

CANADIAN PRESS / LEGER MARKETING

Canadians and Income Tax

Report



1.0 Study Highlights

- It would appear that 12% of Canadians have previously worked under the table.

Question: *Have you or your spouse ever... ?*

n=1511	... worked under the table	... paid someone under the table	Neither	Dnk/Refusal
Canada	12.1%	11.4%	79.2%	2.5%

- It would seem that 2.5% of Canadians have made false declarations on their income tax return.

Question: *Have you or your spouse ever made false declarations about your income or expenses on your income tax return?*

n=1511	YES	NO	Don't know/Can't recall	Refusal
Canada	2.5%	95.2%	1.4%	1.0%

- A significant majority of Canadians will be filing their income tax return prior to the deadline.

Question: *This year, will you or your spouse be filing your income tax return BEFORE or AFTER the deadline?*

n=1511	BEFORE	AFTER	Refusal
Canada	93.3%	4.3%	2.4%

- Close to three-quarters of Canadians will be claiming a special deduction.

Question: *In your income tax return, will you be claiming...? (Many answers accepted)*

n=1511	... a deduction for charitable donations	...a deduction for RRSPs	...a deduction for donations to a political party	No deductions	Dnk/Refusal
Canada	52.7%	49.1%	6.2%	26.6%	3.1%

- Close to 60% of Canadians will use the services of another person to fill out their income tax return.

Question: *This year, will your income tax return, or that of your spouse, be done ... ?*

n=1511	... by you or your spouse	... by an acquaintance	...by an accountant	...by a firm specialized in income tax returns	Dnk/Refusal
Canada	37.5%	12.4%	33.5%	13.5%	3.0%

2.0 Results

2.1 It Would Appear That 12% of Canadians Have Already Worked Under the Table

A proportion of 12.1% of Canadians admitted having already worked under the table.

14.8% of men, 24.6% of those 18-24 and 14.7% of Francophones were more likely to have taken part in this activity compared to under subgroups. However, 9.5% of women, 5.9% of those 55 years old and over, 5.2% of people whose mother tongue in neither French nor English and 6.9% of Albertans are among the groups that were least likely to partake in this type of work.

Moreover, 11.4% of Canadians mentioned having already paid someone else to work under the table.

13.8% of men, 14.8% of those 45-54, 15.6% of Francophones, 14.6% of Quebeckers, 18.3% of those in the upper income brackets and 17.1% of professionals were more likely to have paid someone to work under the table.

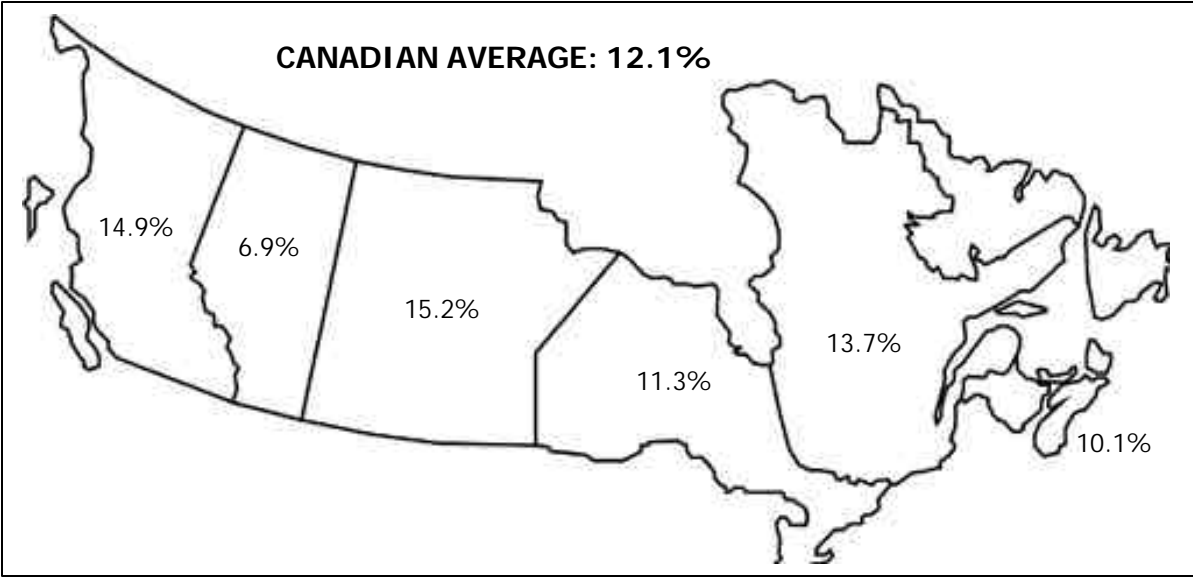
Finally, let it be pointed out that 79.2% of Canadians mentioned never having worked under the table or paid someone else to do so.

