



NEWS RELEASE

Top 10% of income-earners earned 34% of Canada's total income—yet paid more than 54% of total income taxes

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For Immediate Release

TORONTO—The share of income tax paid by the top 10 per cent of income-earners in Canada is markedly disproportionate to the share of income earned by this group of Canadians, finds a new essay released today by the Fraser Institute, an independent, non-partisan Canadian public policy think-tank.

“Despite common misperceptions and misleading rhetoric, our top 10 per cent of income-earners pay more than half of Canada’s income taxes—and this group includes people that few would consider wealthy,” said Philip Cross, former chief economic analyst at Statistics Canada, senior fellow at the Fraser Institute and author of *Should Upper-Income Canadians Pay More Income Tax?*

In recent years, many governments in Canada—including the federal government (in 2016) and seven of the 10 provinces—have increased the income tax rate for upper-income-earners. Governments have in part justified these tax increases by implying that Canada’s “rich” don’t pay enough tax.

But is that true?

In 2017, the latest year of comparable data, the top 10 per cent of income-earners earned 34.2 per cent of Canada’s total income—yet paid 54.6 per cent of the country’s total income taxes.

And while this gap has always existed, it’s grown wider over the last three decades. For example, from 1982 to 2017, the share of income earned by the top 10 per cent has increased by 13.2 per cent while the share of income taxes paid by this group of Canadians has increased by 22.4 per cent.

Moreover, there’s a widespread misperception about the composition of Canada’s top 10 per cent of income-earners. In 2017, any Canadian making \$96,000 (or more) was in the top 10 per cent.

“Many Canadians, including those advocating for higher taxes, might be surprised to learn what our top 10 per cent of income-earners looks like—many of them consider themselves middles class,” Cross said.

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