information resources such as “credit,” “benefit,” and even “void cheque” is a source of confusion for newcomers.** Though they eventually learn what each of these words mean (from an accountant or an online search), newcomers often described Government of Canada tax terminology as being somewhat assuming. For example, being reminded to “apply for a *benefit*” does not instantly connect as something an individual can receive. This is true even for the group of newcomers included in this research, who in most cases were comfortable speaking and reading in English or French although it is not their first language; some made the point that terminology would be even more challenging for those who are less confident with an official language.

“Even though I understand English perfectly, sometimes the terminology is confusing.”

“What was a ‘Void Cheque’ wasn’t clear to us. We didn’t have that word in our country, so we had to go to the bank to understand what that was.”

“I didn’t know what a ‘sign-in partner’ is and dared not to try it out. My English is okay but it’s not my mother language. It caused me several days to figure out what that [a ‘sign-in partner’] is.”

“Even though my English is good, the finance terms (deposit/credit/tax) are tough. Even if you understand English very well, a lot of these terms need to be clarified.”

- **At some point during their tax filing journey, newcomers felt confused using CRA’s website.** A key source of confusion was learning they are unable to sign up for MyCRA until they had filed their first tax return. Others did not know where to send their tax payment (or repayment). Neither answer was obvious at first and required several calls to CRA’s helpline to get clarity. This leads to a related pain point – the frustration trying to connect with CRA for answers to specific questions. Newcomers who are filing taxes for the first time feel uniquely stressed about what happens if they make a mistake, and so it feels paramount that they be able to reach CRA quickly to clarify or receive further explanation.

“My friend tried to help me submit online and only then discovered he could not. He scrambled to print, submit, and send all [documents] in by registered mail.”

“The only [pain point] was that you have to file a personal tax return before the MyCRA activation.”

“I have never successfully contacted any department. Last year I tried to contact CRA for an explanation of my Notice of Assessment. I called the phone number, and I just got transferred to the agents, and then I waited for more than 3 hours.”

“They [CRA] sent me a deposit twice. And then they told me I owed it back. There was a lot of confusion about where to send the money.”

- **Services supporting newcomers, including free tax clinics and accountants, were not always accessible or well-versed in their needs.** Some found it difficult to get an appointment at a free tax clinic while others were matched with a volunteer who didn't understand their unique needs. A few newcomers reported being turned away by free tax clinics or accountants, who declined to provide services involving complicated tax scenarios, such as rideshares or food delivery jobs. Because these are important resources for newcomers who choose not to prepare their own taxes, it is critical they have the capacity and correct information to serve this population.

"[The pain point was] travelling far to get to Burnaby and also having to book an appointment. The dates kept being taken away very quickly. I had to book months in advance."

"It was hard to communicate with the volunteers. It was only through email and they took long to reply. They would send forms but it would take about 2 to 3 weeks for them to get back to me. If I forgot some documents, they would tell me over email. I found it really hard to reach them and very impersonal."

"Because of my husband's job (Uber and 'Skip the Dishes') it was too complicated for them [free tax clinic] to help us."

"Since my husband became an Uber driver, that guy [Paid accountant] couldn't handle our tax situation. We had to find someone who understood our specific situation."

III. Benefits

1. Navigating Benefits

The topic of benefits was also explored in the interview, to understand when newcomers learn about benefits and ways to improve enrolment.

Newcomers are most likely to have learned about benefits for which they are eligible through word of mouth.

The main sources of this information tend to be other immigrants who have come to Canada and previously navigated the system, or settlement organizations. Thus, when they learn about such benefits can vary, from before they come to Canada, to when they have been living in Canada for a few months to a year. That is, there is room for improvement in how quickly newcomers become aware of benefits available to them.

"When I first came, I didn't have as much income, so I found volunteers at tax clinics. I realized that I was eligible and asked them to help. Later on, I realized that maybe I wasn't doing it correctly/wasn't getting all of the benefits."

"Yes was aware. Lots of friends/classmates told me as international student, especially if no income, I can get house benefit, electricity program for low income (Ontario program), GST credit."

Once aware of benefit eligibility, and with the help of family members or community advisors, newcomers are quick to get more information and apply. Benefits are widely viewed as a helpful and appreciated way to ease financial burden and pressure they have experienced since arriving in a new country.