Readers will recall that according to our February 18, 2002 survey on immorality, half of Canadians considered working under the table immoral.

Question: *Have you or your spouse ever... ?*

n=1511	... worked under the table	...paid someone to work under the table	Neither	Dnk/Refusal
Atlantic provinces	10.1%	7.8%	83.2%	4.0%
Quebec	13.7%	14.6%	75.5%	2.1%
Ontario	11.3%	10.4%	80.5%	2.6%
Prairies	15.2%	14.4%	73.9%	2.8%
Alberta	6.9%	6.8%	84.7%	3.4%
British Columbia	14.9%	12.2%	79.0%	2.1%
Canada	12.1%	11.4%	79.2%	2.5%

Percentage of Canadians who have already worked under the table



2.2 It Would Seem That 2.5% of Canadians Have Already Made False Declarations on their Income Tax Return

2.5% of Canadians mentioned having already made false declarations about their incomes or expenses on their income tax return while 95.2% said they had never done this and 1.4% did not know or could not recall if they had. Also, 1% of the population refused to answer this question.

During the survey on immorality, 77% of Canadians had deemed tax evasion immoral.

Question: *Have you or your spouse ever made false declarations about your income or expenses on your income tax return?*

n=1511	YES	NO	Don't know/Can't recall	Refusal
Atlantic provinces	0.0%	99.0%	1.0%	0.0%
Quebec	3.7%	94.0%	0.9%	1.3%
Ontario	2.8%	93.7%	2.6%	1.0%
Prairies	0.8%	98.1%	0.3%	0.8%
Alberta	0.0%	97.5%	0.8%	1.6%
British Columbia	3.4%	95.9%	0.0%	0.7%
Canada	2.5%	95.2%	1.4%	1.0%

2.3 A Significant Majority of Canadians Will be Filing Before the Deadline

93.3% of taxpayers will be filing their income tax return prior to the deadline, while 4.3% will be filing later and 1.9% did not know. Moreover, 0.5% of respondents refused to answer this question.

Men (91.4%), those 18-24 (89.7%), those with an income of less than \$20,000 (89.1%) and manual workers (89.9%) are the ones who plan on filing their income tax return prior to April 30.

Question: *This year, will you or your spouse be filing your income tax return BEFORE or AFTER the deadline?*

n=1511	BEFORE	AFTER	Dnk/ Refusal
Men	91.4%	5.6%	2.9%
Women	95.0%	3.0%	2.0%
18-24 years old	89.7%	4.9%	5.4%
25-34 years old	92.7%	4.9%	2.4%
35-44 years old	92.8%	5.7%	1.6%
45-54 years old	92.8%	5.0%	2.3%
55-64 years old	97.6%	1.0%	1.4%
65 years old and over	96.3%	2.0%	1.7%
Canada	93.3%	4.3%	2.4%

2.4 Close to Three-Quarters of Canadians Will Be Claiming a Special Deduction

70.3% of Canadians will be claiming a special deduction, while 26.6% will not. Among the special deductions that will be claimed, we find that 52.7% of Canadians will claim for charitable donations, 49.1% for RRSP contributions and 6.2% for donations to political parties.

Deductions for charitable donations increase according to age, income and schooling. From 25.9% for those 18-24, the rate reaches 62.4% among those 55 years old and over. From 31.3% for those who have an income of less than \$20,000, the rate will reach 70.5% for those who find themselves in the \$60,000-and-over income bracket and from 36.4% among those with lower levels of education, the rate climbs to 64.7% among those with university degrees.

