



SERVING YOU BETTER

Report on the Canada Revenue Agency's
consultations with northern residents



Canada Revenue
Agency

Agence du revenu
du Canada

Canada

MINISTER'S MESSAGE

I am pleased to present the Report on the Canada Revenue Agency's consultations with northern Residents.

As Minister of National Revenue, I made a commitment to improve the CRA's service model and make the CRA a tax administration that offers world-class government services for both businesses and Canadians. When the CRA met with businesses in Whitehorse, Yellowknife, and Iqaluit to hear feedback related to CRA's services, we also heard the challenges faced by northern residents when it comes to meeting their tax obligations. In response, the CRA is improving services for northern residents, and is committed to enhancing its service culture.

I would like to thank the local chambers of commerce and accounting organizations in Whitehorse, Yellowknife and Iqaluit for hosting these sessions, and playing a key role in bringing together the individuals and businesses who participated in our events.

As a Member of Parliament representing one of Canada's smaller and more remote regions, I am pleased to add this report to my efforts to humanize the services offered by the CRA and to ensuring a tax system that is fairer, more helpful, and easier to use for all Canadians.

The Honourable Diane Lebouthillier,
Minister of National Revenue

SERVING YOU BETTER 2016

CONSULTATIONS WITH NORTHERN RESIDENTS AT A GLANCE

The Canada Revenue Agency (CRA) heard feedback from taxpayers living in the North; feedback that we will use to help make our programs and services fairer, more helpful and easier to use.

What you told us

-  "Consultations with northern residents provided very good discussions about the challenges and issues that Nunavummiut face with respect to CRA."
-  "The CRA should provide more assistance to residents in the Northwest Territories so they can get caught up on their filings and receive the benefits to which they are entitled."
-  "CRA employees should receive Nunavut 101 training."
-  "To service the northern centre and nearest centre, there could be 20,000 flights in a month. The airlines ask, 'what do you mean by the average lowest return airfare? We could have many sales going on in that month'."

What you want us to do

-  Expand CRA outreach and partnerships in northern communities
-  Improve services for Canadians living in the North
-  Help taxpayers better understand how to claim the northern residents deductions for Canadians living in the North

THE CRA'S 2017-2019 NORTHERN CONSULTATIONS ACTION PLAN IDENTIFIES WAYS TO IMPROVE SERVICES FOR YOU.

Top 10 things the CRA will do

- ① Collaborate with Service Canada to conduct outreach activities that inform northern residents of the variety of tax benefits available to them, including the northern residents deductions, when they file their income taxes.
- ② Promote the Community Volunteer Income Tax Program and create partnerships with organizations in the North that can provide volunteers.
- ③ Carry out a pilot project to attract and recruit post-secondary students to the CRA who can speak Inuktitut.
- ④ Develop an interim telephone protocol to help northern residents who experience unreliable telephone service.
- ⑤ Explore routing options that will allow northern callers to connect with CRA telephone agents who are familiar with northern residents issues.
- ⑥ Examine the issue of slow mail delivery in the northern regions and its impact on taxpayer compliance.
- ⑦ Explore new payment options for taxpayers in the North that go beyond the telephone banking and cheque mailing services currently available there.
- ⑧ Improve information presented in the CRA's publications and webpages to help northern residents better understand the northern residents deductions, and how to claim them.
- ⑨ Create a checklist for claiming the northern residents deductions that includes a reminder to taxpayers to collect their expense receipts throughout the year.
- ⑩ Explore options that can help taxpayers identify the Lowest Return Airfare.

Where we went



THANK YOU!

Thank you to everyone who shared feedback. Special thanks to the Mayor of Iqaluit, the participants from territorial governments, Whitehorse Chamber of Commerce, Yellowknife Chamber of Commerce, Certified General Accountants Association of the Northwest Territories/Nunavut, Baffin Regional Chamber of Commerce, Northwest Company, and Lester Landau, Chartered Accountants.

To learn more

canada.ca/cra-northern-consultations

CONSULTATIONS HELD IN NORTHERN CANADA

The Government of Canada is committed to offering services that are more client-focused at the Canada Revenue Agency (CRA). This means that the CRA must ensure that all Canadians receive the benefits they are entitled to and that the CRA adapts to circumstances unique to living in the north.

The CRA travelled to the North looking for feedback from small and medium businesses and accountants in 2014 and 2016. The Serving You Better consultations in 2016 were launched by the Honourable Diane Lebouthillier, Minister of National Revenue, as part of her mandate to modernize and improve services at the CRA.

Senior officials met with small and medium businesses and accountants in sessions hosted by local chambers of commerce and accounting organizations in Whitehorse, Yellowknife, and Iqaluit.

Taxes in the North

When we visited your cities, we heard feedback that was not just about businesses. It was about the challenges you face in meeting tax obligations because you live in the North. Your feedback informed us that not everyone is aware they need to file a tax return to claim the benefits they are entitled to. You also expressed frustration with identifying the Lowest Return Airfare when claiming the deduction for travel benefits. Although these are not specifically business problems, the feedback you shared was targeted and constructive.

Thank you!

The CRA is acting on your feedback, examining our services and administrative practices and making improvements where we can. We are committed to treating Canadians as valued clients and not simply taxpayers. That commitment includes acting on constructive feedback we receive, even when it is not about what we came to hear.

