



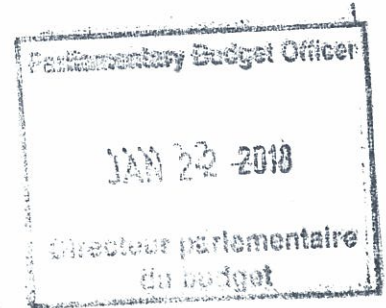
Department of Finance  
Canada

Deputy Minister

Ottawa, Canada  
K1A 0G5

Ministère des Finances  
Canada

Sous-ministre



2012FIN383158

JAN 16 2013

Mr. Kevin Page  
Office of the Parliamentary Budget Officer  
Library of Parliament  
Ottawa, ON K1A 0A9

Dear Mr. Page: *Kevin*

I am writing in response to your letter of December 17, 2012, in which you request any data or information that could help your office address a request from the House of Commons to estimate the cost of Bill C-463, *An Act to amend the Income Tax Act (travel expenses)*.

The attached document outlines the data source used by the Department of Finance to undertake its revenue cost estimates.

Yours sincerely,

*Michael Horgan*

Michael Horgan

Enclosure

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

## **Federal Revenue Cost Estimate for Bill C-463**

### Background on the Bill

Bill C-463 proposes that a tax deduction be provided to taxpayers purchasing tickets for transportation by Canadian carriers for non-business-only inter-provincial travel across three or more provincial boundaries. The taxpayer would be permitted to deduct up to the following amounts:

- \$2,000 for purchases of single or multiple tickets for the taxpayer's use; and
- \$2,000 per child of the taxpayer for tickets purchased for use by the child (the child would not also be able to claim the deduction).

A percentage eligibility rate of ticket costs would be applied to ticket purchases claimed, as follows:

- 100% for bus tickets;
- 75% for train tickets; and
- 40% for air tickets.

The measure would be in place as of the 2017 tax year.

### Data Source

The Department of Finance Canada has estimated the cost of Bill C-463 using the Public Use Micro-data Files of Statistics Canada's 2010 Travel Survey of Residents of Canada, to which access is free upon request. The data contain information on the number of non-business person trips taken across three provincial boundaries, by mode of transportation, as well as information on travel expenditures.