



February 1, 2016

Mr. Andrew Treusch
Commissioner of the Canada Revenue Agency
555 MacKenzie Avenue, 7th Floor
Ottawa, Ontario
K1A 0L5

Re: Tax Evasion and Tax Gap Estimation

Dear Mr. Treusch:

I am writing in regards to the letter received by the Minister of National Revenue from Senator Percy E. Downe on the federal government's intention to fight tax evasion in Canada and the expertise that could be provided by the Parliamentary Budget Officer on the estimation of the tax gap.

Your office has previously indicated that the Canada Revenue Agency (CRA) does not generate information or data on the tax gap. My staff has prepared a methodology that was previously shared with your office that could be used to prepare a comprehensive cost estimate of the tax gap in Canada through the analysis of information received by the CRA from taxpayers and by examining the results of taxpayer audits conducted by the CRA.

We would welcome the opportunity to meet with your office to discuss the possibility of working cooperatively to determine the level of tax evasion and the tax gap in Canada.

Sincerely,

A handwritten signature in blue ink that reads 'Jean-Denis Fréchette'.

Jean-Denis Fréchette
Parliamentary Budget Officer

c.c. Senator Percy E. Downe