"Taxes help people. Also, when we arrived, they [the government/settlement organizations] gave us free leisure cards/child benefit/etc. so that really helped us when we arrived."

“Yes, I applied for CCTB...I also got GST/HST and climate incentive and dental incentive for kids and one-time housing credit. Learned through Saskatoon OpenDoor.”

Though newcomers eventually succeed in receiving benefits, the application process can be complicated and daunting. Finding it difficult to reach CRA agents, several newcomers mentioned feeling overwhelmed by the amount of inconsistent information they received from personal contacts and settlement advisors and wished for an easier way to validate information with the CRA.

“Had a child in daycare. It was so expensive and the day care would say, don’t worry, you will get a tax reimbursement. But then what they didn’t know, and I found out later, is as a PVT [working holiday program], you have to wait for your first declaration to be able to get the daycare reimbursement. So I am still waiting for that.”

“When we landed in Canada, there was someone at the airport who gave us a brief overview. Also we have friends here who told me I was eligible for that. I submitted a month after I arrived. The only thing was I had to get my SIN card and then I applied. Also, because it was my first time I had to mail it in.”

“A friend told me that I had to be living here for 18 months.”

“I learned about [Canada Child Tax Benefit] before I came to Canada. Some of the requirements were not very clear such as a ‘permanent address.’ Our Airbnb wasn’t accepted as an address. Also, you can’t apply before having your health card. Those things were difficult/unclear.”

“I always turn to official CRA website but it’s not “personal”. They won’t recommend things. So look for good ideas from experienced people on Internet about how they solve problems/what software they use and what to avoid doing.”

“I am unaware of what the difference is between GST/HST. We do receive it - we found out about it through friends and they helped us at the Somali centre.”

IV. Information sources

1. Aided recall of CRA Resources

There was limited recognition of the two CRA resources presented in the interview. When probed, newcomers perceived the resources as having the potential to be useful at some point during their journey. When asked if they recall seeing the two newcomer-centered CRA resources, most participants said no. At first glance, there was a general consensus that the resources might have been a useful source of information when they first arrived to Canada. This tended to reflect a desire for more information, especially as it relates to benefits, rather than an evaluation of the specific resources.

“Yes, that would be helpful. Anything that would benefit our family would be useful. I want to take advantage of everything that is provided for me.”

“It would have been super useful, if I knew sooner, such as at airport when they give me the permit. I have not been getting these benefits.”

“At the moment of entry, give us a folder with this information including numbers and diagrams. Or when they give you your SIN number.”

Simple and concise information feels more approachable and accessible to newcomers. When asked to really consider their potential use of the two documents, most newcomers preferred the infographic resource over the two-page document, because it is easier to find information summarized by tables or images than to read through the text-heavy version. The infographic version was more widely described as concise and clear.

“It is helpful to see the information properly organized in this format and can be shared with anyone. I prefer the one with the table because it is more concise. There is a pictorial representation which is eye-catching and simple.”

“I would skim them. The infographic is more concise. Also, it feels like a PowerPoint slide style.”

“I like the second document more because it has less to read.”

“Anything summarized in charts or graphs really helps me.”

Newcomers rely heavily on the advice and guidance of individuals similar to them who have already been through the tax filing process. When asked where they first learned about taxes and benefits in Canada, most were likely to mention a friend or family member. Overwhelmingly, information gathered informally from family or friends is viewed as a trusted guide – particularly from those who also recently arrived in Canada and were from a similar cultural background. For example, those who came from Syria were likely to recall information from other Syrian or Middle Eastern newcomers.

“My sister lives here. I found the most help from having conversations with family and friends who live here.”

“Lots of friends/classmates told me that as an international student, especially if no income, I can get housing benefit, the benefit from the electricity program for low income (Ontario program), and GST credit.”

“One of my classmates used to be a financial planner. He explained how to maximize/utilize resources. He is senior/older than me and born in Canada. I really trust him.”

“My first job is where I heard about it. I got issued the T4 and took it to my wife.”

It is evident settlement and other community organizations are a critical source of support for newcomers in many areas, including taxes. Settlement organizations seem to be an early source of general information. Newcomers who have used the services of settlement organizations for other reasons such as citizenship, job searching or housing are likely to circle back for tax-related guidance. This is particularly helpful for newcomers who feel connected to their advisor in some way (i.e. language). Newcomers who did not connect in this way to a settlement organization felt the information they received from them was over-generalized and not fine-tuned to the needs of newcomers.

“Depending on your situation, the organizations don’t always seem to have complete information or to be sufficiently informed to help you with this. This is not a criticism of them. They do their best, but their explanations are really at a high level. They are good for helping you with finding employment or housing, but they are not specialized enough to know how to support you when it comes to taxes.”

“Community-based resources are helpful, but they are too busy to sit with you and walk you through the process.”

“My organization gave me details, but I got more information from my husband and his family.”

Newcomers turn to the Internet for help to fill in gaps. Some newcomers are technologically savvy enough and seek out relevant Reddit forums and YouTube videos, particularly those produced by newcomers like themselves. Others are less comfortable (and would prefer more official government sources of information) and give up more easily if they do not quickly find the information they are looking for.

“We didn’t know many people yet (in Canada) and people we did know said they used an accountant. We were on our own. We started looking taxes up online and TurboTax came up. They really marketed it well. We gave it a shot for the first year.”

“I looked for good ideas and contributions from experienced people on the Internet about how they solve problem, what software they use and what to avoid doing.”

“I got the best advice about taxes and benefits through those videos on social media like TikTok and Instagram. Of course, I know they are trying to sell their own channels, but they have good hints.”

“I wouldn’t necessarily say I trust them (social media), but the reach is good, and they target the right audience. But I would use them for references or getting a recommendation.”

V. Support and Advice for Newcomers

When asked what resource and support related to tax filing would be most valuable to newcomers like them, participants tended to point back to areas of difficulty they experienced. In most cases, this related to getting information relevant to their specific situation, as early as possible. One recommendation is to ensure settlement advisors and accountants are well acquainted with the unique needs of newcomers. Easy step-by-step guides with tips on where to find more information are also welcomed avenues of support.

“Maybe some information on the possible ways on how to get a tax return. Some possible documents on how to improve your tax return. For example a charitable donation.”

“I would really like to have someone online who helps me with taxes. A webinar would be a good idea. And if somebody needs more help. I would love to get that sort of invite from an organization with fellow newcomers/so we can connect on that sort of thing.”

“Could CRA actively reach out to newcomers and provide individual specific, detail-orientated service? Like what to do step by step and from year one to two?”

“Video on IRCC explains how to use online tax systems like TurboTax. I think those videos should be translated. If they aren’t, people will go to YouTube/end up making mistakes from others’ interpretations.”

"I think in the first few weeks as a newcomer, I would have really benefited from a group personal conversation with other newcomers so that we aren't hit with surprises. That is very important."

"Having educated community members/leaders is really important to me."

When asked what advice they might give another newcomer to Canada about taxes, participants tended to suggest what had worked for them. Some recommended that newcomers do their own research and learn how to do their own taxes. Others suggested finding a credible, experienced accountant to help. In some interviews, newcomers emphasized the importance of applying for benefits as soon as possible.

"Perhaps tell them about the importance of tax filing and how to ask for help and look for resources. For next few years, if I buy house and have a more complex return, I will ask an accountant for help."

"See accountant if there are any complications. If not complicated, use website."

"Get informed about it early. Keep all your documents. Pay for a professional."

"I wouldn't tell them to rely on those agencies. I would tell them to understand the process on your own and do your research."

"Be aware of timing/deadlines. Do your own research and don't rely on others. It is easier than you think."

"my advice would be to get childcare benefit and health benefits. This took us a few months. A lot of people don't get that right away, and if an accident happens, they end up paying for the full hospital bill."

Appendix A: Methodology

The research involved 30 in-depth individual interviews (IDIs) with newcomers to Canada, aged 18 and over, who have lived in Canada for 5 years or less, balancing the following characteristics:

1. A mix of permanent residents (received residency status while outside Canada and now live here) and temporary residents (work/study permit holders)
2. Newcomers drawn primarily but not exclusively from the top five places of birth reported by recent immigrants in the 2021 census: India, the Philippines, China, Syria and Nigeria
3. Different regions of Canada
4. Mix of ages and gender

Recruitment and scheduling. Environics worked with CRA to develop recruitment letters in both official languages for service organizations introducing the project and its objectives, confirming the legitimacy of the project, highlighting the anonymity of participant feedback and encouraging participation.

