

BMO Nesbitt Burns' Psychology of Taxes Study: Canadians File Their Taxes Because It Is “*the Right Thing to Do*”

- *Civic pride: 52 per cent report that they file because it is “the right thing to do”*
- *Ninety-four per cent of Canadians say they file a personal income tax return each and every year*
- *Of those who do not do a tax return, one-in-four admit they are too busy to do so*
- *BMO: Filing taxes annually could maximize refunds and help avoid penalties and interest charges*

TORONTO, April 12, 2013 – With Canadians in the midst of preparing their 2012 personal income tax returns to meet the April 30th deadline, BMO Nesbitt Burns today released its *Psychology of Taxes Study* which examines what motivates Canadians to file their income tax return.

According to the study, of the 94 per cent of Canadians who file their taxes each year, more than half (52 per cent) say they file them because it is “the right thing to do”.

“The fact that more than half of Canadians think that preparing and paying their taxes is the right thing to do says a lot about us as a nation,” said John Waters, Vice President, Head of Tax & Estate Planning, Wealth Planning Group, BMO Nesbitt Burns. “Taxes fund critical government programs such as healthcare and education. The study findings suggest that Canadians are keen on doing their civic duty as citizens every tax season.”

The study highlighted other reasons why Canadians regularly file their taxes, including:

- They expect a refund (28 per cent)
- It gets too complicated by not filing annually (22 per cent)
- Fear of getting audited (11 per cent)

Why not file regularly?

The study also examined the reasons why Canadians do not file their income tax return regularly:

- One-quarter (24 per cent) report they are too busy
- Twenty per cent say they do not know how to file their taxes
- Seventeen per cent feel they do not make enough money to warrant filing taxes

Mr. Waters stressed that Canadians who find tax preparation daunting and/or cannot find the time to file should consult with a tax professional for help in order to meet the deadline and avoid the possibility of incurring interest or penalties on any tax owing.

“If you owe money to the government, be sure to pay it promptly to avoid penalties or problems down the road,” he added. “Conversely, if you are expecting a refund, the

sooner you file the sooner you will get your refund which could be used to pay down debt or add to your savings.”

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The online survey was conducted with a sample of 1,002 Canadians between March 15-19, 2013. The margin of error for a probability sample of this size is +/- 3.1%, 19 times out of 20.

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