

NEWS RELEASE

Average Swedes pay high taxes to finance large government

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For immediate release

VANCOUVER—Despite common misperceptions, middle-class workers in Sweden—a country often celebrated by social democrats in Canada—pay relatively high taxes for Sweden’s large government, finds a new book published today by the Fraser Institute, an independent, non-partisan Canadian public policy think-tank.

“Social democrats often assert that Canada should be more like Sweden, but in reality, average Canadians are highly unlikely to accept Sweden’s high taxes,” said Swedish researcher Johan Norberg, author of *The Mirage of Swedish Socialism: The Economic History of a Welfare State*.

Sweden has a larger government than Canada. Specifically, in 2022 government spending in Sweden (as a share of the economy) was 46.8 per cent compared to 41.5 per cent in Canada.

But while Sweden’s top personal income tax rate (52.3 per cent) is comparable to Canada’s top rate (53.5 per cent), Sweden’s top tax rate applies to income starting at roughly US\$62,000 compared to US\$177,000 in Canada. In other words, the top personal income tax rate in Sweden applies to many average Swedish workers and families.

Moreover, Sweden’s national sales tax rate (25 per cent) dwarfs the combined federal GST and provincial sales tax rates in Canada, which range from 5 per cent in Alberta to 15 per cent in the four Atlantic provinces.

“Average Swedes pay the tax price for their large government sector,” Norberg said. And social democrats are also unlikely to accept Sweden’s limited regulations, openness to trade, and low corporate tax rates.

Finally, according to polling [data](#) released in 2023, Canadians overwhelmingly reject higher personal income taxes and a higher GST to finance more government spending.

This book (accompanied by a website) is part of the Fraser Institute’s Realities of Socialism series.

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