



NEWS RELEASE

Alberta's personal income tax rates uncompetitive compared to energy-producing U.S. states

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For immediate release

CALGARY—Alberta's top combined personal income tax rate (federal plus provincial) is now more than 10 percentage points higher than the top rate in several other energy-producing jurisdictions, making the province less competitive, finds a new study released today by the Fraser Institute, an independent, non-partisan Canadian public policy think-tank.

“One of the cornerstones of the former Alberta Advantage was competitive personal income tax rates and the province's rates are now among the highest in North America,” said Ben Eisen, Fraser Institute senior fellow and co-author of *Alberta's Lost Advantage on Personal Income Tax Rates*.

The study notes that over the past five years, Alberta's top combined (federal/provincial) personal income tax rate increased by nine percentage points—from 39 per cent to 48 per cent—from 2014 to 2019 as a result of tax hikes by the provincial and Canadian federal government in 2015 and 2016 respectively.

Whereas in 2014, Alberta's top PIT rate was the lowest in North America, now it is the 10th highest.

What's more, in 2018, the U.S. Congress and Trump administration cut the top federal U.S. personal income tax rate by 2.6 percentage points—from 39.6 per cent to 37 per cent. In fact, Texas, Alaska and Wyoming—three energy-producing states that don't have any state income tax—have the lowest PIT rates in North America while Alberta now has one of the highest.

Crucially, Albertans face a substantially higher marginal PIT rate than in energy-intensive American jurisdictions at all income levels ranging from \$50,000 to \$300,000.

“Alberta can no longer claim a clear advantage when it comes to personal income tax rates, and uncompetitive taxes have negative effects throughout the economy,” said Tegan Hill, Fraser Institute economist and study co-author.

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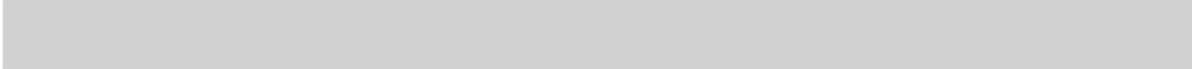
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