



January 22, 2013

Mr. Bill Jones
Deputy Commissioner of Revenue Acting as Commissioner of Revenue
Office of the Commissioner
555 MacKenzie Avenue, 7th Floor
Ottawa, Ontario K1A 0L5

Re: PBO Information Request IR0102: Tax Gap Estimates

Dear Mr. Jones:

Bill

Last month I wrote to you requesting any estimates prepared by the Canada Revenue Agency regarding the Canadian Federal Tax Gap, in support of a project we have been requested to undertake for a parliamentarian.

Following-up on your response that Tax Gap estimates are not prepared by CRA, I am now writing to request data that would allow my staff to prepare our own independent estimate based on different types of income (employment, capital gains, dividends, interest) and groupings of taxpayers (individuals and corporations).

Based on our review of public methodologies used by the UK (HM Treasury) and US (Internal Revenue Service), we believe that at a *minimum*, this would require CRA to share data or information regarding the difference between reported and assessed employment, capital gains, dividend and interest income for a random sample of T1 and T2 tax filers. In addition, we also request any estimates held by CRA regarding the "collectability" of resulting reassessments and the rates of "non-detection" of incorrect returns through audit.

I am open to your recommendations regarding the best method by which these data could be shared with my office.

Yours truly,

Kevin Page

Kevin Page
Parliamentary Budget Officer

c.c.: Rick Stewart, Assistant Secretary to the Cabinet, Privy Council Office, Liaison Secretariat for
Macroeconomic Policy
Michael Horgan, Deputy Minister of Finance Canada



PBO Information Request

REQUEST NUMBER: IR0102
PBO CONTACT NAME: Jason Jacques (613-853-1596 or jason.jacques@parl.gc.ca)
TYPE OF REQUEST: One-time
PRIORITY: Normal
DATE REQUEST SENT: January 22, 2013
RESPONSE REQUIRED BY: January 31, 2013

PBO OBJECTIVE: To fulfill a request from a parliamentarian regarding the cost of federal tax evasion.

RELATION TO MANDATE: Pursuant to section 79.3 of the *Parliament of Canada Act*, the PBO may request of a deputy head any financial or economic data in the possession of the department that are required for the performance of his or her mandate.

INFORMATION AND DATA REQUESTED:

Information provided on page 1 of the letter