

NEWS RELEASE

Top 20% of Canadian income-earning families pay 53% of all taxes

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For immediate release

CALGARY—The top 20 per cent of income-earning families pay more than half (53.0 per cent) of total taxes including personal income, sales and property taxes, according to a new study published by the Fraser Institute, an independent non-partisan Canadian think tank.

“Despite the common misperception that top earners don’t pay their ‘fair share’ of taxes, in reality these households pay a disproportionately large share of the total tax bill,” said Jake Fuss, associate director of fiscal studies at the Fraser Institute and co-author of *Measuring Progressivity in Canada’s Tax System, 2022*.

The key to understanding ‘fairness’ is comparing the share of income earned by one group compared to their share of total taxes paid. By this objective measure, the top 20 per cent of income-earning families is the only group to pay a disproportionate share of the total tax burden compared to their share of income earned.

Specifically, the study finds that the top 20 per cent of income-earning families pay a larger share of total taxes (53.0 per cent) than their share of income (44.6 per cent).

“While the top 20 percent earn a large share of total income at 44.6 per cent, they pay an even higher share of total taxes (53.0 per cent)” said Fuss.

Conversely, the bottom 20 per cent of income-earning families pay 0.8 per cent of total taxes while earning 5.2 per cent of the total family income in Canada.

Indeed, the study found that all 80 per cent of income-earning families outside of the top 20 per cent paid less in total taxes than they earned in total income.

“The assertion that the top 20 per cent of earners in Canada are not paying their fair share is simply not supported by the evidence,” commented Fuss.

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