Environics then worked with interested service organizations to ensure the right people were included in the interviews. Newcomers either directly contacted Environics after hearing about the research from the service organizations, or were contacted by Environics, based on the lists of potential participants provided by the service organizations.

Flexibility was required for recruitment, particularly in terms of the ability to find newcomers who are comfortable participating in an official language. The following table summarizes the final distribution of the interviews:

The following table summarizes the final distribution of the interviews:

Summary of completed interviews

Country of Origin	India	5	Region of Canada	Atlantic Canada	3
	China	4		Quebec	2
	Syria	4		Ontario	8
	Nigeria	4		MB/SK	3
	Other (e.g. Lebanon, Uganda, Yemen, Libya)	13		Alberta	4
Residency Status	Permanent residents	21	Language of Interview	BC	10
	Temporary residents	7		English	28
	Canadian citizens*	2		French	2

* While emphasis was placed on permanent and temporary residents during recruitment, two interested participants had already received their citizenship despite only being in Canada for five years.

Interviews. Interviews were conducted virtually (through Zoom) between April 12 and May 5, 2023. They ranged between 30-60 minutes in length depending on participants' responses. Twenty-eight (28) interviews were completed in English and two (2) in French. Each participant was provided \$100 by email transfer as a thank you for their time.

All interviews were recorded for use in subsequent analysis by the research team. During the recruitment process and at the start of their interview, participants provided consent to such recording and were assured of their anonymity in subsequent reporting.

Appendix B: Recruitment letter

Environics Research
Canada Revenue Agency – First-time tax filing with newcomers to Canada
Recruitment letter to community organizations (FINAL March 21, 2023)
30 In-depth individual interviews with past 5 year newcomers

Subject line: Environics Research – request for participants for Canada Revenue Agency research study

Hello,

I work for Environics Research, and I am reaching out to request your organization's help in a research project we are conducting on behalf of the Canada Revenue Agency (CRA).

The CRA wants to better understand the lived experience of newcomers to Canada in regard to understanding and participating in the tax and benefit system in Canada. The results of the research will be used to help the CRA design and implement a strategy to support newcomers filing their first income tax and benefit return.

We would appreciate your organization's help in identifying newcomers to Canada to participate in this research.

We are interested in hearing from newcomers who came to Canada in the past five years (between 2018 and 2023), who are permanent residents (received residency status outside Canada and now live here) or temporary residents (work or study permit holders). We are primarily, but not exclusively, interested in hearing from newcomers from India, the Philippines, China, Syria and Nigeria (the top five birthplaces reported by immigrants in the 2021 census).

The research format is one-on-one interviews, conducted (in-person/online) by an Environics Researcher. The interview will last 45-60 minutes and upon completion, participants will receive an honorarium of \$100.

Please be assured that we are not selling or soliciting anything. Participation in the research is completely voluntary and confidential. All information collected, used and/or disclosed will be used for research purposes only and administered per the requirements of the Privacy Act.

If you have any questions about this research, please do not hesitate to ask me.

I look forward to hearing from you, thanks,

(Signature)

(Signature block containing name & contact info/email/phone number)

Appendix C: Discussion guide

Environics Research
Canada Revenue Agency – First-time tax filing with newcomers to Canada
Interview guide (FINAL March 21, 2023)
30 In-depth individual interviews with past 5 year newcomers

Name: _____

Referring organization: _____

Interview date: _____

Interviewer: _____

Location of interview: _____

English _____ French _____

In-person _____ online _____

Man _____ Woman _____

Age 18-34 _____ 35-49 _____ 50+ _____

Introduction to Procedures (5 minutes)

Hello, my name is _____. Thank you for agreeing to talk to me today.

I work for Environics Research and part of my job is interviewing people across Canada about different topics.

This interview today is about tax filing. We will be talking to about 30 people who, like you, have come to Canada in the past five years. We want to learn about your experience filing taxes in Canada for the first time.

The interview will take about 45-60 minutes, depending on your responses.

We are doing this research on behalf of the Canada Revenue Agency. Everything you tell me today will remain anonymous. We will write a report for the CRA but it will not identify you or any other participant by name (your identity will remain confidential).

We would like you to share your thoughts and experiences as honestly as possible.

Is it okay if I record us talking to help me write my report? I will also take some notes while we talk to remind myself of things.

I will be giving you a thank you gift at the end of our discussion.

