



What is Wrong at the CRA FACT SHEET



What is Wrong at the CRA: and How to Fix It is based on interviews with 28 current and recently retired tax professionals at the Canada's national revenue agency. It reveals serious issues and includes recommendations from Canadians for Tax Fairness to improve the integrity, credibility and effectiveness of the CRA.

The interviews reveal:

- Politicians and lobbyists are increasingly finding ways to influence CRA operations.
- Corporate lobbying to avoid prosecution is a reality.
- Employees are aware of political interference about proceeding with investigations.
- There are high attrition rates of experienced professionals.
- Reduction or shutdown of enforcement offices across the country.

- Concerns about capacity to carry out professional duties under the current structure.

The facts are that:

- The federal government and most provincial governments rely on the CRA to collect revenues to fund everything from healthcare to education.
- Simultaneous with the cuts to the agency's capacity, [\\$199 Billion](#) in untaxed money has been shifted to tax havens, at a cost of at least \$8 billion to Canada's budget.
- The integrity of Canada's tax system is taking a hit. There have been numerous [media reports](#) and [information leaks](#) that indicate mega-corporations and wealthy Canadians are increasingly emboldened to engage in offshore tax schemes.

The report recommends immediate actions to restore integrity in the process of raising revenue:

- Prioritize and prosecute big tax avoidance schemes rather than focussing on charities, non-profits and smaller cases.
- Proceed with a stalled court case against KPMG's activities on the Isle of Man.
- Implement a [Tax Gap report](#).
- Boost CRA's capacity for investigation and enforcement of tax haven cases.

More information on this and other tax fairness issues can be found on our [website](#) or by contacting dennis.howlett@taxfairness.ca or gail.dugas@taxfairness.ca



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