



February 15, 2010

Dr. Munir Sheikh
Chief Statistician of Canada
Statistics Canada
100 Tunney's Pasture Driveway
Ottawa ON K1A 0T6

Re: PBO Information Request 022

Dear Dr. Sheikh:

I would like to request from Statistics Canada:

1. A copy of *Financial Performance Indicators for Canadian Business* (catalogue #61-224-XCB); and,
2. Aggregate federal tax data regarding the disposal of real property assets (details provided in Annex A).

These data will be used to prepare a cost estimate of a legislative amendment to the *Income Tax Act*, which may be introduced during the coming parliamentary session by a private member.

I recognize that the second item is a custom request and may require you to cost-recover the time of your employees. If this is the case, please provide me with a cost estimate prior to proceeding.

Thank you for your continued help and support. Please let us know if any part of this request requires clarification.

Yours truly,

A handwritten signature in blue ink that reads 'K. Page'.

Kevin Page
Parliamentary Budget Officer
Email: PageK@parl.gc.ca

c.c.: Rick Stewart, Assistant Secretary to the Cabinet, Privy Council Office, Liaison Secretariat for Macroeconomic Policy



PBO Information Request

1) Request Number:	022
2) PBO Contact Name:	Jason Jacques (613-995-3315 or jacquj@parl.gc.ca)
3) Type of Request:	One-time
4) PBO Objective:	To prepare a cost estimate for a parliamentarian.
5) Relation to Mandate:	Pursuant to section 79.2(d) of the <i>Parliament of Canada Act</i> , the PBO is mandated to prepare cost estimates when requested by parliamentarians.
6) Information and Data Requested:	A copy of <i>Financial Performance Indicators for Canadian Business</i> (catalogue #61-224-XCB) in electronic format (20/20 or Excel readable) and tax data (see Annex A)
7) Priority:	Standard
8) Date Request Sent:	February 15, 2010
9) Response Required By:	March 1, 2010



Annex A: Residential Rental Property Capital Gains and Recapture Rollovers

Part 1: T1 Data (Individuals)

For the tax years 1995, 2000, 2005 and 2006:

Incidence of Tax Payable on Capital Gains

- a) Total potential tax payable arising from capital gains on real property sold during the relevant tax years (\$ value and # reporting).
- b) The results from (a), but screened to only include taxpayers that also have gross rental income greater than \$10,000 during the same tax year.
- c) The results from (a), but screened to only include taxpayers that also have net positive rental income during the same tax year.
- d) Applying the screens in (b) and (c) together.
- e) Total capital and business losses reported by taxpayers that could potentially be offset against tax payable reported in (b), (c) and (d).

Incidence of Tax Payable on Capital Cost Allowance Recapture

Repeat the calculations in the previous section, but for capital cost allowance recapture.

Distribution of Capital Gains by Age and Income

Present the distribution of capital gains arising from realized property gains by age of taxpayer (5 year increments, starting at 25 ending at 90), as well as income class (income from all sources before deductions, \$10,000 increments, starting at \$20,000 and ending at \$150,000).

Part 2: T2 Data (Corporations)

For the tax years 1995, 2000, 2005 and 2006:

Incidence of Tax Payable on Capital Gains

- a) Total reported real estate rental income (\$ value and # reporting).
- b) The results from (a), but screened to only include all types of property for real estate rental companies and trusts.
- c) The results from (a), but screened to only include reported real estate income for all other companies.
- d) Total capital and business losses reported by corporations that could potentially be offset against tax payable reported in (b) and (c).

Incidence of Tax Payable on Capital Cost Allowance Recapture

Repeat the calculations in the previous section, but for capital cost allowance recapture.

Distribution of Capital Gains by Income

Present the distribution of capital gains arising from realized property gains by income class (income from all sources before deductions, \$100,000 increments, starting at \$100,000 and ending at \$1,000,000).

Part 3: T3 Data (Trusts)

Please repeat the data collection undertaken in Part 2.