INCOME TAX FILING AND BENEFITS TAKE-UP: CHALLENGES AND OPPORTUNITIES FOR CANADIANS LIVING ON LOW INCOMES

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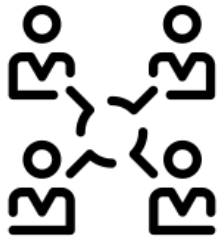
CONTEXT

Who is missing out? (and why?)

APPROACH

Understanding **barriers to tax filling** and **opportunities to improve take-up** from the perspective of **income tax filing experts** who work directly with Canadians living on low-incomes
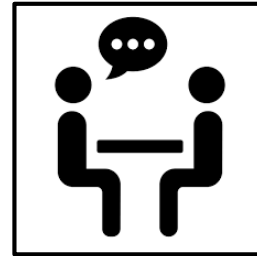
METHODOLOGY

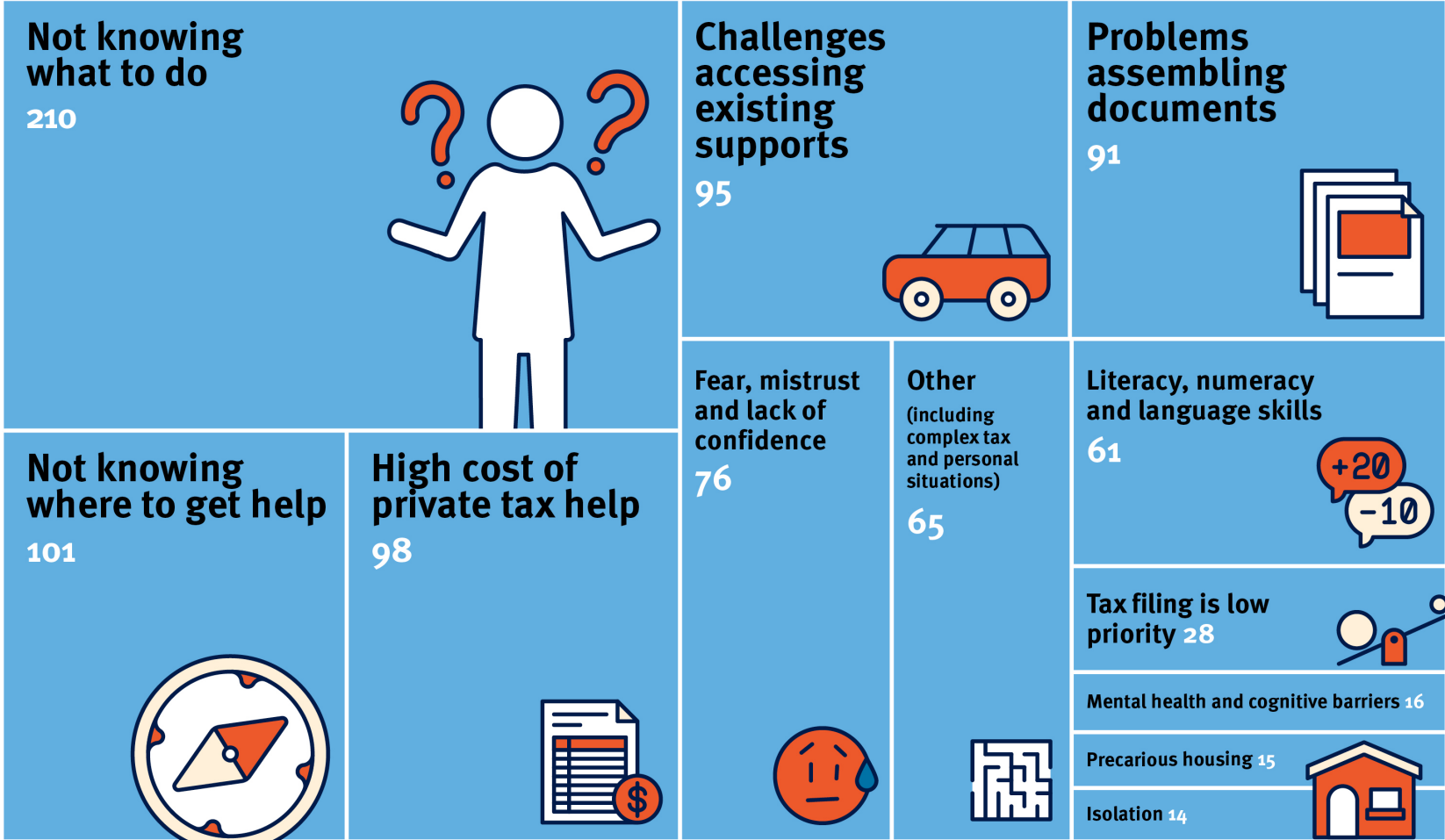**1** Focus Group (pre-report)

