

UPHOLDING YOUR RIGHTS

Annual Report 2022–2023



Office of the Taxpayers' Ombudsperson

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LETTER TO THE MINISTER OF NATIONAL REVENUE

November 28, 2023

The Honourable Marie-Claude Bibeau, P.C., M.P.
Minister of National Revenue
7th Floor
555 MacKenzie Avenue
Ottawa ON K1A 0L5

Dear Minister:

Pursuant to Order in Council P.C. 2020-0703, I am pleased to submit to you the 2022 2023 Annual Report entitled "*Upholding Your Rights*," which covers the activities of the Office of the Taxpayers' Ombudsperson for the period of April 1, 2022, to March 31, 2023.

Yours sincerely,



François Boileau
Taxpayers' Ombudsperson

FOREWORD

This year, we want to put more emphasis on the Taxpayer Bill of Rights. This bill was adopted by the Canada Revenue Agency (CRA) about 15 years ago. Initially comprising 15 rights, it has since evolved to include 16, following one of my predecessor's recommendations. It is a set of principles and not true justiciable rights, although on occasion, the rights set out in this bill may support arguments for natural justice, such as procedural fairness.

Our Office has already had the opportunity to expand on the Taxpayer Bill of Rights in a report entitled *Back to Basics: Taxpayers Have Rights*¹, made public in 2020. As it is part of my own mandate to oversee the implementation of this bill, more specifically eight of the rights provided, we thought it would be wise to highlight them, explain them further and demonstrate, with supporting examples, to what extent citizens can use them to ensure that their rights to quality, timely, professional and courteous services from the CRA are respected.

The focal point of the Taxpayer Bill of Rights and, I would add, of the very mandate of our Office is the important concept of public services. Author Marie-Louise Pelletier proposes the following definition: Public service is a mission of general interest performed by the public sector and subject to a specific legal regime².

Providing services undoubtedly serves to legitimize the State. The CRA is no exception. Without the ability to ensure that citizens pay the taxes they must pay, there can be no other public services provided by the federal government. Similarly, it is also the CRA's responsibility to ensure that those who are entitled to benefits receive them. This is where the CRA's dual mission lies.

It is understood that the State is at the service of its citizens. Consequently, the CRA must offer its services without any discrimination. This includes the rights set out in the *Canadian Charter of Rights and Freedoms* and the principles of natural justice, which may include equality among taxpayers, the concepts of fair treatment and procedural fairness and other principles arising from Canadian case law. Strictly speaking, there is no federal legislation that defines the concept of service to the public. The concept of service and legislation is a complex and evolving concept that concerns the activities carried out by the State, in this case the CRA. It often involves specific legal principles that govern the operation and control of the CRA's activities in regard to Canadian taxpayers.

The CRA provides its public services by applying various acts, including the *Income Tax Act*, the various acts to counter the effects of the pandemic, such as the *Canadian Emergency Response Benefit Act* and the *Canada Recovery Benefits Act* and more recently, the *Dental Benefit Act* and the *Rental Housing Benefit Act*. The pressure that the CRA experiences in managing all these programs, including several that are new, is simply immense.

Naturally, there will be mistakes. The high number of enquiries and complaints that we received again this year clearly shows that the implementation of these programs and the various services offered by the CRA, both individually and collectively, especially at the level of communications, can always improve. Our Office will continue to monitor this.

¹ canada.ca/en/taxpayers-ombudsperson/programs/reports-publications/special-reports/back-to-basics

² Marie-Louise Pelletier, Les fondements et les bouleversements de la notion de service public en droit québécois, at page 151 conferencedesjuristes.gouv.qc.ca/wp-content/uploads/lesfondementsdesbouleversementsdelanotiondeservicepublicendroitquebecois.pdf (French only)

THE TAXPAYERS' OMBUDSPERSON



The mandate of the Taxpayers' Ombudsperson is to assist, advise and inform the Minister of National Revenue about any matter relating to services provided to a taxpayer by the Canada Revenue Agency (CRA).

Over the course of this year, we held a series of strategic planning sessions to determine which activities we should prioritize through 2025 to reach our objectives:

- increasing the visibility of our Office so more people are aware of our role and the services we offer
- raising taxpayers' awareness of their rights when they deal with the CRA
- working collaboratively with the CRA on service improvements
- streamlining our internal processes to better serve Canadians

We also updated our mission, vision and principles.

MISSION

The mission of the Office of the Taxpayers' Ombudsperson (OTO) is to help Canadians having service issues with the CRA. We do this by examining complaints and increasing awareness of the Taxpayer Bill of Rights. We also identify systemic issues and opportunities for service improvement in the CRA.

VISION

Our vision is that every Canadian knows their rights as a taxpayer and how we can help if they are having service issues with the CRA.

GUIDING PRINCIPLES

We follow four guiding principles:



Fair

We are impartial, independent, rigorous, and evidence-focused when examining service issues.



Confidential

We hold all communications with those seeking our assistance in strict confidence, and we do not disclose confidential information unless given permission.



Responsive

We respond to complaints and enquiries with empathy, attention and respect.



Credible

We act with transparency, accountability and integrity.





HOW WE HELP YOU

You can file a complaint with us about the service the CRA provides in several ways: online at canada.ca/taxpayers-ombudsperson or by mail, phone or fax. Once we receive your complaint, we will get in touch with you to discuss the issue, determine if it falls within our mandate and explain the next steps to you.

Urgent requests

If your situation is compelling, we can facilitate contact between you and the CRA. We generally consider situations to be compelling if waiting for CRA Service Feedback to finish its review will:

- limit you from having the basic necessities of life
- limit your business from operating
- significantly impact your mental health and/or reputation

Examinations

If your service issue is not resolved after you receive CRA Service Feedback's response, or if your situation is compelling, we can conduct an examination. We do this by carrying out research and asking the CRA for information, with your consent.

We have often found that by requesting information and asking questions, the CRA will proactively resolve an issue. However, when we identify a service gap, we may ask the CRA to take specific action. These requests can include, but are not limited to, recommendations to:

- provide further explanation
- provide training to its employees
- initiate contact
- correct a misunderstanding, omission or oversight
- issue an apology

Another important part of the Ombudsperson's mandate is to identify and review systemic and emerging issues related to CRA service matters that have a negative impact on taxpayers. Systemic issues are ones that may impact a large number of taxpayers or a segment of the population. We are particularly focused on issues that could affect Canada's vulnerable populations.

Our systemic team continually assesses the enquiries we receive, complaints filed with our Office, feedback we receive through outreach and issues raised in the public domain, such as in the media and on social media. Once we identify a potential issue, we conduct further research and may request information from the CRA to better understand the issue. We may also meet with senior CRA officials to confirm our understanding of related CRA processes and programs.

After we complete a formal systemic examination, we report our findings, and the Ombudsperson may make recommendations to the Minister of National Revenue, or to the Minister and the Chair of the Board of Management, to improve the CRA's service

to taxpayers. As of the end of the 2022–2023 fiscal year, our Office has published 17 systemic reports³ containing a total of 101 recommendations, 98 of which were accepted by the CRA.

The Ombudsperson can also make recommendations to improve CRA service in our annual report, a practice that began in our 2020–2021 annual report. Our last two annual reports contained a total of eight recommendations, which were all accepted by the CRA.

Another way we address systemic issues is by sending service improvement requests to the CRA. This is an effective way for our Office to suggest ways the CRA can improve its service without us having to do a full systemic examination. This more informal approach means we can address systemic issues and encourage positive change for Canadians more quickly. We publish service improvement requests, as well as our systemic and annual report recommendations, on our Influencing change⁴ web page.



³ canada.ca/en/taxpayers-ombudsperson/programs/reports-publications/special-reports

⁴ canada.ca/en/taxpayers-ombudsperson/programs/examining-systemic-issues/influencing-change

THE TAXPAYER BILL OF RIGHTS

The Taxpayer Bill of Rights⁵ has 16 rights that describe the treatment you are entitled to when dealing with the CRA. These rights are composed of a mix of statutory, common law, and administrative rights. Our Office is mandated to uphold rights 5, 6, 9, 10, 11, 13, 14 and 15. The Taxpayer Bill of Rights also contains the CRA's Commitment to Small Business.

1. You have the right to receive entitlements and to pay no more and no less than what is required by law.
2. You have the right to service in both official languages.
3. You have the right to privacy and confidentiality.
4. You have the right to a formal review and a subsequent appeal.
5. **You have the right to be treated professionally, courteously, and fairly.**
6. **You have the right to complete, accurate, clear, and timely information.**
7. You have the right, unless otherwise provided by law, not to pay income tax amounts in dispute before you have had an impartial review.
8. You have the right to have the law applied consistently.
9. **You have the right to lodge a service complaint and to be provided with an explanation of our findings.**
10. **You have the right to have the costs of compliance taken into account when administering tax legislation.**
11. **You have the right to expect us to be accountable.**
12. You have the right to relief from penalties and interest under tax legislation because of extraordinary circumstances.
13. **You have the right to expect us to publish our service standards and report annually.**
14. **You have the right to expect us to warn you about questionable tax schemes in a timely manner.**
15. **You have the right to be represented by a person of your choice.**
16. You have the right to lodge a service complaint and request a formal review without fear of reprisal.

⁵ [canada.ca/en/revenue-agency/services/forms-publications/publications/rc4417/taxpayer-bill-rights](https://www.canada.ca/en/revenue-agency/services/forms-publications/publications/rc4417/taxpayer-bill-rights)

Commitment to Small Business

- 1.** The CRA is committed to administering the tax system in a way that minimizes the costs of compliance for small businesses.
- 2.** The CRA is committed to working with all governments to streamline service, minimize cost, and reduce the compliance burden.
- 3.** The CRA is committed to providing service offerings that meet the needs of small businesses.
- 4.** The CRA is committed to conducting outreach activities that help small businesses comply with the legislation we administer.
- 5.** The CRA is committed to explaining how we conduct our business with small businesses.

HOW WE UPHOLD YOUR TAXPAYER RIGHTS

We take seriously our responsibility of ensuring the CRA respects the eight taxpayer rights that are within our mandate. Below we highlight how we use these rights as a foundation to improve the service the CRA provides to you.

Did you know? Last year our Office produced two videos:

1. a video on the Taxpayer Bill of Rights and what these rights mean for you⁶
2. a video about our Office and how we can help you with your CRA service issues⁷



⁶ [youtube.com/watch?v=sIFp7sd97IM](https://www.youtube.com/watch?v=sIFp7sd97IM)

⁷ [youtube.com/watch?v=hjgYZ_j9awc](https://www.youtube.com/watch?v=hjgYZ_j9awc)

Right 5 – Quality Service: You have the right to be treated professionally, courteously, and fairly by the CRA

What we heard from you:

Everyone expects to be treated professionally, courteously and fairly, no matter if they are buying groceries, needing assistance from their municipality or contacting their bank. Canadians expect the same level of service from the CRA, and the vast majority of the time they likely do. However, this is not always the case.

17%

of the complaints we received this year identified an issue with this right.

Professional and Courteous

Everyday Canadians come to us complaining about the service they receive from the CRA. Taxpayer Right 5 entitles them to receive both professional and courteous service from the CRA. However, we have heard that sometimes the CRA does not meet these expectations.

Most Canadians communicate with the CRA through its contact centres, and taxpayers have told us that some agents have been helpful, thoughtful and empathetic, but that some have also been:

- rude
- aggressive
- demanding
- impatient

The CRA communicates with millions of Canadians each year, and we know our Office only hears from a very small number of them. However, hearing that a CRA employee may have been unprofessional or discourteous is a concern for us.

Unprofessional behaviour should never be tolerated at the CRA, and the CRA must take appropriate action when it becomes aware of such behaviour. However, we also know that callers can sometimes behave in a less-than-respectful way as well. Therefore, it is important that the CRA provide its contact centre agents with the right tools so that situations do not escalate.

We reviewed some of the resources the CRA gives its agents, and it is clear that the CRA is on the right path, as it provides its agents with different ways to de-escalate situations so that they can continue to help callers.



Fair

“Fairness is not always simple and it does not always mean that everyone gets the exact same thing. There are many situations, relationships and events that come into play. Sometimes generally accepted principles of fairness will apply; sometimes the law will apply. Although there is no single answer, there are some basic principles and practices that can help to describe fairness.”⁸

To promote fairness in our 2020-2021 Annual Report⁹, we highlighted that the CRA should sufficiently inform Canadians about what to do when its action is creating financial hardship. This past year, with the CRA resuming all its collection activities, we heard from some Canadians who were frustrated with the CRA because it was collecting too much, too fast. We have also heard that employment insurance earnings were being collected to offset debts. However, the CRA has made it clear through news releases and its web pages that it is willing to discuss options if debt repayment causes significant financial hardship. We are pleased the CRA actioned our feedback.

We know debt repayment can be hard; however, it is important for Canadians to know that the CRA is willing to work with them. That is why we were interested in understanding how the CRA resumed its collection activities, specifically in regard to low-income and vulnerable groups. Over the next year, we plan to further explore how the CRA informed these groups about collection activities and if it tried to reduce the impact of these activities on these individuals and their families.

In addition, there have been a few complainants this year who alleged that the CRA took legal action, which can include freezing their bank account and garnishing their wages, against them for a debt without notifying them first. This was also highlighted in our systemic report Fair Warning¹⁰, published in 2019. The CRA has addressed the recommendations we made in this report. However, more work may be needed to see if there are additional opportunities for the CRA to improve its service.

⁸ ombudsman.sk.ca/app/uploads/2020/01/What-is-Fairness-Jan-2019.pdf

⁹ canada.ca/en/taxpayers-ombudsperson/programs/reports-publications/annual-reports/annual-report-2020-2021

¹⁰ canada.ca/en/taxpayers-ombudsperson/programs/reports-publications/special-reports/fair-warning



Systemic Examination – An examination into the fairness of the audit process for registered charities in Canada.

In 2022–2023, we concluded our systemic examination into the fairness of the audit process for registered charities and published a report titled *Charity Begins with Fairness: More to Explore*¹¹.

We took the time to listen, deepen our knowledge, look at the facts and identify any potential opportunities for the CRA to improve its service to Canadians. Although the CRA provided us with a significant amount of information to help us understand the audit process of registered charities, legislative and administrative obstacles prevented the CRA from sharing some of the information we requested, limiting our ability to further validate some of the information we gathered.

However, we were still able to identify opportunities for the CRA to improve the service it provides to charities. Specifically, with our understanding of the impact that bias can have, the Taxpayers' Ombudsperson recommended to the Minister that the CRA:

- create an unconscious bias training course for CRA employees of the Charities Directorate

- target this course at those involved in the audit process
- make this course mandatory for all employees involved in the audit process, including decision makers

The CRA agreed with our recommendation and provided a list of detailed actions¹² it will take by March 31, 2024, including the introduction of a mandatory training suite tailored to employees of the Charities Directorate. Once the CRA completes its action plan, we will analyze the actions it took and provide an update at canada.ca/oto-influencing-change.

¹¹ canada.ca/en/taxpayers-ombudsperson/programs/reports-publications/special-reports/charity-begins-with-fairness

¹² canada.ca/en/revenue-agency/corporate/about-canada-revenue-agency-cra/service-improvements-updates.html#rpt11

Right 6 – Reliable Information: You have the right to complete, accurate, clear, and timely information from the CRA

Getting complete, accurate, clear and timely information is necessary to understand and comply with Canada's tax laws, obtain benefits and credits and resolve tax issues. As part of the CRA's people-first approach, it commits to providing Canadians with information that is helpful, meaningful, easy to understand and accurate the first time, regardless of the way they communicate. This year, much like many others, we heard from Canadians that the CRA does not always provide them with complete, accurate, clear and timely information.

66%

of the complaints we received this year identified an issue with this right.

What we heard from you:

Complete, accurate and clear information:

We have heard the CRA does not always provide detailed explanations that are easy to understand and may not completely explain why a notice of objection is denied. Some Canadians said agents contradict each other; for example, one complainant alleged that an agent confirmed the CRA had received a document that validated their eligibility for credits, but then another agent told them the CRA had never received the documents.

Timely information:

Some complainants told us that they could not reach a contact centre agent when they needed to speak to the CRA. Some also told us that the CRA did not review

their application in a timely manner and did not provide any information about the delay. One complainant alleged that they called the CRA several times to enquire about the status of their income tax and benefit return, but no one at the CRA could explain why it was taking so long.

Some have also told us that not receiving timely information about their tax affairs negatively impacted them, especially when they were relying on the CRA to deliver timely service so they could provide their family with the basic necessities. This was the case for Sarha.¹³

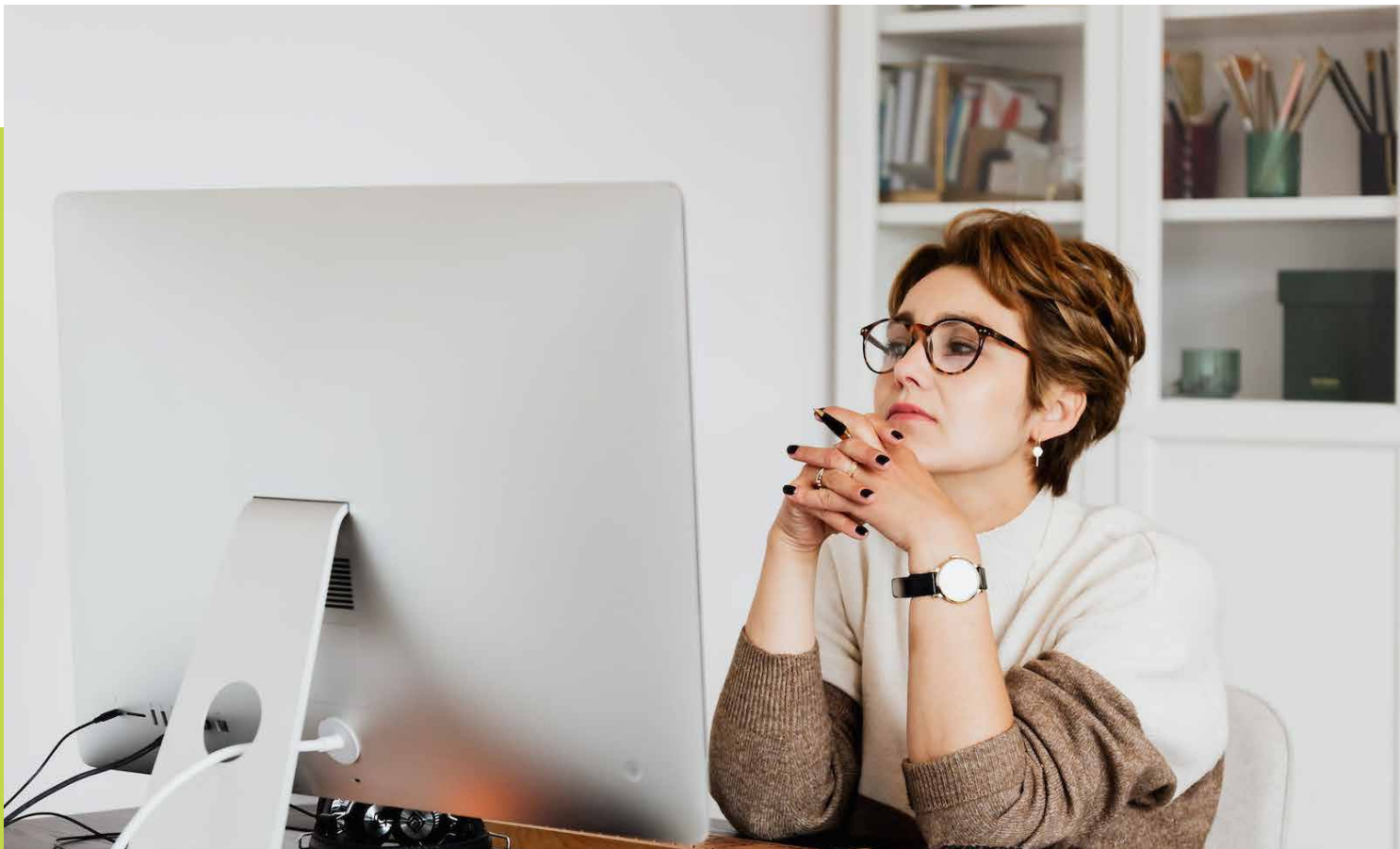
¹³ The following story is based on actual events, but it has been changed to preserve the identity of the complainant, and to combine the common thoughts and feelings expressed by complainants. The names used are entirely fictitious.

The CRA says its goal is to process on-time electronically filed income tax and benefit returns, issue your notice of assessment and send your refund within two weeks, 95% of the time.

So when Sarha filed their return electronically and on-time, they were expecting their refund within two weeks. Unfortunately 15 weeks later, the CRA had still not processed their return. When Sarha called the CRA, the agent could not explain why it was taking so long or provide a date of when Sarha could expect their refund.

The situation was dire because Sarha's spouse was unemployed and their family was planning to use their tax refund to meet their financial responsibilities.

Sarha submitted a complaint, and they told us that the lack of clear information about what was causing the delay was negatively impacting their mental health. As their situation was compelling, we sent an urgent request to the CRA to address the issue. After we became involved, the CRA processed their return and issued the refund.



Systemic examination – Communications the CRA provided to taxpayers after it locked out some users from their CRA accounts

On January 24, 2023, we published our report, *The Lockout: Communication Was the Key*¹⁴, about communications the CRA provided to taxpayers after it locked out some users from their CRA accounts.

The CRA had locked out 187,000 users from their accounts mid-February 2021 in an effort to protect accounts that may have been compromised. Subsequently, the CRA released a statement indicating that credentials associated with the locked accounts would be revoked, and instructions were made available to impacted individuals on how to regain access to their CRA account. The news release noted the revocations would start on March 13, 2021. However, many affected taxpayers expressed concerns about the lack of clear and timely communication from the CRA.

When CRA account users were locked out, the CRA should have been ready with a clear and useful communication strategy to address the concerns of confused, worried and frustrated taxpayers. Clear communication should have been the CRA's primary concern after safeguarding taxpayer information. Therefore, we opened a systemic examination to analyze the CRA's communication approach and to determine whether there were opportunities for service improvement.

The report includes five recommendations:

1. The CRA should review its communications processes to make sure it proactively informs Canadians about issues that could affect them.
2. The CRA should ensure its web page alerts always provide current information.
3. The CRA should ensure that it always provides a link for more information to a Government of Canada web page from its social media posts.
4. The CRA should make the information it provides to media outlets available to Canadians at the same time.
5. The CRA should make sure it has adaptable plans to communicate emerging issues effectively.

The CRA agreed with all our recommendations. However, its response did not detail the concrete actions it will take, but rather its current processes. Consequently, Canadians and our Office continue to observe issues related to communications at the CRA. That said, we are hopeful that when the CRA provides an update, it will detail more of the actions it has taken in light of the recommendations we made.

¹⁴ canada.ca/en/taxpayers-ombudsperson/programs/reports-publications/special-reports/the-lockout

Service Improvement Request – Information the CRA provides to Indigenous Peoples

The CRA has targeted web pages¹⁵, outreach materials¹⁶ and visits¹⁷ for specific segments of the population, including Indigenous Peoples. The resources generally provide tax and benefit information as well as other information that would assist a specific segment of the population.

We reviewed the information the CRA provides to Indigenous Peoples. Although we recognize that it makes an effort to provide information specifically for Indigenous Peoples, our review showed that in some areas this information can be inaccurate, unclear, and not always provided in a timely fashion. Therefore, the Taxpayers' Ombudsperson requested that the CRA:

1. develop a review strategy to ensure the information it provides to Indigenous Peoples is complete, accurate, and clear;
2. update all the information it is providing to Indigenous Peoples that is out of date; and
3. find a solution to ensure timely and up-to-date information is provided to Indigenous Peoples before each tax filing season.

The CRA agreed with each request and informed us that it is currently developing a plan to improve the content provided to Indigenous Peoples on the CRA's Indigenous web page and in outreach materials. Also, it is considering an opportunity for a systematic review of the information on its web page and in outreach materials, with a focus on delivering complete, clear, timely and accurate information to Indigenous Peoples.



¹⁵ canada.ca/en/services/taxes/income-tax/personal-income-tax/who-should-file-tax

¹⁶ canada.ca/outreachmaterials

¹⁷ canada.ca/lets-work-together

Service Improvement Request – Information the CRA provides to Canadians in an abusive or violent situation

In September 2021, we requested that the CRA create an active web page for Canadians about what to do if the CRA requires or requests information, such as spousal information, that may put them in danger. We made this request because we found that, at that time, the CRA was not providing complete or clear information on Canada.ca, and the information that was available spoke only to a segment of those who could be in an abusive or violent situation. Specifically, the content was directed at women in shelters. As a result, it was not easy for Canadians in an abusive or violent situation to find the information they needed.

