



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

December 9th 2021

The Honourable Diane Lebouthillier
Minister of National Revenue
Canada Revenue Agency
555 MacKenzie Avenue
7th Floor
Ottawa ON K1A 0L5

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

Information Request: IR0613

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 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 attached tabulation based on operational data collected under the Canada Emergency Wage Subsidy program.

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 **December 17th 2021**. 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, Ben Segel-Brown can be contacted directly at Ben.Segel-Brown@parl.gc.ca, 613-407-8357.

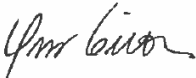
Attached is a reply form. It too should be filled out and returned by December 17th 2021, whether or not you provide access to the requested information. Should you refuse to provide access to the

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 IR0613

Appendix: Requested Tabulations

CEWS employment salaries to which the subsidy rate is applied by revenue loss range

Use CEWS Microdata

Correct any subsidy rates >100% or <1% due to data entry errors

Create two sets of tabulations:

1. one for all claimants,
2. one for claimants where the leading digits of the NAICS industry code are 4855, 487, 48811, 51213, 5615, 56192, 71 (except 71391 and 71329), or 72

For each set of tabulations, provide two subsets of tabulations:

1. One for all claimants
2. One for claimants which are:
 - Canadian-controlled private corporations (CCPCs),
 - Cooperative corporations that claimed the small business deduction in their most recent income tax filing, or
 - Partnerships

For each subset of tabulations, provide two further subsets of tabulations:

1. One for all claimants
2. One for claimants which have a qualifying revenue decline

The qualifying revenue decline is 40 percent if the business is in one of the industries identified in set 2. In all other cases, it is 50 percent. The qualifying revenue decline should be measured over the first 13 qualifying periods for the Canada Emergency Wage Subsidy. This should be estimated by averaging the revenue declines for the months during this period for which revenue declines relative to the specified baseline were reported, and 0 for any months in which CEWS was not claimed.

For each further subset of tabulations, provide two further subsets of tabulations:

1. One for all claimants
2. One for claimants where “[Line C – Basic Canada Emergency Wage Subsidy (including top-up, if applicable)]/[Line c3 – Subsidy rate used for active eligible employees in the calculation of Line C]” is greater in Period X than in Period 14. If a business did not apply for CEWS in period 14 it can be excluded from this tabulation.

In each further subset, provide seven tabulations where X is 15 to 21

Filter for businesses that applied for CEWS in Period 14 and Period X

	Period X	Period 14	Period X	Period 14	Period X
Calculation	MAX (Line c0, Line c1)	[Line A – Number of eligible employees (for periods 5 and onward the number of active eligible employees)]	[Line A – Number of eligible employees (for periods 5 and onward the number of active eligible employees)]	[Line C – Basic Canada Emergency Wage Subsidy (including top-up, if applicable)] / [Line c3 – Subsidy rate used for active eligible employees in the calculation of Line C]	[Line C – Basic Canada Emergency Wage Subsidy (including top-up, if applicable)] / [Line c3 – Subsidy rate used for active eligible employees in the calculation of Line C]
Current Revenue Decline used to identify firms in range	0%-10% 10%-20% 20%-30% 30%-40% 40%-50% 50%-60% 60%-70% 70%-80% 80%-90% 90%-100%	Provide the sum for each current period revenue loss range	Provide the sum for each current period revenue loss range	Provide the sum for each current period revenue loss range	Provide the sum for each current period revenue loss range
		For greater clarity, the information provided is: “Businesses with a 0-10% revenue loss in Period X employed Y people in Period 14.”	For greater clarity, the information provided is: “Businesses with a 0-10% revenue loss in Period X employed Y people in Period X.”	For greater clarity, the information provided is: “Businesses with a 0-10% revenue loss in Period X had \$Y as the base to which the subsidy rate was applied in period 14.”	For greater clarity, the information provided is: “Businesses with a 0-10% revenue loss in Period 14 had \$Y as the base to which the subsidy rate was applied in period X.”