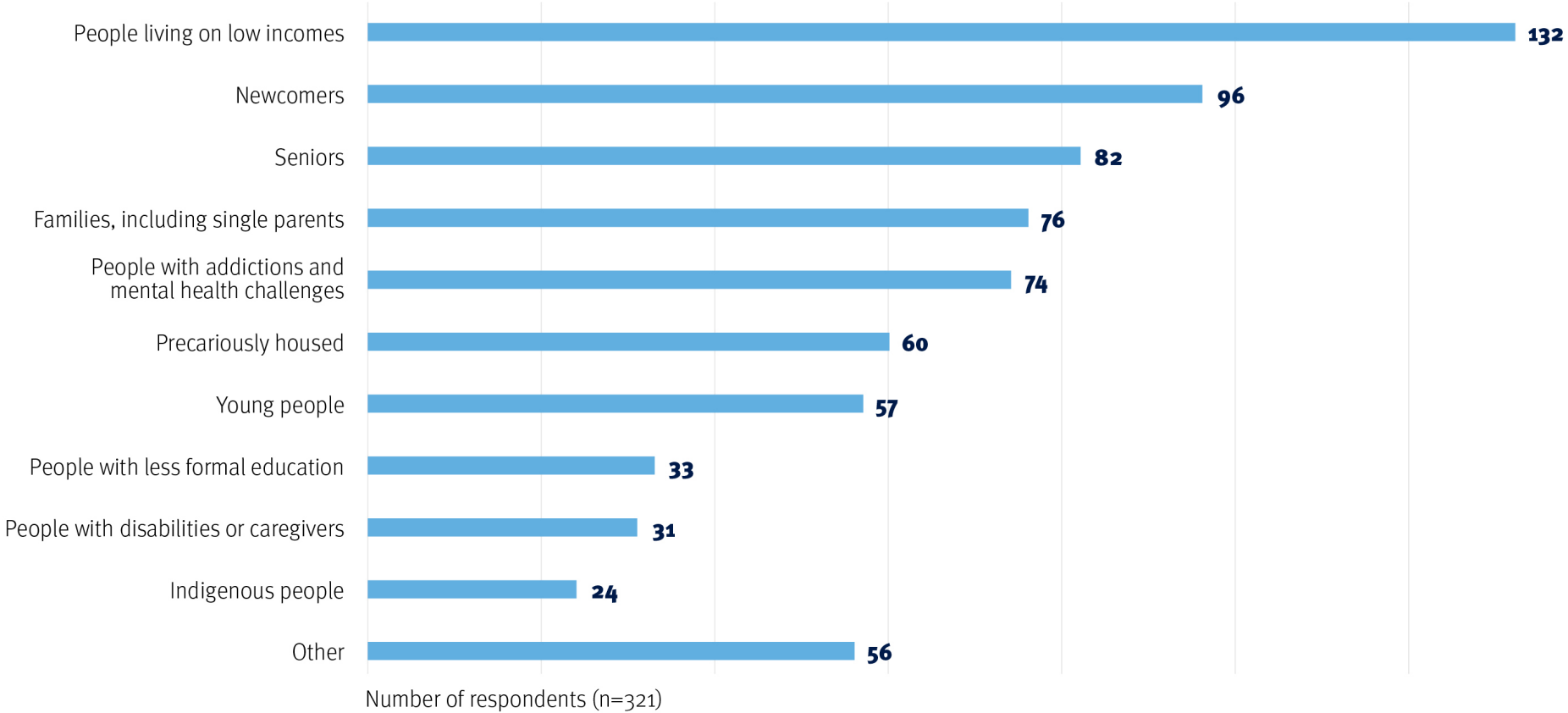Online Survey: **321** respondents

10 Key Informant Interviews

Newspaper Scan

Barriers to tax filing for people living on low incomes

According to 321 community service providers

Not knowing what to do
210

Not knowing where to get help
101

High cost of private tax help
98

Challenges accessing existing supports
95

Fear, mistrust and lack of confidence
76

Other (including complex tax and personal situations)
65

Problems assembling documents
91

Literacy, numeracy and language skills
61

+20
–10

Tax filing is low priority 28

Mental health and cognitive barriers 16

Precarious housing 15

Isolation 14

Respondents were permitted more than one answer, responses do not add up to 321

Groups considered by respondents to be most affected by barriers

Group	Number of respondents
People living on low incomes	132
Newcomers	96
Seniors	82
Families, including single parents	76
People with addictions and mental health challenges	74
Precariously housed	60
Young people	57
People with less formal education	33
People with disabilities or caregivers	31
Indigenous people	24
Other	56

