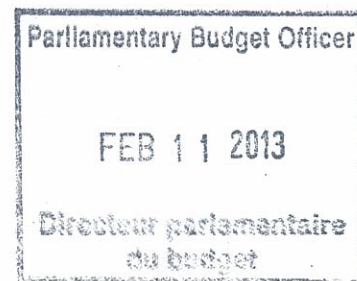




FEB 07 2013

Mr. Kevin Page  
Parliamentary Budget Officer  
Library of Parliament  
Parliament Buildings  
Ottawa ON K1A 0A9



**Re: PBO Information Request IR0091 - Supplemental**

This is in response to the follow-up request from your office, which sought supplemental information concerning the determination of the cost to the Government of Canada to implement Bill C-377, *An Act to amend the Income Tax Act (requirements for labour organizations)*. The response to the initial request was provided on November 27, 2012.

The CRA has examined the costs associated with the requirement for the cross-referencing of data included in the Bill at Second Reading. The estimated incremental costs to the CRA for administration of the Bill without this requirement are provided below. However, these costs are still in part contingent on an estimated reporting population of less than 1,000 organizations.

Fiscal year	Year 1	Year 2	Year 3	Year 4	Ongoing
Incremental costs (\$)	1,432,051	943,943	846,032	821,024	821,024
FTEs (#)	13	9	8	8	8

**Table A – Cost estimates accounting for the Second Reading of the Bill without the requirement for the cross-referencing of data. (reporting population less than 1,000 organizations)**

If the reporting requirements are imposed not only on labour organizations but also on each local associated with these labour organizations, the population of reporting entities would be approximately 16,000 organizations. This consideration along with the amendments which first appeared on the *Notice Paper* on November 30, 2012, in the name of the sponsor, will impact the estimated incremental costs for the administration of the Bill as described below. Please note that one of these amendments introduced a change to the coming into force provision of the Bill, which shifts the initial intake of the proposed information returns. These costs also consider alternatives for those reporting organizations that do not produce information returns electronically in eXtensible Markup Language.

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<b>Fiscal year</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Ongoing</b>
<b>Incremental costs (\$)</b>	614,273	1,960,612	1,914,865	1,531,927	1,464,227
<b>FTEs (#)</b>	5	22	22	17	16

**Table B – Cost estimates accounting for sponsor amendments and a reporting population of 16,000 organizations.**

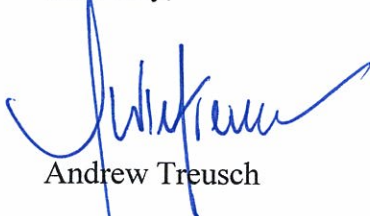
The CRA is funded according to a program activity (PA) structure established with the Treasury Board Secretariat. The following table provides an FTE breakdown of the cost estimates provided in Table B based on the CRA's PA structure:

<b>Program Activity</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Ongoing</b>
Taxpayer and Business Assistance	0.32	0.07	0.07	0.07	0.07
Assessment of Returns and Payments Processing	0.00	11.20	9.45	5.49	5.49
Accounts Receivable and Returns Compliance	0.75	4.39	4.29	2.37	2.37
Reporting Compliance	0.00	2.28	2.28	2.28	2.28
Appeals	0.00	0.68	3.29	4.48	3.61
Internal Services	4.08	3.41	3.50	2.94	2.84
<b>TOTAL</b>	<b>5.16</b>	<b>22.04</b>	<b>22.89</b>	<b>17.64</b>	<b>16.66</b>

**Table C – FTE breakdown of Table B estimates based on CRA's PA structure.**

Should you require additional information, please do not hesitate to contact me or Ms. Sandra Lavigne, Assistant Commissioner, Public Affairs Branch, at 613-957-3508.

Sincerely,



Andrew Treusch

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