

NEWS RELEASE

86% of middle-class families face higher federal personal income tax burden

January 20, 2022

For immediate release

VANCOUVER—Contrary to rhetoric from Ottawa, the vast majority of middle-class Canadian families pay higher federal personal income taxes due to tax changes made by the federal government, finds a new study released today by the Fraser Institute, an independent, non-partisan Canadian public policy think-tank.

“The federal government has repeatedly asserted that it lowered personal income taxes for the middle class when in fact it increased the personal income tax burden on most middle-class families,” said Jake Fuss, senior economist at the Fraser Institute and co-author of *Measuring the Impact of Federal Personal Income Tax Changes on Middle Income Canadian Families since 2015*.

In 2015, the government reduced the second-lowest personal income tax rate (from 22 per cent to 20.5 per cent)—but also scrapped income-splitting for couples with young children and eliminated a series of tax credits, which more than offset the savings from the tax rate reduction.

As a result, the study finds that 86 per cent of middle-class families experienced an increase in their federal personal income tax burden—\$800 annually (on average).

The study compared federal personal income taxes for families with children in 2015 versus 2019 using a tax and transfer model by Statistics Canada, which includes information for more than 1 million Canadians in over 300,000 households with approximately 600 variables included for each individual.

“By promoting one income tax change and downplaying others, Ottawa paints an incomplete picture of the overall impact of their tax changes, which have imposed a higher personal income tax bill on the vast majority of middle-class families,” said Fuss.

(30)

MEDIA CONTACTS:

Jake Fuss, Senior Economist
Fraser Institute

Jason Clemens, Executive Vice-President,
Fraser Institute

To arrange media interviews or for more information, please contact:

Drue MacPherson, Media Relations Coordinator, Fraser Institute
(604) 688-0221 ext. 721

drue.macpherson@fraserinstitute.org

[Follow the Fraser Institute on Twitter](#) | [Like us on Facebook](#)

The Fraser Institute is an independent Canadian public policy research and educational organization with offices in Vancouver, Calgary, Toronto, and Montreal and ties to a global network of think-tanks in 87 countries. Its mission is to improve the quality of life for Canadians, their families and future generations by studying, measuring and broadly communicating the effects of government policies, entrepreneurship and choice on their well-being. To protect the Institute's independence, it does not accept grants from governments or contracts for research. Visit www.fraserinstitute.org