Number of respondents (n=321)

Respondents were permitted more than one answer, responses do not add up to 321

CASE STUDY 1: NEWCOMERS

"there's just a general, huge lack of awareness around government benefits that newcomer families may be eligible for"

– Julie MacDonald (Formerly Program Coordinator, YMCA Halifax)

CASE STUDY 2: SELF-EMPLOYED PEOPLE WITH LOW INCOMES

"I feel badly telling someone who has made $30,000 that 'yes, you can write off your expenses, but you owe HST on every one of those services'"

– Maria Sophianopolous (Manager, Financial Empowerment, WoodGreen Community Services)
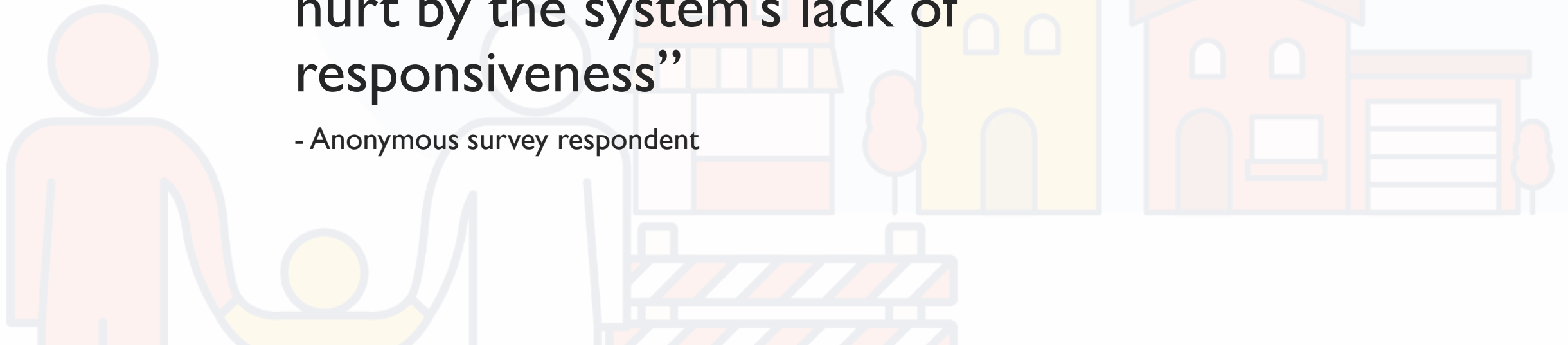
OPPORTUNITIES

- Make the tax system easier to understand
- Improve awareness of benefits and benefits eligibility
- Strengthen and expand existing tax-filing supports
- Address broader cultural and educational barriers to tax-filling

CONCLUSIONS

"the system is geared to [the] middle class and [those] with skills to navigate forms. It is the most vulnerable who are hurt by the system's lack of responsiveness"

- Anonymous survey respondent

THANK YOU!

This research was made possible through support from: