



OFFICE OF THE PARLIAMENTARY BUDGET OFFICER
BUREAU DU DIRECTEUR PARLEMENTAIRE DU BUDGET

18 December 2019

The Honourable Diane Lebouthillier, Minister
Canada Revenue Agency
555 MacKenzie Avenue
Connaught Building, 7th Floor
Ottawa, ON
K1A 0L5

cra.minister-ministre.arc@cra-arc.gc.ca

Information Request: IR0441

Dear Minister Lebouthillier:

As you are likely aware, the Parliamentary Budget Officer (PBO) provides independent and non-partisan analysis to the Senate and to the House of Commons about matters related to the nation's finances and the economy, the estimates, certain other documents government documents and the cost of proposals. In carrying out my mandate, I often require information held by government departments and Crown corporations and I am entitled to free and timely access – subject to limited exceptions – to such information under section 79.4 of the *Parliament of Canada Act*.

I am currently undertaking an analysis pursuant to paragraph 79.2(1)(a) of the *Parliament of Canada Act*, which mandates the PBO to prepare reports analyzing the following federal government documents: (i) a budget tabled by or on behalf of the Minister of Finance; (ii) an economic and fiscal update or statement issued by the Minister of Finance; (iii) a fiscal sustainability report issued by the Minister of Finance; (iv) the estimates of the government for a fiscal year.

For this analysis, I am requesting the following information:

In Budget 2019, the government announced its intention to legislate on the tax treatment of employee stock options. These changes are supposed to take effect on January 1, 2020. Please refer to paragraph 110(1)(d) of the Income Tax Act. For more information, see the background on the proposed changes to the tax treatment of employee stock options, issued in June 2019.

We would like the following information for the period from **2007 to 2017**:

- The number of individuals for whom the amount appearing under **T4 – Other Information Code-41** is greater than zero, the average amount entered under Code 41 for these individuals;
- The number of individuals for whom the amount appearing under **T4 – Other Information – Code-39** is greater than zero, the average amount entered under Code 39 for these individuals; and
- The number of individuals for whom the amount appearing under **T1 – Line 249** is greater than zero, the average amount entered on line 249 for these individuals.

We would also like the same information for individuals whose

- Security options deduction is greater than **\$50,000**;
- Security options deduction is greater than **\$75,000**;
- Security options deduction is greater than **\$100,000**;
- Security options deduction is greater than **\$125,000**; and
- Security options deduction is greater than **\$150,000**.

In order to provide the analysis to parliamentarians in a timely manner, I ask the information to be provided to my office no later than **16 January, 2020**. If access to the requested information cannot be granted by that date, a response must be provided by you or the Commissioner as soon as possible.

Should you or your staff have any questions about this information request, the analyst responsible, Étienne Bergeron can be contacted directly at Etienne.Bergeron@parl.gc.ca, 613-292-7472.

Attached is a reply form. It too should be filled out and returned by 16 January, 2020, whether or not you provide access to the requested information. Should you refuse to provide access to the requested information, you or the Commissioner must provide a written justification for the refusal as required under section 79.41 of the *Parliament of Canada Act*.

The response letter will be posted on the PBO website and, therefore, it should not be marked "confidential". As well, the requested information should be attached separately. If

this information is confidential, please clearly mark it as such, either on the electronic spreadsheet or the hard copy version.

Providing timely and effective analysis to the Senate and House of Commons and promoting greater budget transparency and accountability are the PBO's primary objectives. The degree to which this is possible depends, to a large extent, on free and timely access to quality information held by government departments. In doing so, you are assisting us in better serving the Senate, the House of Commons, and their members.

Yours sincerely,



Yves Giroux
Parliamentary Budget Officer

c.c.: Antoine Brunelle-Côté, Privy Council Office, Assistant Secretary to the Cabinet,
Liaison Secretariat for Macroeconomic Policy
Bob Hamilton, Commissioner of Revenue and Chief Executive Officer, Canada Revenue
Agency

Attachment: Reply form for IR0441