The following are highlights of what you told us, as well as commitments on improvements we plan to make in fiscal years 2017 to 2018 and 2018 to 2019. You can track our progress as we complete individual action items at canada.ca/cra-northern-consultations.

**SERVING
YOU
BETTER**

2016 Serving You Better consultations

In the fall of 2016, the CRA held Serving You Better consultations with small and medium businesses and accountants across Canada. Participants shared valuable insights that will be used to make our programs and services more streamlined and client-focused. To read the *Report on the Canada Revenue Agency's 2016 consultations with small and medium businesses*, go to canada.ca/cra-serving-you-better.



As part of our commitment to ensure the CRA is a client-focused agency:

1 WE WILL EXPAND CRA OUTREACH AND PARTNERSHIPS IN NORTHERN COMMUNITIES

What you said:

You told us that not everyone in the North knows how important it is to file a tax return in order to claim the benefits they are entitled to. You told us you want to know more, especially about how to claim benefits, credits, and deductions.

What we will do:

- Collaborate with Service Canada to conduct outreach activities that inform northern residents of the variety of benefits, credits and deductions available to them, including the northern residents deductions, when they file their income taxes.
- Pursue partnerships with northern governments, community leaders and band councils to help promote and share information on tax filing and benefits.
- Promote the Community Volunteer Income Tax Program and create partnerships with organizations in the North that can provide volunteers.
- Carry out a pilot project to attract and recruit post-secondary students to the CRA who can speak Inuktitut.
- Use information from public opinion research, among Indigenous populations on reserves and in the north, to help inform outreach and communication campaigns and products for northern Indigenous communities.

What you said:

“The CRA should provide more assistance to residents in the Northwest Territories so they can get caught up on their filings and receive the benefits to which they are entitled.”

DID YOU KNOW?

Educators and educational institutions have access to teaching documents specifically designed for both teachers and students on how to do their taxes. To learn more about **teaching taxes**, go to cra.gc.ca/teachtax.





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WE WILL IMPROVE SERVICES FOR CANADIANS LIVING IN THE NORTH

What you said:

You told us that telephone service in the North is not always reliable and that your calls sometimes get dropped when you call the CRA using a landline or cell phone. You said that mail service is slow and that it causes tax returns and supporting documents to be filed late. You also said that making payments is hard because you have limited banking and Internet capabilities.

You also really want to interact with CRA employees who are sensitive to northern realities and knowledgeable about the specific provisions, forms and guides used for the northern residents deductions.

What you said:

“CRA employees should receive Nunavut 101 training.”

What we will do:

- Develop an interim telephone protocol to help northern residents who experience reliability issues with telephone service.
- Partner with outreach representatives to identify opportunities to improve telephone agent knowledge of northern issues, culture, and living in the North.
- Explore routing options that will allow northern callers to connect with CRA telephone agents who are familiar with northern residents issues.
- Examine the issue of slow mail delivery in the northern regions and its impact on taxpayer compliance.
- Explore new payment options for taxpayers in the North that go beyond the telephone banking and cheque mailing services currently available there.
- Also, the Canada Post Corporation (CPC), in collaboration with the CRA, has launched a pilot project which allows Canadians to pay their taxes in cash or by debit card at CPC outlets.

DID YOU KNOW?

You can set up a pre-authorized debit agreement to pay your taxes. When you set up the agreement, you authorize the CRA to withdraw specific amounts from your Canadian chequing account to pay your taxes on the date, or dates, you choose. To learn more, go to canada.ca/payments and select the topic “Pay by pre-authorized debit”.



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WE WILL HELP TAXPAYERS BETTER UNDERSTAND HOW TO CLAIM THE NORTHERN RESIDENTS DEDUCTIONS

What you said:

You said some taxpayers are not aware of the northern residents deductions. You told us in great detail how difficult it is to identify the Lowest Return Airfare available at the time of your trip, and you think the CRA conducts repeated or unnecessary reviews of tax returns for taxpayers who claim the northern residents deductions.

What we will do:

- Improve information presented in the CRA's publications and webpages to help northern residents better understand the northern residents deductions and how to claim them.
- Create a checklist for claiming the northern residents deductions that includes a reminder to taxpayers to collect their travel expense receipts throughout the year.
- Raise awareness with businesses in the North on their responsibility to report employee travel benefits on T4 and T4A tax slips.
- Explore options that can help taxpayers identify the Lowest Return Airfare.

DID YOU KNOW?

We recently added a new Information Sheet and Tax Tip on the CRA website, to help clarify the rules about the northern residents deductions. We've also explained how tax returns are selected for reviews, and the types of reviews that are conducted. To learn more, go to cra.gc.ca/reviews.

What you said:

"To service the northern centre and nearest centre, there could be 20,000 flights in a month. The airlines ask, 'what do you mean by the average lowest return airfare? We could have many sales going on in that month'."

A FINAL WORD

The CRA's experience in northern regions reflects how the Government of Canada is making change happen by doing different things, and doing things differently. When you told us about issues we did not expect to hear, we listened, and added them as new priorities to our agenda.

The CRA thanks the participants who met with us in Whitehorse, Yellowknife and Iqaluit. Because you took the time to share your insightful experiences, we now have a better understanding of the challenges that come with the unique realities of living in Canada's remote northern regions. With this knowledge we are taking concrete steps, improving our services and administrative practices to help address northern issues.

