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## **Tax Facts 12**



# Tax Facts 12

*BY JOEL EMES AND MICHAEL WALKER*



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## **Disclaimer**

A portion of this analysis is based on Statistics Canada's Social Policy Simulation Database and Model. The assumptions and calculations underlying the simulation results were prepared by the authors and the responsibility for the use and interpretation of these data is entirely theirs.

## Preface

This book is a summary of the latest results of a Fraser Institute project that began in July, 1975. Its objective was to find out how much tax, in all forms, Canadians pay to federal, provincial, and municipal governments and how the size of this tax bill has changed over the years since 1961. In the interim, eleven editions of this book have been published.

The book has been written with two distinct purposes in mind: first, to provide a non-technical do-it-yourself manual so that the average Canadian family can estimate how much tax it pays; and second, to update a statistic, first published in 1976, that we call the Canadian Consumer Tax Index. This index measures how much the tax bill of an average Canadian family has increased since 1961 and by how much it is changing currently. In other words, it measures changes in the price that Canadians pay for government.

This book does not attempt to look at the benefits that Canadians receive from government in return for their taxes. Rather, it looks at the price that is paid for a product—government. It has nothing to say about the quality of the product, how much of it each of us receives, or whether we get our money's worth. These questions are, however, considered in various Fraser Institute publications, including *Government Spending Facts 2*, and our government report cards.

Many of the recent statistics contained in this book are based on output from Statistics Canada's Social Policy Simulation Database and Model (SPSD/M), a microsimulation model of the Canadian tax and transfer system. Prior to 1992, the analysis was done with group average data pre-compiled by Statistics Canada. Because the analysis is now built up from families, it is possible to examine the situation of particular types of taxpayers with a good deal more precision.

The Fraser Institute calculations of the tax burden are part of an on-going program of research. In making these results available to the public we seek both to inform and to be informed. Readers who disagree with our methods or conclusions are invited to write to the Institute to convey the nature of their reservations. In this way, our methods and our estimates can be refined and perfected.

— Michael A. Walker



## **Tax Facts 12**

