

# BREAKING DOWN BARRIERS TO TAX FILING FOR PEOPLE LIVING ON LOW INCOMES

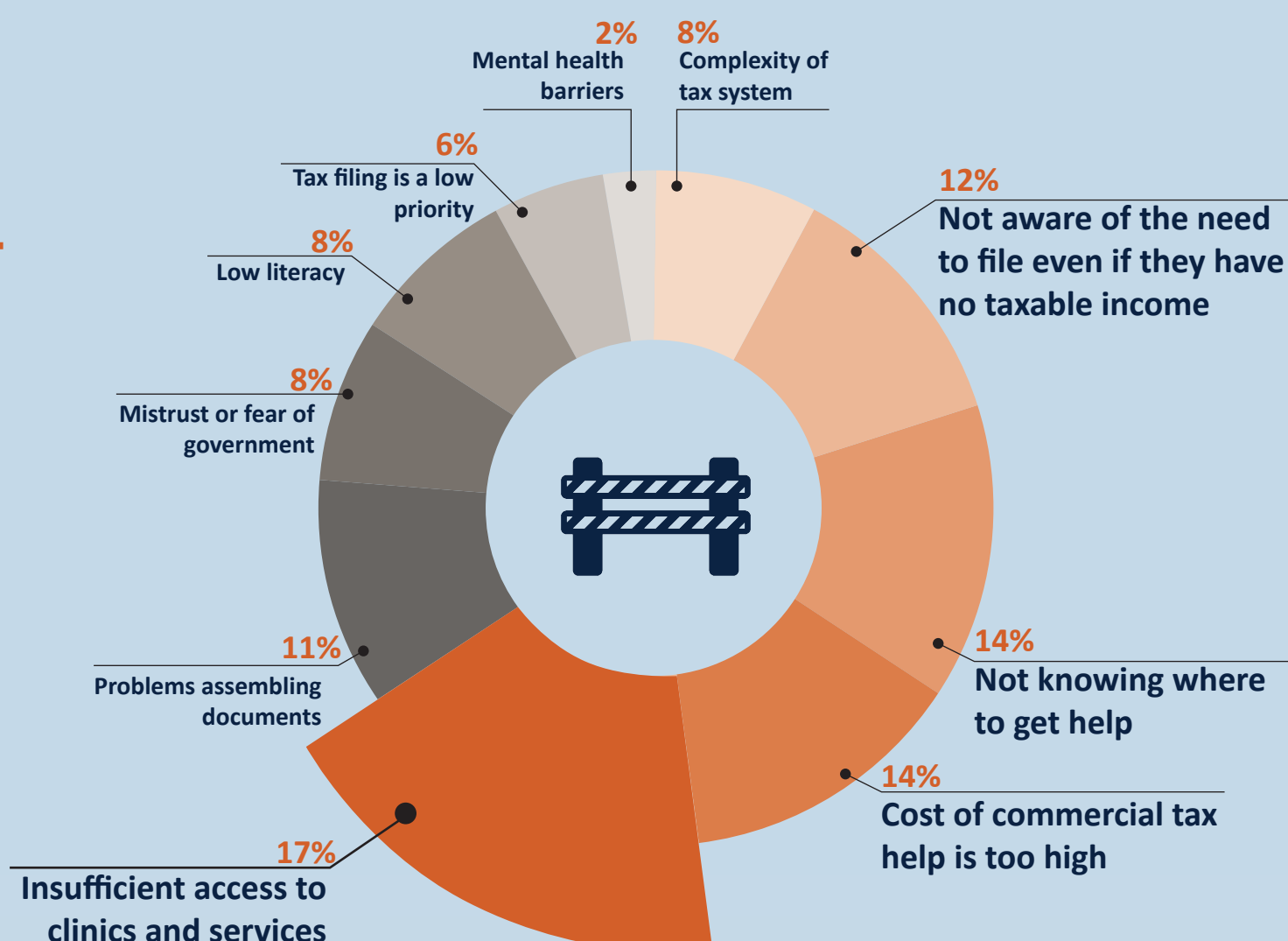
Canadians with low incomes are missing out on important income boosting opportunities because they do not tax file.

