

Canadians Celebrate Tax Freedom Day on June 14

It is nearly impossible for ordinary Canadians to clearly know how much tax they really pay. Most Canadians would have little difficulty determining how much income tax they pay; a quick look at their income tax return or pay stub would suffice. The same is true for Employment Insurance and Canadian Pension Plan premiums. However, there is a host of other taxes that are not so obvious. For example, while Canadians are painfully aware of sales taxes, calculating the total amount paid would require



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Main Conclusions

- **Tax Freedom Day is the day in the year the average Canadian family has earned enough money to pay the taxes imposed on it by the three levels of government: federal, provincial, and local.**
- **In 2008, Canadians celebrate Tax Freedom Day on June 14. That is, Canadians worked until June 13 to pay the total tax bill imposed on them by all levels of government.**
- **Tax Freedom Day in 2008 arrives four days earlier than in 2007, when it fell on June 18.**
- **The latest Tax Freedom Day in Canadian history was in 2005, when it fell on June 25; this is almost two months later than in 1961, the earliest year for which the calculation has been made. Tax Freedom Day decreased to June 23 in 2006 and June 18 in 2007.**
- **In 2008, the average Canadian family earned \$90,678 in income and paid a total of \$40,667 in taxes (44.8 percent).**
- **Tax Freedom Day for each province varies according to the extent of the provincially levied tax burden. The earliest provincial Tax Freedom Day fell on May 28 in Alberta.**
- **All Canadian provinces experienced earlier Tax Freedom Days in 2008 with Manitoba, Saskatchewan, and British Columbia experiencing the largest improvements.**

people to track all of their purchases over the course of a year. In addition, there exists a class of taxes about which Canadians are largely unaware and which are built into the price of goods and services. The most significant of these “hidden” taxes are import duties, excise taxes on tobacco and alcohol, amusement taxes, and gas taxes. Finally, most Canadians are unaware that they pay the employers’ portion of payroll taxes such as EI and CPP premiums and other taxes levied on businesses. In other words, although businesses pay these taxes directly, the cost of

business taxation is ultimately passed onto ordinary Canadians.

The Fraser Institute annually calculates Tax Freedom Day in order to provide a comprehensive and easily understood indicator of the overall tax burden faced by the average Canadian family. This Alert presents preliminary Tax Freedom Day calculations for 2008.

Tax Freedom Day

Tax Freedom Day is the day in the year when the average Canadian family has earned enough money to pay the taxes imposed on it by the three levels of government: federal,

provincial, and local. In other words, if Canadians were required to pay all of their taxes up front, they would have to pay each and every dollar they earned to governments prior to Tax Freedom Day.

Taxes used to compute Tax Freedom Day include income taxes, property taxes, sales taxes, profit taxes, health, social security and employment taxes, import duties, license fees, taxes on the consumption of alcohol and tobacco, natural resource fees, fuel taxes, hospital taxes, and a host of other levies.

In 2008, Canadians start working for themselves on June 14 (table 1).

Table 1: Tax Freedom Days*

	1981	1985	1995^{re}	2000^{re}	2005^{re}	2006^{re}	2007^{re}	2008^{pe}
Newfoundland and Labrador	May 18	May 9	May 20	June 6	June 26	June 30	July 5	June 30
Prince Edward Island	May 6	June 7	May 24	June 7	June 13	June 14	June 6	June 4
Nova Scotia	May 11	May 17	May 31	June 10	June 20	June 17	June 15	June 12
New Brunswick	May 6	June 2	June 2	June 8	June 12	June 12	June 7	June 3
Quebec	June 7	June 17	June 11	June 30	June 28	June 28	June 24	June 19
Ontario	May 29	May 26	June 9	June 17	June 16	June 16	June 12	June 9
Manitoba	May 17	May 5	June 12	June 25	June 22	June 22	June 15	June 8
Saskatchewan	May 24	May 17	June 16	June 29	July 10	July 3	June 26	June 20
Alberta	May 30	May 22	June 5	June 20	June 16	June 11	June 1	May 28
British Columbia	June 9	June 16	June 14	June 28	June 29	June 26	June 19	June 13
Canada	May 30	June 6	June 11	June 24	June 25	June 23	June 18	June 14
<i>Without Natural Resources</i>								
Newfoundland and Labrador	May 17	May 8	May 20	June 5	June 18	June 23	June 11	June 3
Saskatchewan	May 15	May 9	June 9	June 17	June 26	June 21	June 13	June 9
Alberta	May 6	May 3	May 28	May 28	May 26	May 26	May 20	May 16
British Columbia	June 6	June 12	June 10	June 20	June 22	June 20	June 14	June 8
Canada	May 27	June 4	June 9	June 19	June 21	June 20	June 15	June 11

re = revised estimate; pe = preliminary estimate

*Based on total taxes as a percentage of cash income for families with two or more individuals.

