



NEWS RELEASE

May 24 is Tax Freedom Day—but there’s no reason to celebrate

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For immediate release

VANCOUVER—Tax Freedom Day in Canada this year falls on May 24, according to the Fraser Institute’s annual calculations—but there is no reason to celebrate as all signs point to a rising tax bill in the future.

Tax Freedom Day measures the total yearly tax burden imposed on Canadian families by federal, provincial and municipal governments. If you had to pay all your taxes up front, you would give government every dollar you earned before Tax Freedom Day.

Last year, Tax Freedom Day landed on May 17.

“This year, Tax Freedom Day arrives a week later than last year because of the increase in tax revenues forecasted by Canadian governments in 2021,” said Jake Fuss, senior economist at the Fraser Institute.

In 2021, the average Canadian family (with two or more people) will pay \$48,757 in total taxes—or 39.1 per cent of its annual income (\$124,659). Taxes include income taxes, payroll taxes, health taxes, sales taxes, property taxes, fuel taxes, carbon taxes and more.

Represented as days on the calendar, the numbers add up to more than four and a half months of income—from January 1 to May 24. It’s not until May 24—Tax Freedom Day—when families start working for themselves and not the government.

Moreover, all indications suggest Canadians are looking at a much later Tax Freedom Day in the future. The \$233.5 billion budget deficits our federal and provincial governments are running this year are simply taxes deferred into the future.

To see how these deficits impact Tax Freedom Day, we calculate the *Balanced Budget Tax Freedom Day*: the day of the year when the average Canadian would finally start working for themselves if all governments paid for all their spending with taxes collected this year.

In 2021, the Balanced Budget Tax Freedom Day won’t arrive until July 7—another 44 days from now.

“Deficits are deferred taxes, so future generations of Canadians will have to pay significantly higher taxes for the unprecedented deficits governments across Canada are running,” said Fuss.

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