Do you have any questions for me before I start?

1. To start, please tell me a bit about yourself, such as what country you are from, what year you came to Canada, your current status in Canada and what do you do (student, working, stay at home etc.)

Confirm:

Year came to Canada (2018-2023): _____

Country of origin: _____

Newcomer status:

____ Permanent resident (received residency status while outside Canada and now live here)

____ Temporary resident (work/study permit holders)

Context and expectations (15 minutes)

2. Since you came to Canada, have you found it easy or difficult to understand the tax system here – that is, why Canadians pay taxes on their income, and how to file taxes? Why do you say (easy/difficult)?
3. Have you ever filed a personal tax return in Canada? How many times? When was the first time?
4. Where did taxes fit within all the things you needed to consider when you arrived in Canada? (e.g., finding a place to live, job, schools, daycares)
5. Did you file tax returns in [country of origin]? How similar or different is the tax system here in Canada compared to [country of origin]? In what ways are they similar? Different?
6. How do you feel about taxes overall? What are the reasons you feel like this? PROBE IF NECESSARY: How are taxes viewed in [country of origin]?
7. When you came to Canada, did you have ideas or expectations about filing taxes? (preconceptions)
8. Overall, how did your first time filing taxes here compare to what you expected? What was good about it? What was bad and should be improved?

Journey (15 minutes)

9. I'd like to understand what the process of filing taxes in Canada for the first time looked like for you, step by step.

AT EACH STEP ASK:

What did you do first? Next?

Did anyone help you, and if so, who & how did they help?

Did you encounter any difficulties or problems ("pain points")?

How did that make you feel?

Were you able to solve/overcome the problem? If so, how? If not, why not?

PROBE STEPS AS NECESSARY:

1. Get information
2. Register for MyAccount
3. Collect documents (including in portals so remembering passwords, User credentials, etc.)
4. Find a software or find a clinic
5. Fill out the form/information
 - personal information
 - “tax information” using slips
 - credit/benefit information (plugging in the receipts)
6. Asking questions if not clear
7. Reviewing
8. Submitting
9. Getting Direct Deposit if don’t already have it depositing the check or making the payment
10. Understanding the Notice of Assessment

Benefits (5 minutes)

10. Did you know that you can apply for some benefits from the federal and provincial governments the year you arrive in Canada, even before you file a personal tax return? For example, you can apply for the GST/HST tax credit, and if you have children, for the Canada Child Tax Benefit, even if you just arrived and have no income in Canada. .

IF PREVIOUSLY AWARE: How did you find out about that? Did you apply for these benefits? When did you apply for them?

Information sources (10 minutes)

11. When you first came to Canada, where did you learn about taxes and benefits? What sources of information did you use? (unaided)

12. Did you use any of the following resources? (aided)

a. CRA/Government of Canada resources

- SHOW EXAMPLE: Have you ever seen this? [fctsht_nw_cnd-en.pdf \(canada.ca\)](#)

i. IF YES: How useful was this to you? Why or why not?

ii. IF NO: How useful do you think this would be? Why or why not?

- SHOW EXAMPLE: Have you ever seen this? [nw-cnd-en.pdf \(canada.ca\)](#)

- i. IF YES: How useful was this to you? Why or why not?
- ii. IF NO: How useful do you think this would be? Why or why not?

- b. Provincial government resources
 - c. Online resources/social media
 - d. Community-based resources (settlement organizations, community groups etc)
 - e. Were there any people who gave you advice? (PROBE IF NECESSARY: Who?)
13. What was the best advice you received about taxes and benefits in Canada? Who gave you that advice?
14. In Canada, there are different parts of government responsible for different things like immigration, taxes and benefits. In your experience, is it clear who is responsible for what? Does it feel organized (cohesive) or does it feel like you have to start all over again with each department? PROBE: federal vs. provincial vs. local/municipal; among federal government departments

Support (5 minutes)

15. Thinking back to when you filed taxes for the first time, what support would you like to have had, that would have made it easier for you?
- a. What information would have been useful to have before filing your taxes for the first time?
16. If you had a family member or a close friend move to Canada, what would you want them to know about filing their taxes? It could be anything: what to do, what to look out for, what mistakes to avoid, etc.

Wrap-up

17. Do you have any final comments on what we talked about today?

Thank you for your participation.