Source: The Fraser Institute’s Canadian Tax Simulator, 2008.

**Table 2: Taxes of the Average Family (with two or more individuals), 2008,
preliminary estimates (\$ Cdn)**

	Cash Income	Income tax	Sales taxes	Liquor, tobacco, amuse- ment, & other excise taxes	Auto, fuel, & motor vehicle licence taxes	Social security, pension, medical, & hospital taxes	Property taxes	Import duties	Profits tax	Natural resource levies	Other taxes	Total tax bill
NL	63,892	7,633	4,697	2,165	1,085	5,114	1,239	229	3,599	4,662	1,103	31,526
PE	71,068	9,832	5,778	2,007	1,131	6,085	1,980	264	2,134	8	725	29,944
NS	74,216	11,310	5,521	2,211	1,054	5,766	2,316	305	3,232	683	466	32,862
NB	71,807	9,874	5,305	1,955	1,068	5,718	2,670	268	2,364	277	578	30,077
QC	76,489	11,330	5,871	1,865	878	8,607	2,649	311	3,424	(6)	526	35,454
ON	95,102	14,314	6,662	2,071	971	9,419	3,141	403	3,443	26	925	41,374
MB	84,619	12,796	5,922	2,578	858	6,261	2,714	325	3,095	189	1,871	36,609
SK	85,015	13,152	5,175	2,525	1,686	5,931	2,918	334	4,179	2,549	1,184	39,634
AB	126,590	23,148	3,383	4,002	1,023	8,638	1,751	514	2,510	4,268	1,825	51,062
BC	88,105	12,718	5,839	2,611	1,143	7,439	3,169	360	3,394	1,059	1,541	39,273
CDA	90,678	13,983	6,171	2,330	1,040	8,646	2,941	375	3,484	685	1,011	40,667

Source: The Fraser Institute's Canadian Tax Simulator, 2008.

**Table 3: Taxes of the Average Family (with two or more individuals), 2007,
revised estimates (\$ Cdn)**

	Cash Income	Income tax	Sales taxes	Liquor, tobacco, amuse- ment, & other excise taxes	Auto, fuel, & motor vehicle licence taxes	Social security, pension, medical, & hospital taxes	Property taxes	Import duties	Profits tax	Natural resource levies	Other taxes	Total tax bill
NL	64,662	8,334	5,310	2,267	1,142	5,057	1,211	221	3,709	4,360	1,117	32,729
PE	69,034	9,401	5,922	1,940	1,133	6,005	1,672	254	2,378	8	729	29,443
NS	72,200	10,829	5,555	2,205	1,065	5,689	2,105	291	3,370	551	802	32,461
NB	69,934	9,588	5,139	1,942	1,077	5,631	2,529	257	2,924	303	582	29,974
QC	74,663	11,147	6,039	1,890	876	8,426	2,469	297	3,706	14	531	35,394
ON	93,127	13,909	6,991	2,107	973	9,354	2,863	388	3,610	23	939	41,157
MB	80,963	12,322	5,972	2,584	890	6,143	2,685	311	3,625	204	1,858	36,594
SK	80,061	12,326	5,263	2,492	1,635	5,836	2,587	315	4,108	2,881	1,143	38,587
AB	121,108	22,162	3,821	4,068	1,017	8,864	1,350	495	2,391	4,146	1,746	50,061
BC	85,006	12,324	6,066	2,595	916	7,452	2,911	346	3,999	1,136	1,502	39,247
CDA	88,177	13,619	6,391	2,356	1,008	8,559	2,682	360	3,742	707	1,020	40,443

Source: The Fraser Institute's Canadian Tax Simulator, 2008.