Deductions for RRSP contributions are more likely to be used by 58.8% of those 25-54, 74.7% of Canadians in the upper income brackets, 67.6% of professionals and 62.7% of university graduates.

In terms of deductions for contributions to political parties, 10.2% of those 55-64 will be making such a deduction along with 11.1% of Allophones, 9.7% of Albertans, 9.8% of those in the upper income brackets and 9.7% of university graduates.

Question: *In your income tax return, will you be claiming... ?* (Many answers accepted)

n=1511	... a deduction for charitable donations	...a deduction for donations to a political party	...a deduction for RRSPs	None of the above	Dnk/Refusal
18-24 years old	25.9%	4.0%	34.8%	47.1%	3.4%
25-34 years old	45.2%	4.4%	55.7%	27.4%	3.2%
35-44 years old	58.0%	4.1%	62.5%	20.9%	2.0%
45-54 years old	59.1%	7.8%	57.3%	19.8%	3.8%
55-64 years old	62.8%	10.2%	48.8%	24.4%	1.4%
65 years old and over	61.9%	8.9%	10.8%	30.3%	3.9%
Less than \$20,000	31.3%	4.7%	19.2%	56.2%	2.0%
\$20,000-\$39,999	43.1%	4.6%	37.4%	37.3%	0.0%
\$40,000-\$59,999	56.0%	5.8%	53.4%	21.6%	1.4%
\$60,000 and over	70.5%	9.8%	74.7%	9.9%	1.1%
Atlantic provinces	49.2%	6.6%	33.6%	36.5%	2.6%
Quebec	41.4%	5.2%	41.7%	37.4%	3.0%
Ontario	61.3%	5.6%	55.2%	19.4%	2.5%
Prairies	57.7%	9.0%	58.5%	16.7%	6.1%
Alberta	52.7%	9.7%	52.4%	21.6%	4.1%
British Columbia	48.5%	5.5%	47.1%	30.6%	3.4%
Canada	52.7%	6.2%	49.1%	26.6%	3.1%

2.5 Close to 60% of Canadians Will Use the Services of Another Person to Prepare Their Income Tax Return

If 37.5% of citizens or their spouses will be completing their own income tax return for the year 2001, 33.5% of them will be counting on the services of an accountant, while 13.5% will deal with a firm specialized in this area and 12.4% will have an acquaintance carry out this task.

44.8% of Albertans will be more likely to fill out their own tax return compared to residents of other provinces. 36.1% of Ontarians will be more likely to deal with an accountant, 16.2% of those in the Atlantic provinces will choose a specialized firm and 19.1% of Quebecers will have their income tax return prepared by an acquaintance.

In addition, 53.1% of university graduates, 51.1% of professionals and 47.8% of those in the upper income brackets will fill out their own income tax return.

Question: *This year, will your income tax return, or that of your spouse, be done... ?*

n=1511	...by you or your spouse	...by an acquaintance	...by an accountant	...by a firm specialized in income tax returns	Dnk/Return
Schooling					
Elementary	12.2%	25.3%	46.2%	14.3%	2.0%
High school	28.5%	15.7%	35.3%	17.5%	2.9%
College	38.6%	10.8%	35.0%	12.3%	3.4%
University	53.1%	8.2%	27.5%	9.1%	2.2%
Canada	37.5%	12.4%	33.5%	13.5%	3.0%

3.0 Methodology

This study was conducted by Leger Marketing through telephone interviews among a representative sample of 1511 English- or French-speaking Canadians, 18 years of age or older.

The interviews were conducted from our Montreal and Winnipeg call centres between February 19 and 23, 2002. Up to ten call-backs were made in the case of non-response.

Using data from Statistics Canada, the results were weighted according to geographic location, gender and language spoken at home to ensure a sample representative of the entire Canadian adult population. In the end, the maximum margin of error obtained for a sample of 1511 respondents is of $\pm 2.6\%$, 19 times out of 20.