Taking action on our request, the CRA released the web page *Getting benefits and credits when in an abusive or violent situation*¹⁸ in December 2021. Since its release, thousands of Canadians have used the web page as a resource and have been empowered with more complete information.

While we have been pleased with the CRA's implementation of our request, more work is needed to help Canadians who experience gender-based violence in its many forms. Additionally, this web page still needs to be improved to fully meet the needs of its target audience. Therefore, this year the Taxpayers'

Ombudsperson requested that the CRA make the following service improvements:

1. consult with internal and external stakeholders to:
 - ensure that Getting benefits and credits when in an abusive or violent situation meets the needs of those, in an abusive or violent situation
 - create a gender-based violence factsheet
2. ensure that it applies Gender-based Analysis Plus¹⁹ to its policies, products, and processes
3. ensure that its processes are easy to navigate and accessible by allowing those in an abusive or violent situation to contact one area that can help them with updating all of their information.

In its response, the CRA recognized the need and opportunity to provide pertinent and easily accessible information to those impacted by gender-based violence. It also indicated that it would consult with its internal and external partners in order to assess the specific needs of this audience as well as the current state of related documents, products and web presence.

Did you know?

Gender-based Analysis Plus is an analytical process that provides a rigorous method for the assessment of systemic inequalities, as well as a means to assess how diverse groups of women, men and gender-diverse people may experience policies, programs and initiatives.²⁰

¹⁸ canada.ca/en/revenue-agency/services/child-family-benefits/benefits-credits-abusive-violent-situation

¹⁹ <https://women-gender-equality.canada.ca/en/gender-based-analysis-plus.html>

²⁰ Government of Canada, Women and Gender Equality Canada.

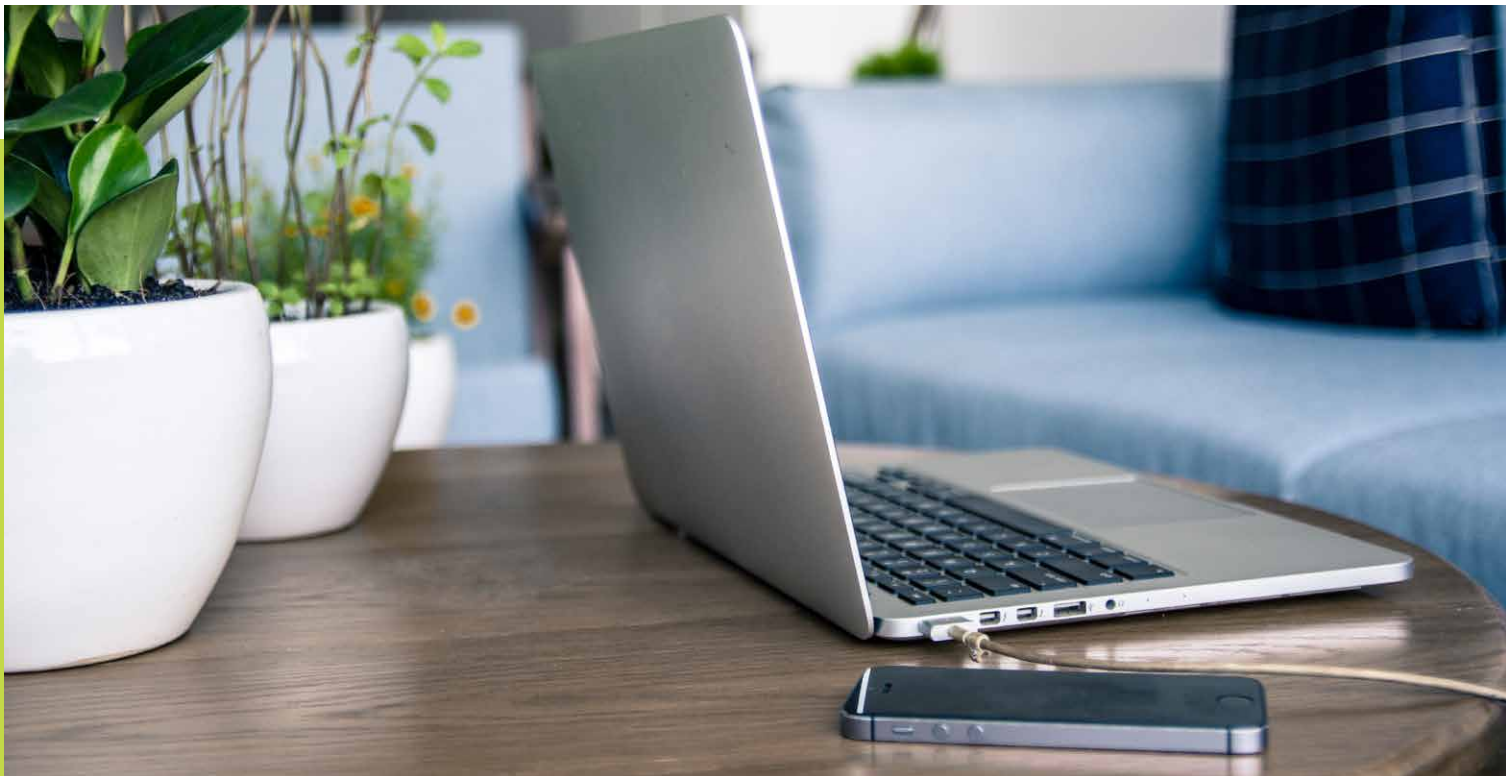
Service improvement observations

As the CRA ramped up its debt recovery activities, we observed a lack of clear information provided by the CRA before it started collecting. This led to concerns and confusion among Canadians because the CRA did not make it clear how benefit and credit payments, as well as tax refunds, would be applied to pay down outstanding balances. This situation prompted us to request general information from the CRA to clarify some of the information it was giving Canadians.

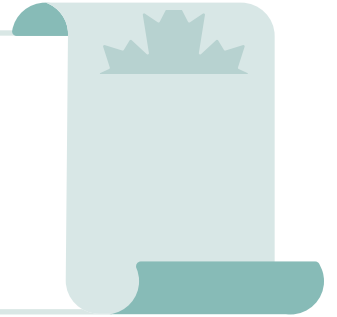
The CRA provided responses to our questions, but when we asked how it automatically recovers COVID-19 benefit debt from employment insurance (EI) benefit recipients, it told us to contact Employment and Social Development Canada (ESDC) for a comprehensive response. It was, therefore, unclear how, or if, the CRA provides notice to Canadians before it starts automatically recovering debts from EI benefit recipients.

If the CRA cannot give us more comprehensive answers, then it is possible Canadians might face the same issue when they reach out to the CRA themselves.

Even though the involvement of other government departments can sometimes make a taxpayer's situation more complicated, the goal of providing complete, accurate and clear information to Canadians includes being able to provide answers on how the methods and procedures in place work. Failure to provide the information in a timely manner can lead to increased taxpayer enquiries, in particular the number of calls, which increases contact centres' workload. We believe that the CRA providing reliable information at the right time will contribute to lowering service-related issues.



Right 9 – Right to complain: You have the right to lodge a service complaint with the CRA and be provided with an explanation of its findings



What we heard from you:

Sometimes the service the CRA provides to Canadians does not live up to expectations. Taxpayer Right 9 allows people to complain to the CRA and for it to provide them with an explanation. This is done through submitting a complaint to CRA Service Feedback; however, since the COVID-19 pandemic, the CRA has not been able to address complaints quickly, and many times it has exceeded its own 30-business-day service standard.

What we heard from complainants:

- The CRA did not meet its service standard and did not provide any explanation about the delay.²¹
- The CRA did not provide a clear and full explanation regarding the complaint.
- The CRA told the complainant that they could not make a complaint.
- The CRA did not confirm that it had received the complaint.

²¹ The CRA service standard for service complaints is to resolve complaints within 30 business days of receiving them. canada.ca/en/revenue-agency/services/about-canada-revenue-agency-cra/service-standards-cra/service-standards-2022-23.html#ds1

Observations:

Delays in processing service complaints

Prioritizing critical work at the beginning of the pandemic meant that processing service complaints at the CRA was put on hold while it focused its efforts on providing Canadians with COVID-19 emergency benefits. We felt this approach was the right one; however, with the CRA's resumption of normal operations, we expected complaints to be actioned quickly. However, this did not happen.

We understand CRA Service Feedback has seen a significant increase in work, just as our Office has, and we are satisfied with the actions it has taken to reduce its backlog. However, during its effort to reduce the backlog, the CRA did not proactively inform Canadians on its web page of the delays to process complaints. Consequently, we received numerous complaints about Service Feedback delays.

Therefore, in the summer of 2022, we suggested that the CRA add a banner on its Submit Service feedback web page to inform Canadians of its delays

in processing complaints. It agreed to consider the suggestion but ultimately decided not to put a banner on its web page. This left many Canadians in the dark, not knowing there were delays unless they called the CRA to enquire. A banner was added to the web page the following year, in the summer of 2023.

However, we found that the CRA did not provide its employees with the update through internal methods. Consequently, we received numerous complaints that taxpayers were receiving information from agents about the processing time from Service Feedback that differed from the information posted on its web page.

While we were very aware of the CRA Service Feedback delays, we also know other areas had delays that Canadians only became informed of once they contacted the CRA.

RECOMMENDATION ONE

Please note that recommendations in this annual report are made to the Minister of National Revenue and the Chair of the Board of Management.



The Taxpayers' Ombudsperson recommends that the CRA proactively inform Canadians on Canada.ca of delays a program may be experiencing to increase transparency and provide Canadians with the information they need.



System Modernization

This year, we were pleased to see the CRA launched a method for Canadians to be able to give feedback (compliments, complaints and suggestions) online, without needing to sign in to their CRA account. Although we welcomed this initiative, the online form does not allow Canadians to provide additional supporting documents. The absence of this feature could extend the processing time if the CRA needs to request additional documents. We know the CRA is always looking to improve its service, and allowing Canadians to provide supporting documents with their online feedback would be a positive step in this direction.

Accessibility-related feedback

Beginning in January 2023, the CRA began accepting feedback on accessibility. We observed that the Submit accessibility feedback²² web page provides additional intake methods, including email, telephone and teletypewriter, to submit feedback that are not made available through the Submit service feedback²³ web page. In addition, it was not clear how the CRA was planning to track feedback on accessibility barriers. We requested more information on why the CRA does not offer the same methods to submit service feedback as it does for accessibility-related feedback and on how it tracks this feedback.

The CRA indicated that the Accessible Canada Act prescribes the manner in which the CRA must accept feedback on accessibility, and it introduced additional ways to ensure compliance with the Act. All taxpayers, including persons with disabilities, may use these feedback channels to provide their feedback related to the accessibility of the CRA's programs and services or on its accessibility plan.

It also indicated that for service feedback other than accessibility-related feedback, it chose methods of communication that were widely available, easy to use and highly secure. As well, the CRA stated that although email is a widely used means of communication, it is not yet secure enough to meet its rigorous security standards and to protect taxpayer information. It also stated that it will be exploring and evaluating the possibility of accepting feedback by telephone or teletypewriter in 2023.

While we understand that security is critically important at the CRA, the CRA must also make its services accessible to all Canadians. **Because the CRA does not allow Canadians to submit regular feedback by email, telephone and teletypewriter, it is creating an accessibility barrier to submitting a service complaint for Canadians who need to use those methods to communicate.**

²² canada.ca/en/revenue-agency/campaigns/accessibility-plan/submitting-feedback-about-accessibility

²³ canada.ca/cra-service-complaints



Right 10 – Effort to comply: You have the right to have the costs of compliance taken into account when the CRA is administering tax legislation

What we heard from you:

Complying with Canada’s tax system may cost Canadians time, effort and money. Taxpayer Right 10 entitles you to expect the CRA to minimize compliance costs. This means the CRA should provide its services in a way that avoids unnecessary effort for you to comply. However, we have heard that this does not always happen and that the CRA should improve some of its services to minimize the costs for people to comply.

19%

of the complaints we received this year identified an issue with this right.

What we heard from complainants:

- The CRA was not able to find documents they sent, requiring them to resubmit them.
- Gaining full access to their CRA Account took too long.
- The CRA requested an unnecessary amount of documents.
- They had a difficult time authorizing their representative.
- They waited too long on the phone trying to talk to a CRA agent.

Sample case – Yusha

Yusha applied for the Canada child benefit (CCB) in July. They sent additional documents to the CRA in August and had to re-submit the same documents in September and November. Yusha urgently needed the CCB; without it they were in financial hardship and could not provide their children with the basic necessities, including winter clothes and school supplies. Yusha submitted a complaint²⁴ to us.

We examined Yusha’s complaint, contacted them, and determined their situation was compelling. Therefore, we sent an urgent request to the CRA to contact Yusha and resolve the problem.

Following our request, the CRA contacted Yusha, approved their application, and issued their benefits.

²⁴ canada.ca/oto-submit-complaint

What we heard on outreach

Throughout the year, we visit communities and organizations across Canada. This helps us to better understand where the CRA can improve its services. At the Northwest Territories Association of Communities 2022 Annual General Meeting²⁵, we heard that it is not easy to upload multiple documents at a time in CRA accounts because CRA only allows users to upload one document at a time and does not have a drag and drop feature. We also found that once a file is uploaded, it cannot be previewed and the description is not modifiable.

Not having these basic features increases the costs of compliance for taxpayers and their representatives. While we are aware that the CRA is always exploring ways to improve CRA account features, it must find ways to allow taxpayers and their representatives to upload documents quicker to lessen the burden on them. This would include the modernization of its document upload process so users can upload multiple documents at once.

Service Improvement Request – Minimizing the costs of compliance to access tasks in My Account

The Issue

We reviewed the CRA's new and improved My Account interface, launched in September 2022, and found that it is not always easy to find certain important

information. Even when searching Canada.ca for more information, we found the information was not much clearer and at times inaccurate. For example, we found it was difficult to find where to apply for the Canada child benefit (CCB) if you already had a child and where to get a copy of your proof of income statement. The issue is compounded by the fact that My Account does not allow users to search for tasks from within their My Account.

Our request:

To make it easier for Canadians to use My Account, the Taxpayers' Ombudsperson requested that the CRA:

1. provide more descriptive information on its web pages to guide Canadians on where they need to go in My Account to complete a task
2. add a search function to help Canadians find tasks in My Account
3. add a link from the main My Account page to the proof of income statement

The CRA accepted our request to provide more precise information regarding how to apply for benefits using My Account. In addition, it indicated that it was reviewing our suggestion to add a search feature in My Account and expected to complete that review after October 2024. Further, it has made improvements to the instructions provided to users trying to find the proof of income statement, and it will consider the same approach for other My Account services.

²⁵ <https://nwtac.com/past-annual-general-meetings/>

Observations:

CRA's support for Canadians affected by Hurricane Fiona

Taking into account the costs of compliance when administering tax legislation includes taking into consideration events beyond taxpayers' control but which may create challenges for them to comply with their tax obligations, such as a natural or human-made adverse events.

As background, the Taxpayer Relief Program allows Canadians to request relief from penalties or interest when the following types of situations prevent a taxpayer from meeting their tax obligations:

- extraordinary circumstances;
- CRA actions;
- inability to pay or financial hardship;
- other circumstances

However, for relief, the onus is on the taxpayer to make the request. For this reason, we welcomed the CRA's proactive approach to support Canadians affected by Hurricane Fiona²⁶ in Atlantic Canada and part of Quebec in September 2022. The CRA recommended to the Minister of National Revenue that it extend reporting deadlines to provide relief to impacted Canadians. The Minister approved the recommendation, and the filing and payment deadlines were extended to October 31.

We have heard this approach, when feasible, is effective for reducing the burden on taxpayers requesting relief from penalties and interest and

on the CRA's Taxpayer Relief Program, which in the past few years has seen an unprecedented workload from Canadians affected by floods, wildfires and other extraordinary circumstances. We encourage the CRA to continue to use this proactive approach when appropriate.

Reduction of tax collected at source

To reduce the amount of tax deducted from Canadians' paycheques, the CRA requires them to submit a request.²⁷ When examining a complaint, we discovered that the request form could be submitted electronically, but we found that the CRA did not inform Canadians of this on its web pages or on the form itself. Therefore, Canadians likely continued to submit their forms by paper and fax even though they could have done so electronically. Further, because those who submit the form by paper do not receive confirmation, some may have called the CRA to get confirmation of their submission. This situation increases the burden on taxpayers and increases contact centre call volume. Therefore, the Taxpayers' Ombudsperson requested that the CRA:

- update its forms and web pages to inform taxpayers they can submit them electronically
- find a way to acknowledge receipt of the form when it is sent by mail or fax.

²⁶ canada.ca/en/revenue-agency/news/newsroom/tax-tips/tax-tips-2022/support-canadians-affected-hurricane-fiona

²⁷ T1213 Requests to Reduce Tax Deductions at Source and T1213OAS Request to Reduce Old Age Security Recovery Tax at Source canada.ca/en/revenue-agency/services/forms-publications/forms/t1213oas

Right 11 – Accountability: You have the right to expect the CRA to be accountable

To the CRA, this means that you can expect it to be accountable:

- to you by:
 - providing you with accurate information that is easy to understand
 - explaining its decisions
 - offering you ways to complain about the service you receive
- to Parliament by:
 - making its business plan, departmental results, internal audits, program evaluations and public opinion research publicly available²⁸

What we heard

You told us that the CRA:

- did not explain how long it would take to process some requests
- did not send you information, even after you requested it
- did not provide consistent information
- could not confirm receiving information you sent
- lost your documents
- did not process your payment correctly
- did not update your personal information as requested

- did not have a supervisor to call you back
- provided you with information you could not make sense of
- caused you to waste hours on the phone to reach an agent only to get disconnected

Systemic Change Needed – Setting Clear Expectations

Being accountable to Parliament is important; equally as important is being accountable to you. The CRA can do this by setting clear expectations with Canadians about how long it will take to process a request, application or enquiry.

45%

of the complaints we received this year had an issue with the timeliness of processing.

²⁸ canada.ca/en/revenue-agency/programs/about-canada-revenue-agency-cra/corporate-reports-information

Delays at the CRA was an issue we consistently heard about this year. We received complaints about a variety of situations, including about the CRA:

- having service standards with unreasonably long processing times
- being unable to meet its service standard
- having tax returns and tax-related requests that have no service standard

CRA's Processing of Form T1213 requests

We heard from Canadians complaining about the length of time the CRA was taking to process Form T1213, Request to Reduce Tax Deductions at Source; however, there is no service standard to process this form. Also, the CRA has no publicly available information on how long it takes to process the form. Complainants told us this creates problems, because they had to call the

CRA to find out how long it takes to process the form, which is 30 days, and why the CRA was not meeting that timeframe.

The CRA informed us that it was aware of these delays and had already implemented an action plan to address these service issues. The CRA indicated, however, that there are no externally published processing timeframes, in other words no set service standard, for Form T1213.

This issue extends to other tax-related requests. While the CRA reports its performance against its service standards to Parliament, we found this is not always sufficient for everyday Canadians. For example, there are instances when tax-related requests do not have a service standard, but rather an internal processing time. This does not allow Canadians to know when to expect a response when service standards do not exist.

RECOMMENDATION TWO

The Taxpayers' Ombudsperson recommends that the CRA:

- Update its Check CRA Processing Times²⁹ tool to include tax returns and tax-related requests that have internal processing timeframes but no service standard; and
- Provide links from its income tax and benefit package web page and other tax-related request web pages to the Check CRA Processing Times tool.

By doing so, the CRA would make information on processing times more comprehensive and easily accessible.



²⁹ canada.ca/en/revenue-agency/corporate/contact-information/check-cra-processing-times

Right 13 – Service Standards: You have the right to expect the CRA to publish its service standards and report on them annually

What we heard from you:

Canadians expect to receive a response within a reasonable period of time when they provide something to the CRA. For some of its programs, the CRA has established service standards. These are its public commitments to process items within a certain amount of time, under normal circumstances. While we know the CRA publishes its service standards and reports on them annually, there are areas it can improve in the spirit of this right. For example, we have heard:

- the CRA does not meet its service standards when processing requests
- the CRA's service standards are at times ambiguous as to when "the clock" starts when a request is sent

Observations:

Systemic change needed – Setting clear and updated service standards

Hearing from Canadians helps us identify issues. When examining a complaint, we found it was not always clear what date the CRA measures its performance against. For example, for service complaints, before February 17, 2023, the CRA indicated:

"Our goal is to resolve the complaint within 30 business days."³⁰

When we initially looked into this, it did not identify when the 30 days started, whether it be the date a file is assigned to an officer, the date it was received by the CRA, or the date it was sent to the CRA. However, after we brought this to the CRA's attention, it did amend this statement to:

"Our goal is to resolve the complaint within 30 business days of receiving your complaint."

That said, we examined some of the CRA's service standards and found that it did not always provide Canadians with clear, comprehensive and consistent information and relevant timeframes on its Service Standards³¹ web page. We also found the web page contained irrelevant information that may prevent Canadians from quickly finding the information they need.

Therefore, we requested that the CRA update the information it provides about its service standards and make sure it is relevant so visitors can quickly find the information they need.

The CRA's service standards are not on the CRA's landing page

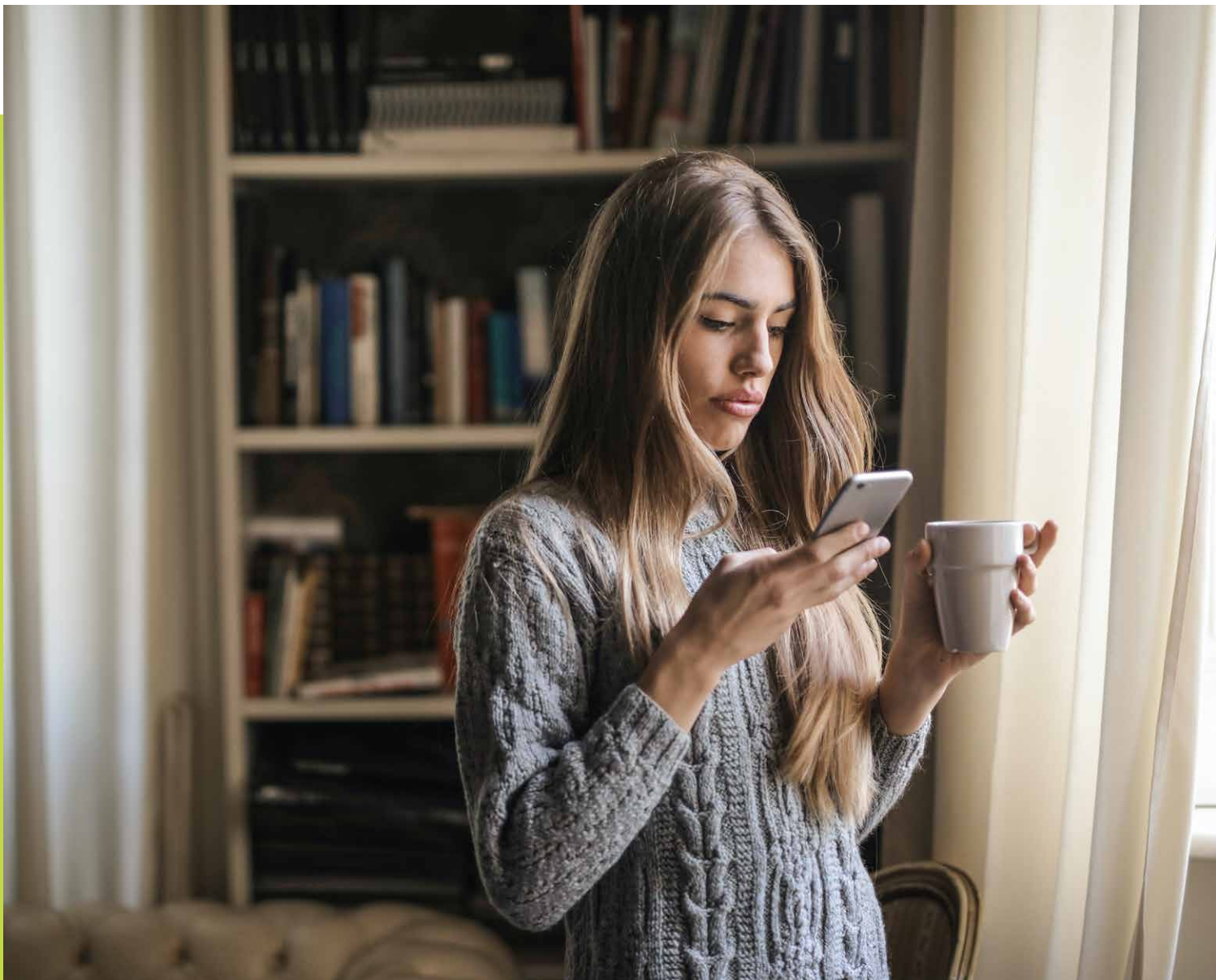
One thing that we hear from complainants is that it is difficult to find the CRA's service standards. While we are aware the CRA generally includes its processing

³⁰ canada.ca/en/revenue-agency/services/about-canada-revenue-agency-cra/service-standards-cra/service-standards-2022-23

³¹ canada.ca/en/revenue-agency/services/about-canada-revenue-agency-cra/service-standards-cra/service-standards-2022-23

times on specific web pages linked to a tax-related request, it also has a dedicated web page for all its service standards. However, you cannot find a link to this web page from the CRA's landing page. Other government agencies see value in making their service standards page accessible from their landing page.