Table 4: Difference in the Average Family's Tax Bill between 2008 and 2007 (\$ Cdn)

	Cash Income	Income tax	Sales taxes	Liquor, tobacco, amuse- ment, & other excise taxes	Auto, fuel, & motor vehicle licence taxes	Social security, pension, medical, & hospital taxes	Property taxes	Import duties	Profits tax	Natural resource levies	Other taxes	Total tax bill
NL	(770)	(701)	(613)	(102)	(57)	57	28	8	(110)	302	(14)	(1,203)
PE	2,034	430	(144)	66	(2)	80	308	11	(244)	0	(4)	501
NS	2,016	480	(34)	5	(10)	77	211	14	(138)	132	(336)	401
NB	1,873	286	166	13	(10)	87	141	11	(560)	(26)	(4)	104
QC	1,826	184	(168)	(25)	2	180	180	14	(281)	(21)	(5)	61
ON	1,976	405	(329)	(36)	(2)	64	278	15	(167)	3	(14)	217
MB	3,656	473	(50)	(6)	(32)	118	29	14	(530)	(15)	13	15
SK	4,953	826	(88)	33	52	95	331	19	71	(332)	41	1,047
AB	5,482	986	(437)	(66)	6	(227)	402	19	119	122	78	1,001
BC	3,099	394	(227)	16	227	(13)	258	14	(605)	(77)	38	25
CDA	2,501	365	(220)	(26)	32	87	259	15	(259)	(22)	(9)	223

Note: numbers may not add due to rounding.

Source: The Fraser Institute's Canadian Tax Simulator, 2008.

That is, Canadians will work until June 13 to pay the total tax bill imposed on them by all levels of government. From June 14 to the end of the year, taxpayers can keep all the income they earn. This represents a four day improvement over 2007 when Tax Freedom Day fell on June 18.

It is important to note that Tax Freedom Day is not intended to measure the benefits Canadians receive from governments in return for their taxes. Rather, it looks at the price that is paid for a product—government. It is not a reflection of the quality of the product, how much of it each of us receives, or whether we get our money's worth. These are questions each of us can answer only for ourselves.

Canadians can calculate their personal Tax Freedom Day using The Fraser Institute's Personal Tax Freedom Day Calculator at www.fraserinstitute.org.

Trends in Tax Freedom Day

The latest Tax Freedom Day in Canadian history was recorded in 2005, when it fell on June 25.¹ Since 2005, Tax Freedom Day for the average Canadian family has steadily decreased. Tax Freedom Day dropped to June 23 in 2006 and June 18 in 2007. This year, Tax Freedom Day arrives four days earlier than in 2007.² While recent Tax Freedom Days show a slight reduction in the tax burden, it is nevertheless a fact that Tax Freedom Day this year is over 40 days later than it was 47 years ago. In 1961, the

earliest year for which the calculation has been made, Canadian Tax Freedom Day was May 3. By 1981, it had advanced to May 30, and in 2008 Tax Freedom Day will, as noted, fall on June 14.

There are many reasons for the recent reduction in Tax Freedom Day. First, tax relief at the federal level contributed to the decline. Examples include the reduction in the Goods and Services Tax (GST) from 6 percent to 5 percent, which took effect on January 1, 2008, and reductions in the federal corporate income tax rate and the small business tax rate.

In addition, many provincial governments also reduced taxes in 2008. For example, Saskatchewan reduced its corporate income taxes, Manitoba cut its middle personal

Table 5: Average Income and Tax for Three Different Types of Family, 2008, preliminary estimates (\$ Cdn)

1. Families and unattached individuals

	NF	PE	NS	NB	QC	ON	MB	SK	AB	BC	CDA
Avg. Cash Income	54,466	56,566	58,616	59,357	60,380	77,437	66,905	67,686	97,641	68,839	71,764
Total Tax	25,920	22,172	25,803	24,943	27,519	34,249	28,886	30,679	39,298	30,414	31,535
Tax Rate	47.6%	39.2%	44.0%	42.0%	45.6%	44.2%	43.2%	45.3%	40.2%	44.2%	43.9%
Tax Rate (excluding natural resources)	40.4%	39.2%	43.1%	41.6%	45.6%	44.2%	43.0%	42.3%	36.8%	43.0%	43.1%

