



September 18, 2012

Mr. Wayne Smith
Chief Statistician of Canada
Statistics Canada
RH Coats Building
100 Tunney's Pasture Driveway
Ottawa, Ontario K1A 0T6

Re: PBO Information Request IR0088

Dear Mr. Smith:

I would like to request access to Statistics Canada's Longitudinal Administrative Databank.

These data will be used in confidence to prepare an independent cost estimate of a legislative amendment to the *Income Tax Act* that is currently under consideration by the House of Commons Standing Committee on Finance. The Bill under study, Bill C-427 (Income averaging for artists), requires access to individual, longitudinal personal income tax data in order to provide a well-founded, bottom-up cost estimate. In order to undertake our analysis in a timely manner, I would greatly appreciate a response by September 24, 2012.

Thank you for your attention to this matter. Please do not hesitate to contact my staff if any further clarification is required.

Yours truly,

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

Kevin Page
Parliamentary Budget Officer

Encl.

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



PBO Information Request

REQUEST NUMBER: IR0088

PBO CONTACT NAME: Stephen Tapp (Stephen.Tapp@parl.gc.ca or 613-947-0570)

TYPE OF REQUEST: One-time

PRIORITY: Urgent

DATE REQUEST SENT: September 18, 2012

RESPONSE REQUIRED BY: September 24, 2012

PBO OBJECTIVE:

To estimate the fiscal cost of Bill C-427 (income averaging for artists) in order to support the work of the House of Commons Standing Committee on Finance.

RELATION TO MANDATE:

PBO's mandate includes estimating the financial cost of any proposal for matters over which Parliament has jurisdiction, when requested to do so from a committee or parliamentarian.

INFORMATION AND DATA REQUESTED:

Bill-C427 includes a provision that would allow artists to average their incomes for federal tax purposes for a period of up to five years. Therefore, in order to provide a detailed costing of this proposal, PBO requires individual-level, longitudinal personal income tax data for the relevant population. As such, PBO is requesting access to the most recent five years of data, covering 2005 to 2009, from Statistics Canada's Longitudinal Administrative Databank (LAD — a 20% sample of the annual T1 Family Files, which is designed as a research tool on Canadians' incomes). These data would allow us to establish a baseline for the cost estimate by calculating artists' tax liabilities without the income averaging provision.