NEWS RELEASE

Families in Quebec that earn $100,000 or more face highest tax rates nationwide

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For immediate release

MONTRÉAL—Quebec and eastern Canada have the highest personal income tax rates nationwide on individuals and households that earn $100,000 or more a year, and also have the lowest percentages of tax filers with over $100,000 of income, finds a new study released today by the Fraser Institute, an independent, non-partisan Canadian public policy think-tank.

“There is clearly an east-west divide in Canada, with Quebec and Atlantic Canada having the highest income tax rates on high-income earners, and the lowest share of high-income tax filers,” said Alex Whalen, policy analyst at the Fraser Institute and co-author of High Tax Rates on Top Earners in Atlantic Canada and Quebec.

“Western Canada, in contrast, taxes high income earners at lower rates and has higher numbers of those earners.”

The study finds that couples with no children, couples with one child, and couples with two children in Quebec have higher personal income rates than anywhere else in Canada. Single people in Quebec who make more than $100,000 have the second highest personal income tax rate nationwide after Prince Edward Island.

Crucially, of the 10 Canadian provinces, Quebec has the 7th lowest percentage of tax filers who earn $100,000 or more a year in income, and again, the Atlantic provinces also are at the bottom of the pack for share of tax filers who earn more than $100,000. P.E.I. has the lowest share, followed by New Brunswick (9th), Nova Scotia (8th) and Newfoundland and Labrador (6th), while Ontario and western Canadian provinces all have higher shares.

“The situation in Quebec and the Atlantic provinces is clear—the jurisdictions in Canada with the highest personal income tax rates on high-income earners also have the lowest share of high-income earners nationwide,” Whalen said.

“Given that high income earners are often entrepreneurs, job creators, or other high performers, policymakers in Quebec and eastern Canada should consider personal income tax reform in order to make their tax regimes competitive with the rest of the country.”

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