2. Families with two or more individuals

	NF	PE	NS	NB	QC	ON	MB	SK	AB	BC	CDA
Avg. Cash Income	63,892	71,068	74,216	71,807	76,489	95,102	84,619	85,015	126,590	88,105	90,678
Total Tax	31,526	29,944	32,862	30,077	35,454	41,374	36,609	39,634	51,062	39,273	40,667
Tax Rate	49.3%	42.1%	44.3%	41.9%	46.4%	43.5%	43.3%	46.6%	40.3%	44.6%	44.8%
Tax Rate (excluding natural resources)	42.0%	42.1%	43.4%	41.5%	46.4%	43.5%	43.0%	43.6%	37.0%	43.4%	44.1%

3. Families of four (parents and two children under 18)

	NF	PE	NS	NB	QC	ON	MB	SK	AB	BC	CDA
Avg. Cash Income	87,136	72,879	88,033	85,020	97,556	117,519	98,339	100,622	144,616	101,477	111,113
Total Tax	46,368	27,655	36,692	33,615	44,860	47,455	39,904	43,562	59,640	41,740	47,041
Tax Rate	53.2%	37.9%	41.7%	39.5%	46.0%	40.4%	40.6%	43.3%	41.2%	41.1%	42.3%
Tax Rate (excluding natural resources)	44.8%	37.9%	40.6%	39.1%	46.0%	40.4%	40.3%	40.0%	37.4%	39.7%	41.4%

Source: The Fraser Institute's Canadian Tax Simulator, 2008.

income tax rate and its corporate income tax and small business rates, and Newfoundland and Labrador reduced personal income taxes.³

However, part of the decline in Tax Freedom Day may be a generated by conservative revenue projections on behalf of Canadian governments. Federal and provincial budget forecasts estimating the amount of revenue each will collect are one key

component of the Tax Freedom Day calculations for the current year. Conservative projections of tax revenues, especially relative to projected increases in personal incomes, can result in the reduction of Tax Freedom Day. For instance, among other decreases, some provincial budgets have projected a substantial decrease in total provincial natural resource levies for 2008

and a decrease in total provincial corporate income tax revenue. In addition, provincial projections for personal income tax revenue were below the expected increase in personal incomes for 2008, which contributed to the decrease in Tax Freedom Day.

When final revenue numbers become available at the end of each fiscal year and personal income

Table 6: Breakdown of the Average Family's* Tax Bill by Level of Government, 2008, preliminary estimate (\$ Cdn)

	Federal government	Provincial government**	Municipal government	Tax bill**
Newfoundland and Labrador	13,766	11,828	1,270	26,864
Prince Edward Island	16,123	13,016	796	29,936
Nova Scotia	17,834	11,992	2,354	32,179
New Brunswick	16,210	12,066	1,525	29,800
Quebec	17,435	15,354	2,671	35,461
Ontario	23,828	14,442	3,079	41,349
Manitoba	19,529	14,151	2,739	36,420
Saskatchewan	19,468	14,422	3,194	37,085
Alberta	30,728	14,603	1,463	46,794
British Columbia	22,265	14,051	1,897	38,213
Canada	22,171	15,130	2,681	39,982

*The average family with two or more individuals.

**Excludes natural resource levies.

Source: The Fraser Institute's Canadian Tax Simulator, 2008.

data are updated by Statistics Canada, we revise our Tax Freedom Day calculations for previous years.⁴ If federal and provincial revenue does

end up higher than currently projected, the drop in Tax Freedom Day could be reduced or even eliminated once the 2008 preliminary Tax Freedom Day estimates are revised.

much smaller increase of 0.6 percent (\$223) in the total tax bill. The largest increase among the myriad taxes came in the form of income taxes, up \$365 for the average Canadian family (table 4). Other notable increases came in the form of property taxes (up by \$259) and social security taxes (up by \$87). Profit taxes and sales taxes paid by the average Canadian family decreased the most between 2007 and 2008 (table 4).

Disclaimer

Tax Freedom Days are calculated on the Fraser Institute's Canadian Tax Simulator (CANTASIM). Statistics Canada's Social Policy Simulation Database and Model, version 15.0 (SPSD/M), is an important part of this model for the 1992 through 2008 Tax Freedom Days. The assumptions and calculations underlying the SPSPD/M simulation results were prepared by the Fraser Institute and the responsibility for the use and interpretation of these data is entirely that of the authors.

Income and total tax bill of the average family

Table 2 reveals the taxes and income of the average family in Canada and each of the provinces. In 2008, the average Canadian family (with two or more individuals) earned \$90,678 in income and paid a total of \$40,667 in taxes. In other words, the total tax bill of the average Canadian family in 2008 amounted to 44.8 percent of cash income (table 7).

