



30 March 2015

Mr. Andrew Treusch
Commissioner and Chief Executive Officer
Canada Revenue Agency
555 MacKenzie Avenue, 7th Floor
Ottawa, Ontario K1A 0L5

Re: PBO Information Request IR0102: Tax Gap Estimate

Dear Mr. Treusch:

As you will be aware, negotiations between the Canada Revenue Agency (CRA) and the Parliamentary Budget Officer (PBO) over access to CRA data broke down over two weeks ago.

It is my view that providing PBO access to de-identified tax microdata does not engage the *Income Tax Act* and *Excise Act*. It is further my view that even if this were not the case, both those acts provide an exception permitting PBO access to taxpayer information. Throughout the course of negotiations, CRA officials and counsel made it very clear that they took the opposite position on both these questions without providing compelling legal reasons why.

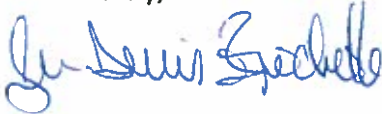
In November 2014, you wrote to me saying:

"Given the differences in views on the limits of the CRA's authority to provide taxpayer information to your office, I suggest that the next step in the process should be a discussion among our staff and legal counsel, in the hope that we can come to a common understanding of what the law currently provides. I believe this is an important and necessary precursor to a potential decision on a costly joint reference."

In light of the fact that there remains legal disagreement between CRA and PBO on the interpretation and application of the *Parliament of Canada Act*, *Income Tax Act*, and *Excise Act*, it would seem to me logical that we refer the matter, in accordance with your letter, to the Federal Court for resolution. At the last meeting between CRA and PBO officials, I proposed, accordingly, a discussion of the terms of the joint reference. I was informed that instructions had been received not to agree to a joint reference.

Such instructions do not naturally follow from your letter excerpted above. I am, therefore, asking you formally to join me in submitting the question of PBO's entitlement to the Federal Court in accordance with our prior correspondence. I would appreciate a response as soon as possible.

Yours sincerely,



Jean-Denis Fréchette
Parliamentary Budget Officer

c.c.: The Honourable Percy E. Downe, Senator, The Senate of Canada
Mr. Douglas Nevison, Assistant Secretary to the Cabinet, Privy Council Office, Liaison Secretariat for Macroeconomic Policy
Ms. Catherine Bennett, Assistant Commissioner, Strategy and Integration Branch, Canada Revenue Agency