The CRA should consider adding a link to its Check Processing Time tool from its landing page. This tool uses the information found in the CRA's service standards to provide Canadians with an easier way to find out when their tax return and tax-related requests will be processed. The more options the CRA can provide to the taxpayers, the better.



Right 14 – You have the right to expect the CRA to warn you about questionable tax schemes in a timely manner

What we heard from you:

Observations:

Promoting tax schemes or participating in them may lead to serious consequences such as penalties, court fines and imprisonment. Therefore, it is important for Canadians to receive information that will help them protect themselves against these schemes. We previously published a systemic report, *Donor Beware*³², about the sufficiency of the CRA's warnings about questionable tax shelter schemes.

The CRA can only alert you about the tax schemes it is aware of, has under scrutiny, and has determined to be questionable. Consequently, before the CRA identifies a scheme as potentially questionable and therefore worth warning Canadians about, some may have already been affected by it. This reflects the challenges in upholding Taxpayer Right 14.

Systemic Change Suggested – Provide timely information about tax schemes proactively

While we welcome the CRA's efforts to make Canadians aware about tax schemes that promise to reduce your taxes³³, it could provide Canadians with more outreach materials, such as what it does for scams³⁴. In addition, the CRA could provide more timely information through its "Tax tips."³⁵

While we do not receive complaints that we can review, as we cannot review any decision of or proceeding before a court, we believe more can be done to provide Canadians with what they are entitled to from Taxpayer Right 14.

The CRA may want to consider:

- developing additional outreach materials on tax schemes
- continuing to add tax scheme examples to its Beware of tax schemes web page once it is aware of a new scheme, much like it does on its CRA Scam Alerts³⁶ web page

³² [canada.ca/en/taxpayers-ombudsperson/programs/reports-publications/special-reports/donor-beware](https://www.canada.ca/en/taxpayers-ombudsperson/programs/reports-publications/special-reports/donor-beware)

³³ [canada.ca/en/revenue-agency/campaigns/tax-schemes](https://www.canada.ca/en/revenue-agency/campaigns/tax-schemes)

³⁴ [canada.ca/en/revenue-agency/news/cra-multimedia-library/individuals-video-gallery/webinar-be-scam-smart](https://www.canada.ca/en/revenue-agency/news/cra-multimedia-library/individuals-video-gallery/webinar-be-scam-smart)

³⁵ [canada.ca/en/revenue-agency/news/newsroom/tax-tips](https://www.canada.ca/en/revenue-agency/news/newsroom/tax-tips)

³⁶ [canada.ca/crascamalert](https://www.canada.ca/crascamalert)

Right 15 – Representation: You have the right to be represented by a person of your choice

Canada has a self-assessment tax system³⁷, so taxpayers are legally responsible for their own tax and benefit affairs. However, they may not always fully understand the finer details because of the complexity of the system and the legislation³⁸ that guides it. To this point, in December 2017, the Standing Senate Committee on National Finance recommended that the Government of Canada “undertake an independent comprehensive review of Canada’s tax system with the goal of reducing complexity, ensuring economic competitiveness, and enhancing overall fairness.”³⁹

In addition to the complexity issue, taxpayers may not have the time, energy or expertise to handle their tax affairs on their own. Therefore, they may rely on someone else to represent them.

Taxpayer Right 15 entitles a person to choose whomever they want to represent them when dealing with the CRA. This means Canadians can expect the CRA to deal with the person they authorize to represent them.

Service Improvement Request – Canadians’ right to be represented by a person of their choice

In the Fall of 2022, we attended the Chartered Professional Accountants Forum North⁴⁰. During our attendance, we heard concerns with the CRA’s approach in its Assisted Compliance program⁴¹. The Assisted Compliance program has CRA officers contacting taxpayers instead of their tax preparer, who may also be their authorized representative.

We found that encouraging taxpayers to contact a CRA officer first, before contacting their representative, may create an issue. Individual taxpayers may rely on the expertise of their representatives for tax planning and may not fully understand the fine details because they leave them in the hands of their representatives and tax professionals.

³⁷ canada.ca/en/revenue-agency/corporate/about-canada-revenue-agency-cra/tax-canada-a-conceptual-study/tax-assured-tax-gap-federal-personal-income-tax-system.html#_Toc482973748

³⁸ cdhowe.org/sites/default/files/2022-02/Commentary_616%20%281%29.pdf

³⁹ Fair, Simple and Competitive Taxation: The Way Forward for Canada (Recommendation 2) https://sencanada.ca/content/sen/committee/421/NFFN/Reports/NFFN_Tax_Planning_24th_Report_e.pdf

⁴⁰ edmontoncpaclub.ca/page-689769

⁴¹ canada.ca/en/revenue-agency/programs/about-canada-revenue-agency-cra/compliance/assisted-compliance-program

Did you know?

The CRA indicates that its Assisted Compliance program offers support to businesses and self-employed individuals by helping them understand their tax obligations and how to meet them.

While CRA officers can discuss tax obligations with taxpayers, those who need help to plan their tax matters are instructed to contact an accountant, a financial advisor or a tax expert. Therefore, advising taxpayers to contact the CRA prior to their tax preparer may limit individuals from receiving crucial tax advice about their tax and benefit affairs. This could lead taxpayers to being less informed about their taxes when contacting the CRA first.

Therefore, we requested that the CRA update its publicly available information to remove instances where it suggests taxpayers contact the CRA first when they want to be represented by a person of their choice.

After the CRA received the request, it informed us that it was already in the process of updating the Assisted Compliance program web page to remove the wording asking taxpayers to contact the CRA before they contact their authorized representative. The CRA has since finished the updates, and we were pleased to see that the web page no longer has the content that we flagged. However, the CRA should not stop there. It is important that the CRA continue to look for opportunities to make interactions easier for taxpayers and their representatives.



TESTIMONIALS – REAL PEOPLE, REAL CHANGE

Received by OTO employees:

“

All (amounts) that I was entitled to have been paid to me [...]. I would like to thank you sincerely very much for your help regarding [my tax] matter!

”

“

I thank you very much for your help as it seems that after I contacted you, Revenue Canada was quick to assign someone to solve my case. It was the first time that I have used the services of your office and it was indeed a real pleasure working with you as you handled my case in a very timely manner.

”

“

Je voudrais vous remercier de m'avoir aidé dans mon dossier. Elle était super gentille et accueillante, ... Elle n'a jamais raccroché le téléphone sur mon nez, elle ne me traitait pas comme si c'était une faveur, et surtout, elle ne parlait pas en même temps que moi. De plus, elle m'a vraiment écouté.

Translation: I would like to thank you for helping me with my file. She was super nice and welcoming... She never hung up the phone on me, she didn't treat me like it was a favour, and most importantly, she didn't talk over me. Plus, she actually listened to me.

”

“

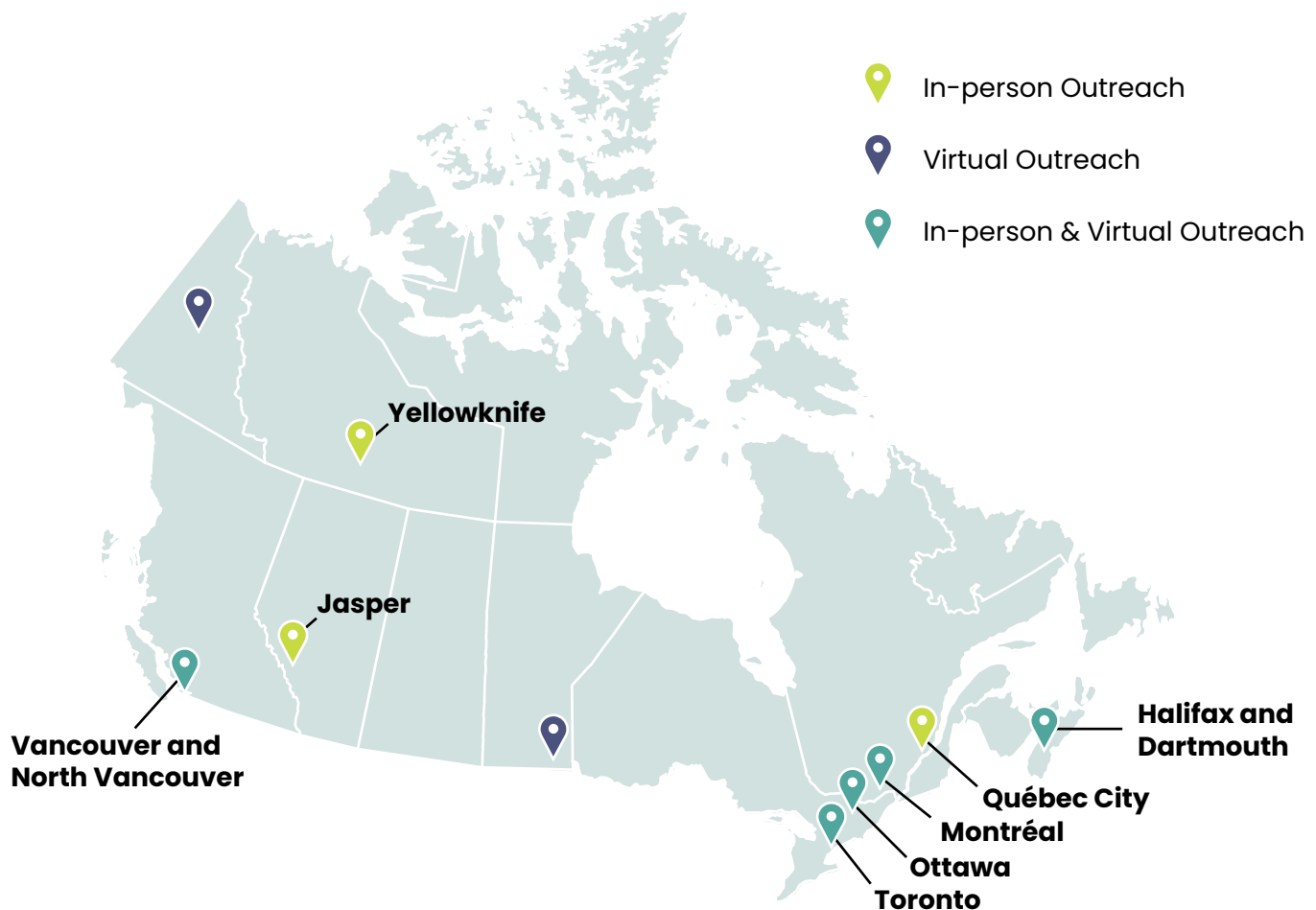
Merci encore pour la vitesse d'intervention de votre organisme, les résultats sont positifs.

Translation: Thank you again for the speed of your organization's intervention, the results are positive.

”

Note: The testimonials are based on actual files but some situations have been edited to protect the privacy of the complainant.

CONNECTING WITH CANADIANS



We began the last fiscal year with the majority of our outreach events taking place virtually. Although virtual meetings were useful for connecting with organizations to promote awareness of our Office and to hear about service issues at the CRA, many rural communities, including those in northern Canada, do not have access to reliable Internet service. Therefore, it was welcome that there were more opportunities for in person conferences and meetings with community organizations starting in the fall.

Whether virtually or in person, we met with a variety of groups to hear about their experiences with the CRA. Across the country, we received important

insights from tax professionals, lawyers, academics, other ombudsman offices and CRA tax services office employees, hearing both inside and outside perspectives of the CRA and government policy in general.