The cash income of the average Canadian family increased by 2.8 percent (\$2,501) between 2007 and 2008 (tables 2, 3, 4). This compares to a

Tax Freedom Day by province

While all Canadians face more or less the same federal tax bill, Tax Freedom Day for each province varies according to the extent of the provincially-levied tax burden (table 1). This year, the earliest provincial Tax Freedom Day fell on May 28 in Alberta,

Table 7: Tax Rates* (percent)

	1981	1985	1995 ^{re}	2000 ^{re}	2005 ^{re}	2006 ^{re}	2007 ^{re}	2008 ^{pe}
Newfoundland and Labrador	37.4	34.9	38.0	42.9	48.1	49.1	50.6	49.3
Prince Edward Island	34.2	42.8	38.9	43.1	44.4	44.7	42.6	42.1
Nova Scotia	35.5	37.0	40.9	43.9	46.3	45.7	45.0	44.3
New Brunswick	34.2	41.6	41.4	43.3	44.2	44.3	42.9	41.9
Quebec	42.9	45.6	44.0	49.4	48.6	48.7	47.4	46.4
Ontario	40.3	39.5	43.3	45.8	45.2	45.2	44.2	43.5
Manitoba	37.2	33.8	44.3	48.0	47.0	47.0	45.2	43.3
Saskatchewan	39.0	37.1	45.3	49.1	51.8	50.1	48.2	46.6
Alberta	40.6	38.5	42.4	46.6	45.4	44.0	41.3	40.3
British Columbia	43.4	45.2	44.9	48.8	48.8	48.1	46.2	44.6
Canada	40.8	42.7	43.9	47.6	47.7	47.4	45.9	44.8
<i>Without Natural Resources</i>								
Newfoundland and Labrador	37.2	34.6	37.8	42.6	45.8	47.2	43.9	42.0
Saskatchewan	36.5	34.8	43.4	45.9	48.2	46.7	44.6	43.6
Alberta	34.2	33.3	40.0	40.4	39.7	39.6	37.9	37.0
British Columbia	42.6	44.3	43.7	46.6	46.9	46.5	44.8	43.4
Canada	39.9	42.1	43.4	46.4	46.6	46.5	45.1	44.1

re = revised estimate; pe = preliminary estimate.

*Based on total taxes as a percentage of cash income for families with two or more individuals.

Source: The Fraser Institute's Canadian Tax Simulator, 2008.

Table 8: The Distribution of Cash Income and Tax Across Deciles*, and the Average Tax Rate by Decile, 2008, preliminary estimate

Decile	1	2	3	4	5	6	7	8	9	10
<i>Distribution across deciles</i>										
Tax	0.5%	1.4%	2.8%	4.4%	6.2%	8.0%	9.9%	12.6%	16.4%	37.6%
Income	1.5%	3.2%	4.4%	5.5%	6.8%	8.5%	10.4%	12.7%	16.2%	30.8%
<i>Average Tax Rate</i>										
	15.2%	19.8%	30.0%	37.0%	42.1%	43.0%	43.8%	45.4%	46.5%	56.0%

*Deciles group families from lowest to highest incomes with each group containing ten percent of all families. The first decile, for example, represents the ten percent of families with the lowest incomes.

Note: Deciles may not sum to 100% due to rounding.

Source: The Fraser Institute's Canadian Tax Simulator, 2008.

Table 9: 2008 Tax Freedom Days and Federal Transfers as a Percent of Total Provincial Revenue

Tax Freedom Day*		Federal Transfers as a Percent of Total Provincial Revenue	
Alberta	May 28	Prince Edward Island	41.1%
New Brunswick	June 3	New Brunswick	37.1%
Prince Edward Island	June 4	Manitoba	36.7%
Manitoba	June 8	Nova Scotia	28.7%
Ontario	June 9	Newfoundland and Labrador	23.8%
Nova Scotia	June 12	Quebec	22.3%
British Columbia	June 13	Ontario	17.0%
Quebec	June 19	British Columbia	15.1%
Saskatchewan	June 20	Saskatchewan	14.8%
Newfoundland and Labrador	June 30	Alberta	9.8%

*Based on total taxes as a percentage of cash income for families with two or more individuals.