Prosper Canada surveyed over 300 practitioners and experts who work with people living on low incomes to find out why. The results identified significant roadblocks many are facing and the groups most likely to be affected.

## TAX FILING ROADBLOCKS

What are the three biggest barriers to tax filing among Canadians living on low income?

Survey respondents identified the greatest barriers faced by the communities they serve. The pie chart shows the percentage of experts who identified a particular barrier as significant.

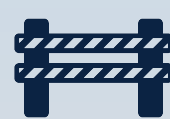


Which groups are most affected by these barriers?

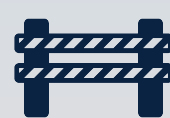


## THE BIG ROADBLOCKS

Poor **ACCESS** to affordable and relevant services



Insufficient **COMMUNICATIONS** about the benefits of tax filing and available assistance



Lack of **TARGETED APPROACHES** to the distinct barriers and needs of different groups

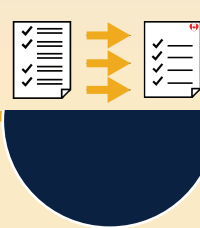
## NINE WAYS TO REMOVE ROADBLOCKS TO TAX FILING



The good news is that organizations across Canada have found innovative ways to remove roadblocks.

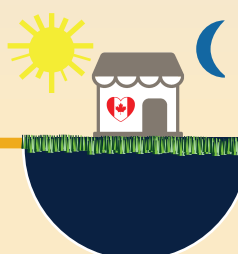
We reviewed solutions offered by survey respondents and had conversations with influencers in the field to identify promising solutions.

### ACCESS



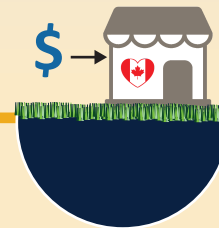
**A simplified filing process would make tax filing easier.**

The complexity of the tax system and of tax forms is intimidating and can lead to errors. Online software, prompts, and automatic form filling can make the process more manageable. Widely accessible online benefit screening tools can also help increase eligibility awareness.



**Boost access to tax support with more tax clinic locations, longer hours, year-round service.**

Mobile or pop-up clinics during tax season can help overcome geographic barriers and new partnerships (e.g. with libraries) can make clinics more accessible. Offering child care and transportation may also make it easier for people to attend clinics.



**Stream more resources to the Community Volunteer Income Tax Program (CVITP) to increase the number of free income tax clinics.**

Running an income tax clinic is resource intensive and time consuming. To help lighten the load for community organizations, CRA could cover more of the operational costs of CVITP, as well as provide incentives and more robust training for volunteers.

### COMMUNICATIONS



**The message matters. Organizations can put their own spin on tax clinics to show people how tax filing can help them.**

"Get Your Piece of the Money Pie" in New Brunswick and "Make Tax Time Pay" in Edmonton make it clear to potential filers that they stand to benefit from filing their taxes.



**CRA and partner organizations should actively promote the benefits of tax filing.**

Many people don't file because they aren't aware that filing is a necessary pathway to benefits and benefit eligibility. Communications materials that promote the benefits of tax filing can combat the common belief that there is no point to filing for people living on very low incomes.



**Trusted intermediaries can help address fear around tax filing with the development of tailored outreach and communications materials.**

Fear, lack of confidence and bad experiences with government services prevent people from filing their taxes. Trusted intermediaries can leverage quality information sources and channels to help disenfranchised groups overcome their fears and access services.

### TARGETED APPROACHES



**When it comes to tax help, not all needs are the same. CRA can fill existing gaps by expanding and building upon the CVITP model.**

People may face complex tax situations that require special attention. Tax clinics should provide services tailored to the diverse needs of communities, such as victims of family violence, the self-employed, people with disabilities, and First Nations.



**Collaboration with large service centers can help increase access and awareness of tax filing supports.**

Partnerships with health-care, housing, settlement, and other services offer opportunities to connect more people with the help that they need to tax file and apply for benefits.



**Schools should offer financial literacy teaching that covers tax filing.**

Teaching students the importance of tax filing and providing them with key skills for preparing and filing taxes will fill the knowledge gap for future generations.