However, we cannot understate the importance of our meetings with community organizations. We met with many non-profit organizations serving hard-to-reach and at-risk populations in Canada, including those residing in northern communities, seniors, Canadians facing poverty, Indigenous Peoples and organizations representing people experiencing gender-based violence.

SERVING THE MOST VULNERABLE

The CRA has a dual role: on one hand, it administers tax programs and promotes compliance with Canada's tax legislation and regulations, and on the other hand, it administers benefits and credits, including for certain provincial and territorial programs. Benefits and credits such as the Canada child benefit (CCB), the goods and services tax/harmonized sales tax (GST/HST) credit, the new Canada Dental Benefit and the disability tax credit are just a few examples of the more than a hundred programs the CRA administers. In addition, the CRA administered a suite of important benefits that helped Canadians and businesses during the COVID-19 pandemic.

It is true that not all taxpayers are legally required to file a tax return. Taxpayers **must** file an individual income tax and benefit return when⁴²:

- they have to pay tax for the year
- they want to claim a refund
- the CRA sent them a request to file a return
- they, or their spouse of common-law partner, want to begin or continue receiving the following payments (including any related provincial or territorial payments):
 - the CCB
 - the GST/HST credit
 - the guaranteed income supplement

What about those who do not file? They are simply called non-filers. Do we know who they are or how many there are in Canada year after year? Not quite, but some scholars have studied the issue:

Approximately 10–12 percent of Canadians, however, do not file a return; as a result, they will not receive the benefits for which they are otherwise eligible... We also estimate that the value of cash benefits lost to working-age non-filers was \$1.7 billion in 2015.⁴³

It is important to recognize that non-filers also include people who have taxable income and owe personal income tax but choose not to file. These people may not be entitled to benefits and credits based on their income level and may also find themselves the focus of the CRA's compliance activities. However, these particular non-filers are not the focus of our attention.

The CRA and our Office want to help reach the vulnerable non-filers of our population and make them aware of the importance of tax filing, as doing so can result in tax credits and benefit payments that would assist them. Filing can also unlock a person's entitlement to provincial and even municipal benefits.

⁴² canada.ca/en/revenue-agency/services/tax/individuals/topics/about-your-tax-return/you-have-file-a-return

⁴³ Who Doesn't File a Tax Return? A Portrait of Non-Filers | Canadian Public Policy utpjournals.press/doi/full/10.3138/cpp.2019-063

Vulnerable populations are a collection of diverse individuals who are disadvantaged or marginalized in some way. This could be due to socio-economic factors, living situations or difficulties accessing government services. The CRA defines vulnerable populations as:

- adults 65 years and older
- housing-insecure individuals
- Indigenous Peoples
- modest-income individuals
- newcomers
- persons with disabilities
- students

The CRA has invested, and continues to invest, significant time, effort and resources into reaching vulnerable non-filers and helping them get their benefits and credits. For example, over the years the CRA has conducted public opinion research to help identify

barriers to tax filing⁴⁴. It enhanced the Community Volunteer Income Tax Program and expanded its outreach program. The CRA also introduced the File my Return⁴⁵ automated phone service and the Individual Tax Filing Assistance⁴⁶ program. It also created new learning products about taxes and recorded videos and webinars⁴⁷ for individuals and families, particularly targeting our most vulnerable.

Indigenous Peoples

The CRA conducted public opinion research⁴⁸ to explore the barriers or variables that may influence Indigenous Peoples' participation in the tax system. The CRA informed us that this research is contributing to the development of a CRA-wide strategy to guide its approach to better serve and inform Indigenous Peoples so they can fully participate in the CRA's tax and benefit administration. We look forward to learning more about this strategy and how the CRA plans to measure its success.

⁴⁴ Barriers associated with tax filing in vulnerable populations: qualitative research: final report https://epe.lac-bac.gc.ca/100/200/301/pwgsc-tpsgc/por-ef/canada_revenue_agency/2017/103-16-e/index.html

⁴⁵ canada.ca/file-my-return

⁴⁶ canada.ca/en/revenue-agency/services/tax/individuals/community-volunteer-income-tax-program/individual-tax-filing-assistance

⁴⁷ canada.ca/individuals-video-gallery

⁴⁸ Understanding Indigenous experience with tax filing (2022): report https://epe.bac-lac.gc.ca/100/200/301/pwgsc-tpsgc/por-ef/canada_revenue_agency/2023/139-21-e/index.html

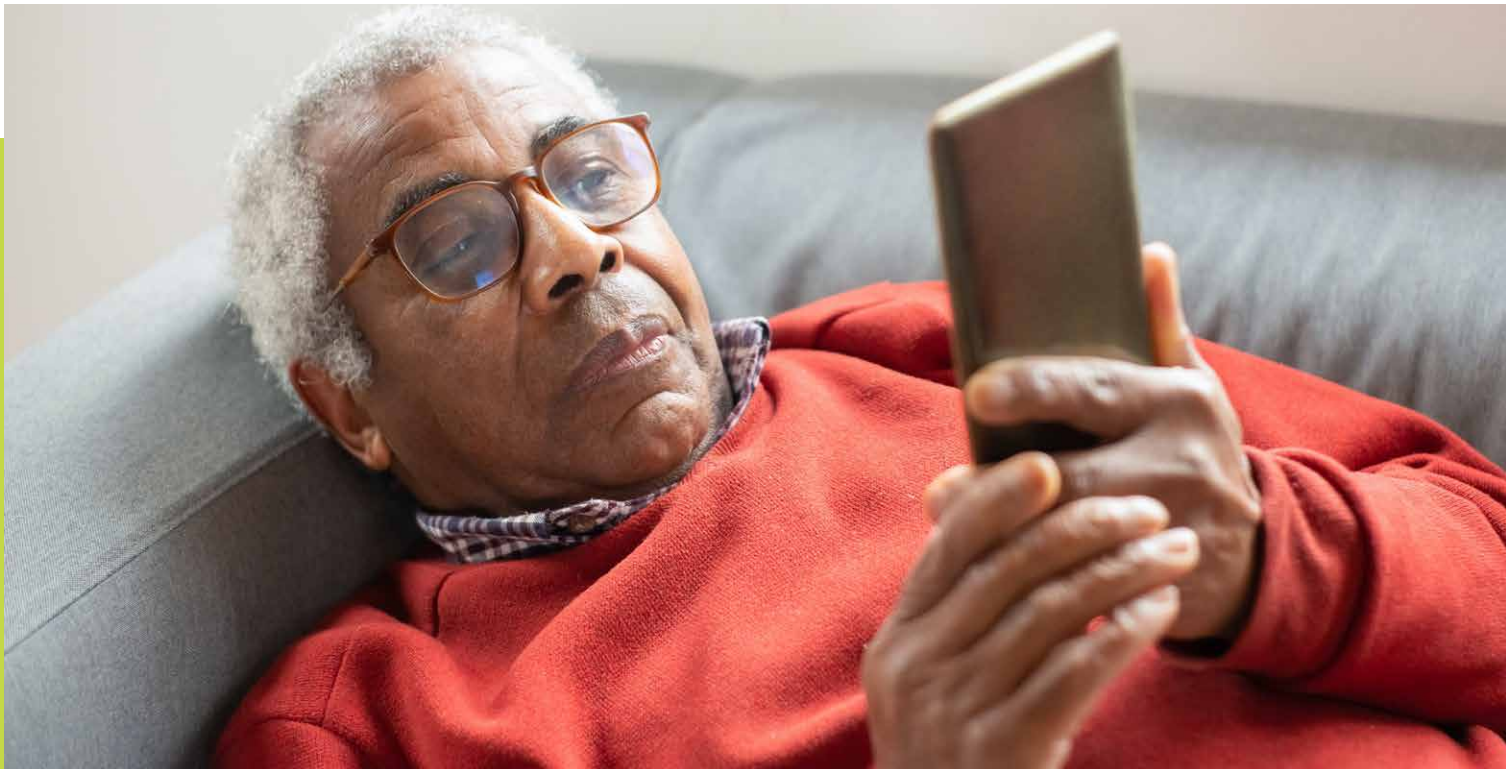
Benefits Outreach Program

The CRA made available helpful benefits and credits factsheets and infographics to print and share on its Outreach materials to print and share⁴⁹ page. These products target students, newcomers to Canada, Indigenous Peoples, adults aged 65 years and older, and more. Some of these products are available in languages besides English and French, and the factsheet on Indigenous Peoples is available in 14 Indigenous languages.

The CRA also published a new web page, New to Canada and filing your taxes? Here are tips to help you!⁵⁰. For the very first time, the CRA translated a tax tip for newcomers to Canada in 11 languages, other

than English and French. The tax tip included a link to an excellent CRA video titled Benefits and Credits for Newcomers to Canada⁵¹, which is also available in other languages than our official languages.

However, when we met with several groups recognized by Immigration, Refugees and Citizenship Canada (IRCC) as settlement agencies, some told us they were unaware of the video. Since then, the CRA has informed us that it is working with other government department partners to explore opportunities to cross-promote messaging, such as the creation of the CRA Newcomer Toolkit and more, for IRCC to share with its settlement service providers.



⁴⁹ canada.ca/outreach-materials

⁵⁰ canada.ca/en/revenue-agency/news/newsroom/tax-tips/tax-filing-season-media-kit/new-canada-filing-taxes-here-are-tips-help-you

⁵¹ canada.ca/en/revenue-agency/news/cra-multimedia-library/individuals-video-gallery/benefits-credits-newcomers-canada

Free tax clinics

The CRA continued to promote its long-running Community Volunteer Income Tax Program (CVITP), which is known as the Income Tax Assistance - Volunteer Program (ITAVP) in Quebec. The CVITP and ITAVP support organizations hosting free tax-filing clinics, which help hundreds of thousands of lower income individuals across Canada each year file their income tax and benefit returns. From January 1 to December 31, 2022, the CVITP prepared 735,450 federal income tax returns.

We have met with a number of CVITP host organizations over the years, and they have consistently had very positive feedback on the program itself and on the CRA's CVITP coordinators who assist them.

The CVITP Grant Program, a three-year pilot program that began in February 2021, helps organizations offset the cost of hosting free tax clinics and provides funding to them based on the number of federal income tax returns filed. Last year, the CRA continued to promote the grant, including by launching a webinar⁵² to help organizations apply for it.

It was welcome news when the Minister announced⁵³ that the CVITP Grant Program's base funding amount was being tripled, because since the pilot project was launched in 2021, some organizations had told us they felt the level of funding provided by the CVITP Grant Program was not always sufficient.

This significant increase to the CVITP Grant Program's funding is a very positive measure. The CRA informed us that the CVITP year-end survey results showed that 1 in 4 respondents involved in the application process indicated that “the Grant did influence their decision to run a free tax clinic” and that 81% “were satisfied with the Grant application process.”

Interestingly, when we visited several tax clinics in Quebec, they told us that the application and reimbursement process for the grant administered by the provincial tax authority, Revenu Québec, was simpler and much less administrative than the process they had to follow for the federal grant administered by the CRA. While we were not able to validate what we heard in time for this report, we understand that the many organizations hosting tax clinics have limited resources, so reducing their paperwork related to any government process is likely welcome and appreciated. During the next fiscal year, we intend to look into these processes further.

The CRA informed us that upon the conclusion of the pilot project in 2023, it will analyze the results and determine whether to make the CVITP Grant Program permanent.

⁵² canada.ca/en/revenue-agency/news/cra-multimedia-library/individuals-video-gallery/community-volunteer-income-tax-program-cvitp-grant

⁵³ canada.ca/en/revenue-agency/news/2023/05/minister-lebouthillier-announces-increased-funding-for-organizations-that-help-vulnerable-people-access-benefits-and-credits

RECOMMENDATION THREE



The Taxpayers' Ombudsperson recommends that the CRA

- a) simplify the administrative process for the tax clinics and continue offering the Grant Program for the Community Volunteer Income Tax Program (CVITP) and the Income Tax Assistance – Volunteer Program (ITAVP) in Quebec; and,
- b) consider making long term investments in the program for the benefit of Canadians.

We believe the CVITP Grant program should be stable and predictable, as it supports the important work of volunteers from community organizations across Canada to help hundreds of thousands of eligible people file their returns for free and to receive the benefits and credits they are entitled to.

