

NEWS RELEASE

Top 20 per cent of families pay 56 per cent of all taxes in Canada

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For immediate release

VANCOUVER—Despite common misperceptions that top earners pay little tax, Canada’s top income-earners pay a disproportionate—and growing—share of all taxes collected by government, finds a new study released today by the Fraser Institute, an independent, non-partisan Canadian public policy think-tank.

“The notion of tax fairness has come up recently to justify even higher taxes on top earners, but in reality, they already pay a disproportionate share of the tax bill,” said Charles Lammam, director of fiscal studies at the Fraser Institute and co-author of *Measuring the Distribution of Taxes in Canada: Do the Rich Pay Their “Fair Share”?*

The study finds that this year, the top 20 per cent of income earners in Canada—families with an annual income greater than \$186,875—will earn 49.1 per cent of all income in Canada but pay 55.9 per cent of all taxes including not just income taxes, but payroll taxes, sales taxes and property taxes, among others.

The discrepancy is even more pronounced for the top one per cent of earners. While this group will pay 14.7 per cent of all taxes in 2017 (up from 11.3 per cent in 1997), it will earn a smaller percentage (10.7 per cent) of all income.

By comparison, the bottom 50 per cent of income-earning families in Canada earn 20 per cent of all income, but pay just 14.6 per cent of all taxes.

When looking at income taxes alone, the top one per cent will pay 17.9 per cent of all federal and provincial income taxes, while the bottom 50 per cent will pay nine per cent of all income taxes this year.

“Despite rhetoric to the contrary, the reality is that Canada’s top earners already pay a disproportionate share of the taxes, and that share has grown over the years,” Lammam said.

This is the final chapter in a new book on income inequality published by the Fraser Institute. A free PDF of the book is available at www.fraserinstitute.org.

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