Source: The Fraser Institute's Canadian Tax Simulator, 2008; 2008 provincial budgets.

while the latest date fell on June 30 in Newfoundland and Labrador.

All Canadian provinces experienced a decrease in their Tax Freedom Day between 2007 and 2008, meaning that most citizens are working less for the government and more for themselves and their families this year (table 1). Taxpayers in Manitoba celebrate the largest drop in Tax Freedom Day among the provinces, seven days earlier than in 2007. Taxpayers in Saskatchewan and British Columbia celebrate six days earlier. Taxpayers in Prince Edward Island experienced the smallest decrease in their Tax Freedom Day, which arrived two days earlier than in 2007. Tax Freedom Day in Canada's most populous province, Ontario, comes three days earlier in 2008.⁵

There is an unsolved debate as to whether natural resource royalties are actually a tax or simply the conversion of a balance sheet asset

("public asset") into an income stream. This debate is not one we attempt to resolve for our annual calculations. For this reason, we provide two sets of Tax Freedom Days for provinces that have significant natural resources, one including and one excluding resource royalties. If natural resource revenues are excluded, Tax Freedom Day is 27 days earlier in Newfoundland and Labrador, 12 days earlier in Alberta, 11 days earlier in Saskatchewan and 5 days earlier in British Columbia (table 1).

The Atlantic provinces historically have had some of the country's earliest Tax Freedom Days due, in part, to the large share of their total revenue that is transferred from other provinces through the federal government (table 9). Tax Freedom Days in those provinces, as well as in Manitoba and Quebec, come earlier than would be the case without these transfers. On the other hand, Tax Freedom Days in the traditional "have" provinces of

Ontario, Alberta, and British Columbia come later than would be the case without these transfers.

Fairness in the tax system

In addition to the size of the average family's tax bill, there are concerns about the fairness of the Canadian tax system. The top 30 percent of income earners pay 66.6 percent of all taxes and earn 59.7 percent of all income, while the bottom 30 percent of all income earners pay 4.7 percent of all taxes and earn 9.1 percent of all income (table 8). The overall distribution shows that Canada's tax system is effectively progressive and does extract proportionately more money from those on the higher end of the income scale.

Conclusion

The Canadian tax system is complex and there is no single number that

can give us a complete idea of who pays how much. That said, Tax Freedom Day is the most comprehensive and easily understood indicator of the overall tax bill of the average Canadian family. In 2008, Canadians celebrate Tax Freedom Day on June 14, four days earlier than in 2007.

Notes

- 1 It is important to note that the tax rate for the average Canadian family in 2005 was almost identical to that in 2000, despite a later Tax Freedom Day (June 25 in 2005 compared to June 24 in 2000). The one day difference in Tax Freedom Day was the result of 2000 being a leap year.
- 2 Note that 2008 is also a leap year, which means that Tax freedom Day arrives one day earlier than would be the case during a standard (non-leap) year.
- 3 A complete delineation of tax changes is available in the 2008 provincial budgets.
- 4 For example, in our 2007 Tax Freedom Day Alert (Palacios and Veldhuis, 2007), we preliminarily estimated a June 20 Tax Freedom Day for 2007. This year we recalculated Tax Freedom Day for 2007 using updated provincial and federal budget numbers and updated data from Statistics Canada. Our revised calculations reveal that Tax Freedom Day in 2007 actually fell on June 18 (table 1).
- 5 Tax Freedom Days are calculated on the Fraser Institute's Canadian Tax Simulator (CANTASIM). Statistics Canada's Social Policy Simulation Database and Model (SPSD/M) is an important part of this model for the 1992 through 2008 Tax Freedom Days. Statistics Canada's Survey of Labour and Income Dynamics (SLID) is the host database for the SPSD. The latest version of the SPSD/M is based on the 2003 *Survey of Labour and Income Dynamics*, an update from

the 2002 survey used in the previous version. While The Fraser Institute's methodology has not changed, the change in base year from 2002 to 2003 has led to changes in historical Tax Freedom Days in some provinces. Of note, the average Ontario family's Tax Freedom Day has decreased between 3 and 4 days, depending on the year. The reason for this change can be attributed to Ontario's decreasing share of total capital and labour income in Canada. Provincial shares of capital and labour income are used to distribute various federal

taxes to the provinces. As a result, Ontario received a slightly smaller share off federal tax revenue using the updated SPSD/M.

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ISSN 1714-6720

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