Other initiatives

In addition to being responsible for the one-time top-up to the Canada Housing Benefit, which helped low-income renters with the cost of renting, the CRA is also administering the new interim Canada Dental Benefit to help eligible families with dental care costs for their children under age 12. This benefit is expected to help

up to 500,000 children get the dental care they need. It is the first step toward providing dental coverage for Canadian families who need it most.⁵⁴

We met with the CRA to better understand how the interim Canada Dental Benefit would be administered. We learned that to qualify for the benefit, applicants must be receiving Canada child benefit payments, not have private dental insurance, and have filed their tax return for the previous year. The dental benefit also requires applicants to attest to key information and retain the necessary receipts, as the CRA may later review the claim as a part of its verification processes.

It appears the CRA's implementation of the interim dental benefit has been positive so far. Our Office did not receive any complaints during the first application

⁵⁴ Delivering dental care for children now | Prime Minister of Canada <https://pm.gc.ca/en/news/news-releases/2022/12/01/delivering-dental-care-children-now>

period of October 1, 2022, to June 30, 2023. However, this benefit requires Canadians to apply when their children need dental service because dental offices cannot directly bill the CRA. This increases the amount of effort eligible families need to make. We recognize that the current dental benefit is an interim measure, and hopefully the permanent dental benefit will allow for direct billing.

Our Office will be watching how the CRA further validates the eligibility for dental benefits, as it indicates that applicants must keep their receipts for six years. We are interested because the CRA's validation process of COVID 19 benefits lead to many complaints to our Office, as it created financial hardship for some Canadians who were later found to be ineligible and had to repay their benefits.

In addition to the many measures already put in place or in progress mentioned above, we were pleased that Budget 2023 announced that the CRA will almost triple the number of Canadians eligible for its File my Return service. The budget also announced that the CRA would pilot a new automatic filing service to help vulnerable Canadians who currently do not file their returns to receive their benefits.

Before the CRA starts to pilot the new automatic filing service, it is consulting with stakeholders and community organizations. These consultations will be an important resource for the CRA as it develops and implements automatic filing. Our Office will be following the CRA's progress closely to make sure that this service works as intended—that it helps get money to those who need it most.

While the CRA's efforts have no doubt successfully reached a portion of non-filers and have turned them into tax filers, some people still do not seem to see

the benefit to filing or have not been reached by the CRA. In fact, the 2022 Reports of the Auditor General of Canada found that the CRA and Employment and Social Development Canada have more work to do in order to help hard-to-reach populations obtain the benefits put in place to assist low-income Canadians.⁵⁵

When a vulnerable non-filer files their return, the results can be transformative. We heard about a woman who experienced homelessness for several years and had not filed her tax returns in eight years. With the help of a non-profit organization, she was able to bring her tax filings up-to-date. She was then able to receive current and retroactive benefits and credits, to the extent that she was able to rent a place to live. She successfully ended the cycle of homelessness she had experienced for a number of years.

Anyone could, at some point in their life, find themselves in a place where they need to rely on benefits. The CRA has a clear duty, by law, to administer these benefits. As part of this duty, the CRA must increase its efforts to prioritize educating and assisting non-filers by making all possible efforts to reach out to them.

How many non-filers do we have in Canada?

Where to start? Maybe a first clue would be to fully understand who we are talking about exactly and how many of Canadians are non-filers every year. While we do acknowledge that it would be somewhat difficult to know precisely who they are by name, we strongly believe there are ways in which the CRA could figure out a way to know the number of non-filers for each year, perhaps in collaboration with Statistics Canada. By analyzing data, the CRA could even know where these Canadians are and therefore adapt strategies to be able to reach them.

⁵⁵ Report 1—Access to Benefits for Hard-to-Reach Populations https://www.oag-bvg.gc.ca/internet/English/parl_oag_202205_01_e_44033.html

RECOMMENDATION FOUR



The Taxpayers' Ombudsperson recommends that the CRA find new ways to estimate and identify non-filers in Canada and their demographical make-up. The CRA will then be able to use this data to better educate and inform vulnerable populations who may be entitled to apply for benefits but who are not currently receiving them.

Over the course of the current Ombudsperson's remaining mandate, our Office will come back to this extremely important issue of non-filers and how the Government of Canada, namely through the CRA, could and should continue to make every effort to reach them, either directly or with the help of not-for-profit organizations.

Our Office's engagement

In terms of our Office's own efforts, last year we regularly met with organizations who support vulnerable populations to learn more about the work they do as well as their experiences with the CRA. We explained our role, how we can help address CRA service issues, and how we can also facilitate contact with the CRA for individuals with compelling situations. We were continually impressed by the organizations' dedication and empathy towards, and their advocacy on behalf of, those they serve.

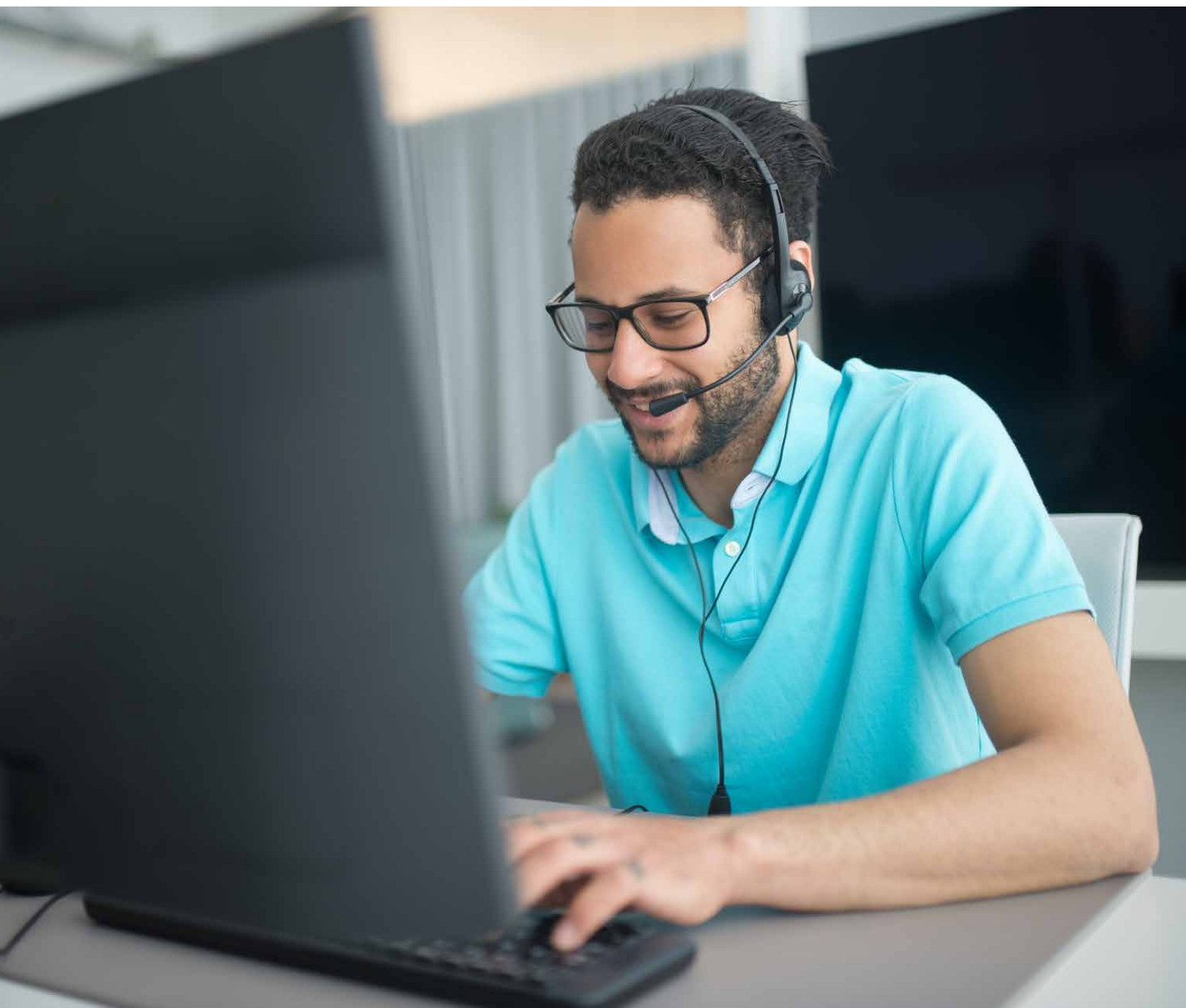
Our engagement with organizations also resulted in a first for our Office: in October 2022, officials from our Office, along with those from the CRA, Finance Canada and Employment and Social Development Canada, were invited to be government observers at a virtual design workshop co hosted by March of Dimes Canada and Prosper Canada.

The workshop brought together a number of disability organizations to discuss the new Canada Disability Benefit (CDB), which will provide a monthly payment to working-age persons with disabilities. The CDB is being developed by the Government of Canada in consultation with persons with disabilities, disability organizations, Indigenous representatives and other stakeholders.

We were impressed by the discussions these dedicated stakeholders had about the challenges faced by persons with disabilities. We also had the opportunity to hear them brainstorm ideas on how the CDB could best be administered to ensure that barriers for applicants are reduced or eliminated.

Another first for our Office was our collaboration with Ending Violence Association of Canada (EVA Canada). As noted earlier in this report under Right 6, our consultation with EVA Canada resulted in our Office sending the CRA a service improvement request, asking it to take more action to assist Canadians fleeing abuse or violence.

Given the success of this collaboration, we will continue to use what we hear during our outreach meetings with hard-to-reach and at-risk populations and the organizations that represent them to inform our Office's strategies going forward. We will focus our efforts at those who usually are left behind, as they are the people who need our help the most.

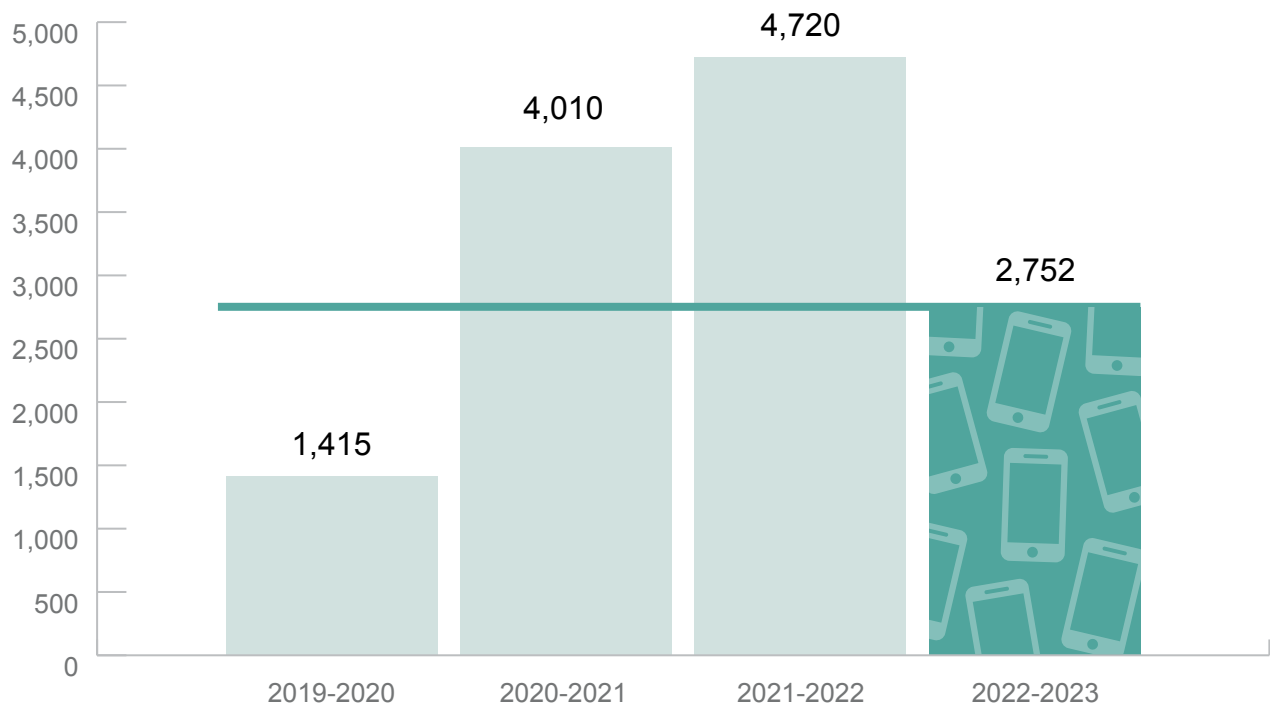


WHO WE HELPED – STATISTICS AND TRENDS

For enquiries, this past year we saw a 94% increase compared with the year before the pandemic started (the 2019–2020 fiscal year).

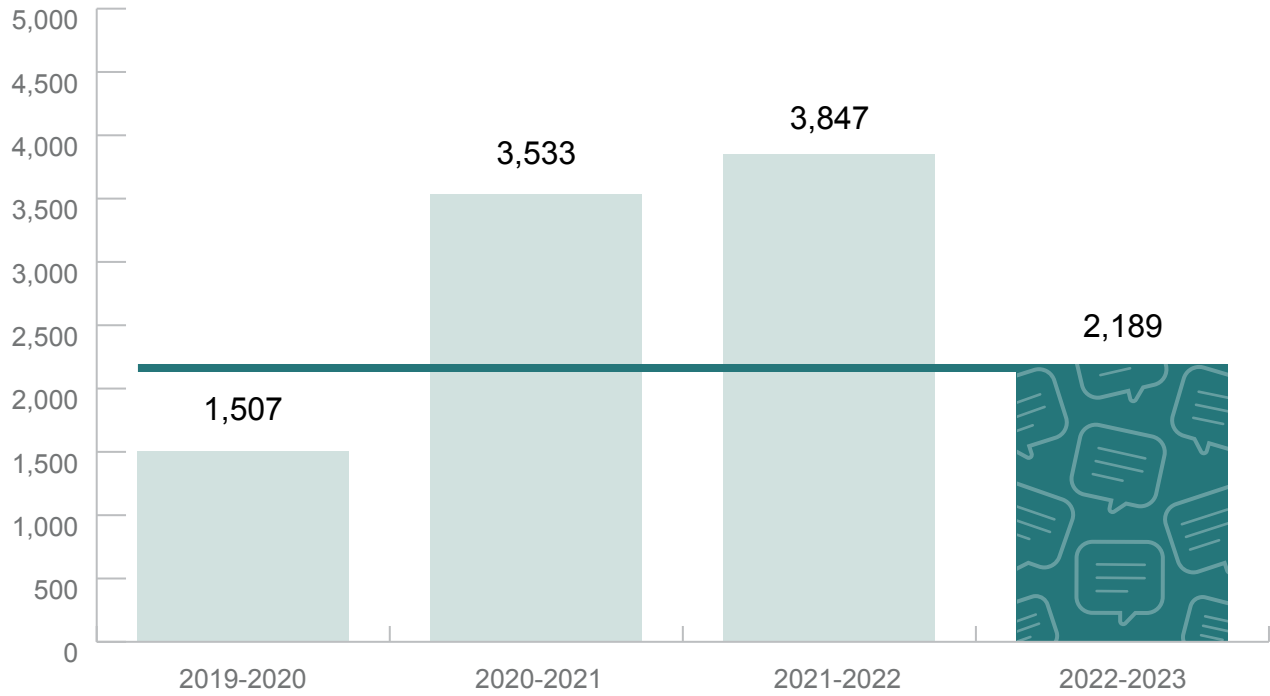
We log each enquiry we receive; however, we only create new enquiry cases for those who do not have an existing complaint. For example: If a complainant calls multiple times about the same complaint, we only consider this as one enquiry.

Enquiries



For complaints, this past year we saw a 45% increase compared with the year before the pandemic started (the 2019–2020 fiscal year).

Complaints



April 2022 – March 2023

- 1  **Contact Centres**
- 2  **Income tax and benefit returns processing and adjustments**
- 3  **Collection Action**
- 4  **COVID-19 Benefits**
- 5  **Canada Child Benefit (CCB)**

OUR RECOMMENDATIONS THIS YEAR

Recommendations in this annual report are made to the Minister of National Revenue and the Chair of the Board of Management.



Recommendation one:

The Taxpayers' Ombudsperson recommends that the CRA proactively inform Canadians on Canada.ca of delays a program may be experiencing to increase transparency and provide Canadians with the information they need.



Recommendation two:

The Taxpayers' Ombudsperson recommends that the CRA:

- Update its Check CRA Processing Times⁵⁶ tool to include tax returns and tax-related requests that have internal processing timeframes but no service standard; and
- Provide links from its income tax and benefit package web page and other tax-related request web pages to the Check CRA Processing Times tool.



Recommendation three:

The Taxpayers' Ombudsperson recommends that the CRA

- a. simplify the administrative process for the tax clinics and continue offering the Grant Program for the Community Volunteer Income Tax Program (CVITP) and the Income Tax Assistance – Volunteer Program (ITAVP) in Quebec; and,
- b. consider making long term investments in the program for the benefit of Canadians.



Recommendation four:

The Taxpayers' Ombudsperson recommends that the CRA find new ways to estimate and identify non-filers in Canada and their demographical make-up. The CRA will then be able to use this data to better educate and inform vulnerable populations who may be entitled to apply for benefits but who are not currently receiving them.

⁵⁶ canada.ca/cra-processing-times

UPDATE ON OUR RECOMMENDATIONS FROM 2021–2022



Recommendation 1

The Taxpayers' Ombudsperson recommends to the Minister and to the Chair of the Board of Management the CRA look for ways in which a taxpayer can receive a security code the same day it is requested, allowing Canadians to have full access to their CRA Account in a timely manner.

The CRA's response:

The CRA is implementing a new Digital Identity Validation (DIV) solution as an enhancement to the current registration process for CRA's online services. This enhancement will enable taxpayers to validate their identity through a secure, online service and have immediate access to their personal and/or business information online.

The Ombudsperson's update:

The CRA has informed us that the DIV is expected to be implemented for the 2024 tax-filing season (for 2023 returns).



Recommendation 2

The Taxpayers' Ombudsperson recommends to the Minister and to the Chair of the Board of Management the CRA find a way to provide in-person same-day identity verification of a taxpayer. For example, through a trusted third party.

The CRA's response:

The CRA has established partnerships with the provinces of British Columbia and Alberta to be able to leverage their provincial digital IDs. This allows for citizens to use their provincial credentials to gain same-day access to CRA's online services. As additional provinces and territories establish digital identity programs, the CRA will explore partnerships with them.

The new Digital Identity Validation (DIV) solution mentioned under recommendation 1 will also make it faster for taxpayers to access their CRA account online.

The Ombudsperson's update:

The CRA has informed us that the DIV is expected to be implemented for the 2024 tax-filing season (for 2023 returns).



Recommendation 3

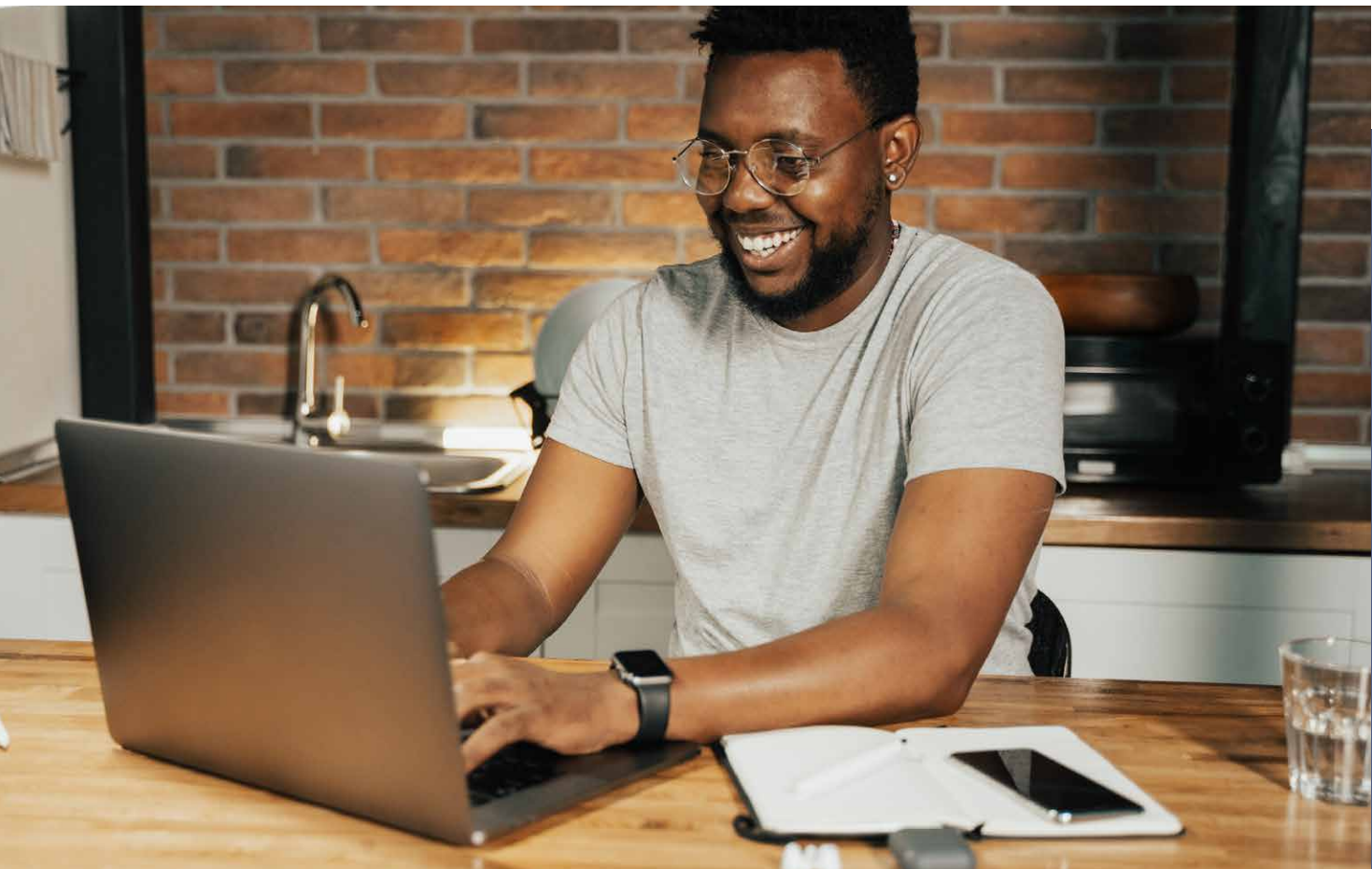
The Taxpayers' Ombudsperson recommends to the Minister and to the Chair of the Board of Management the CRA make it clear to Canadians that, when it is administering a benefit that increases an individual's income, it sufficiently informs applicants that the increase could affect their other income based benefits.

The CRA's response:

The CRA will modify existing communications to ensure language is clear and consistent with that which is used elsewhere by the Agency. It will also ensure to take this into account for future communications.

The Ombudsperson's update:

The CRA informed us that it has updated its communications strategy template to include a consideration about benefit interactions and the importance of clear language when communicating these interactions to Canadians. This update will help ensure that benefit interactions are taken into account in the planning phase of any future strategies that deliver financial support to taxpayers and are incorporated into related external-facing products.



FINANCIAL STATEMENT

Summary of Expenditures (in thousands of dollars)

	FY 2021-2022	FY 2022-2023	Variance
Personnel (includes employee benefits)	2,843	3,209	366
Transportation and communications	5	47	42
Information	50	63	13
Professional and special services	112	145	33
Utilities, materials, and supplies	3	5	2
Acquisition of machinery and equipment	9	4	(5)
Real property accommodations	180	173	(7)
Subtotal	3,203	3,646	443
Internal services expenditures*			
Information technology	636	654	18
Publishing	211	251	40
Total**	4,050	4,551	501
Related party transaction***			
Finance	53	62	9

* Represent internal services expenditures that relate to the support of the Office of the Taxpayers' Ombudsperson (OTO). As of April 1, 2019 internal services expenditures that relate to the support of specific programs are being reported under the applicable core responsibility in compliance with the Treasury Board of Canada Secretariat's Guide on Recording and Reporting of Internal Services Expenditures. As a result, starting in 2019-2020, the OTO's expenditures also include a portion of information technology and publishing costs.

** Please note that amounts may not balance to total due to rounding.

*** The amount shown under related party transaction represents funding that has been transferred by the OTO to the Canada Revenue Agency (CRA) for corporate services rendered by the CRA in the area of financial management advisory services.

CONTACT US

We are available 8:15 a.m. to 4:30 p.m., Eastern time, Monday to Friday (except public holidays).

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Fax


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