

TAX IN CANADA

Survey Conducted on Behalf of the Montreal Economic Institute

Survey report

July 2023

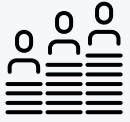


MEI

Ideas for a
More Prosperous
Society



Methodology



These are the findings of an online Ipsos poll conducted on behalf of the Montreal Economic Institute.



A sample of **1,020 Canadian residents** aged 18 years and over was interviewed between the **June 29th and July 3rd, 2023**.



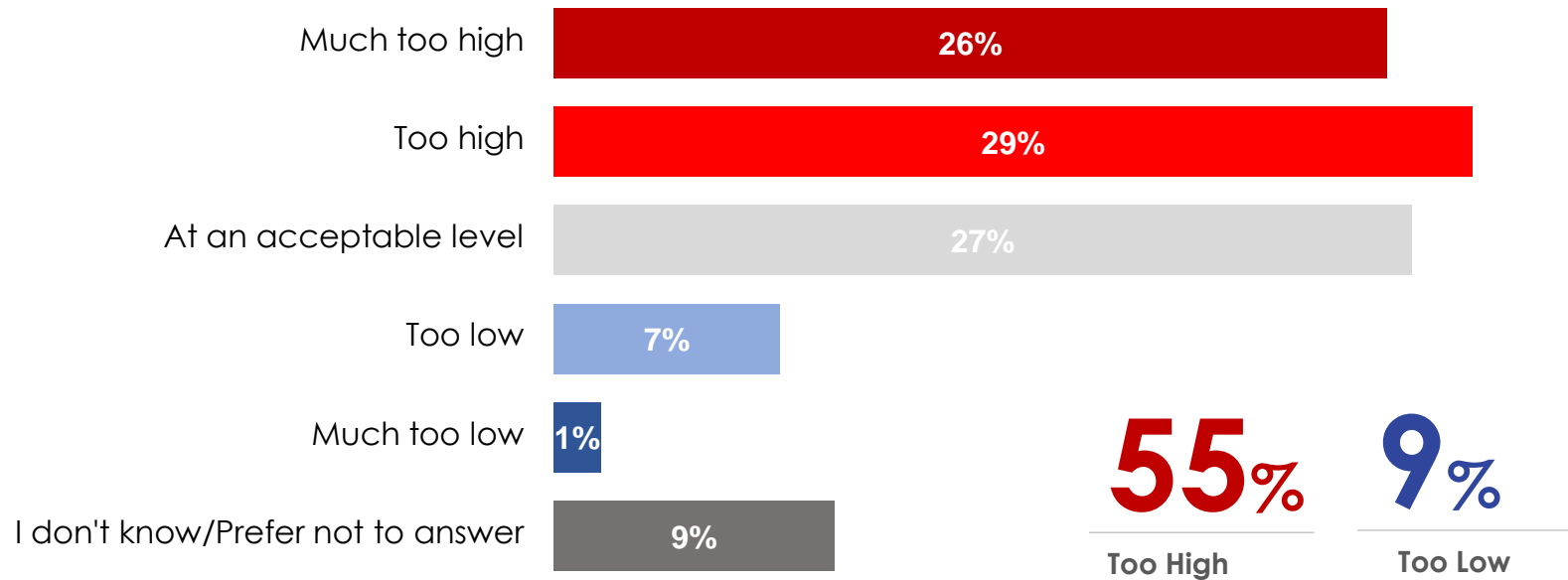
Weighting according to age, gender and region was employed to ensure that the sample's composition is representative of the overall population according to the latest census information.



The precision of Ipsos online polls is measured using a credibility interval. In this case, the results are accurate to within +/- **3.5 percentage points, 19 times out of 20**, of what the results would have been had all Canadian adults been polled. Some totals may not add up to 100% due to rounding.

Over half of Canadians (55%) think that the federal government's spending is too high; more than a quarter (27%) think it's at an acceptable level.

Perceptions of the federal government's spending in Canada

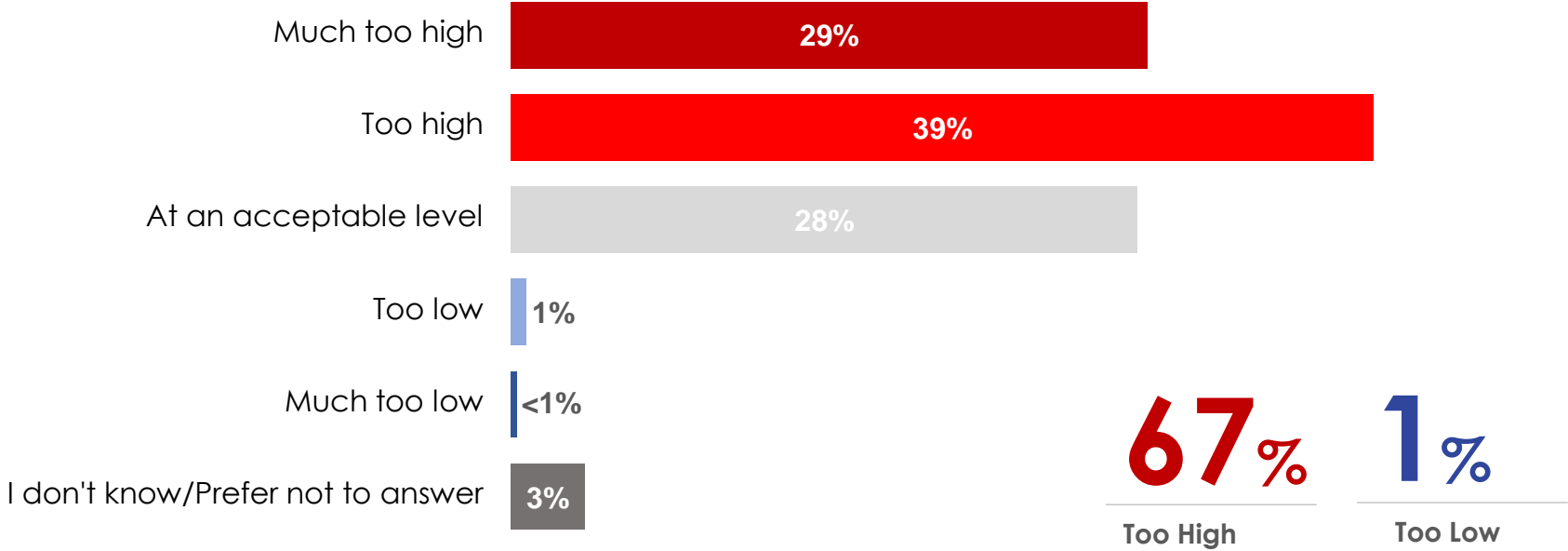


Perceptions of the federal government's spending by socio-demographic group

	Total	Gender		Age			Region			
		Male	Female	18-34 years	35-54 years	55+ years	West	Ontario	Quebec	Atlantic
	A	B	C	D	E	F	G	H	I	J
High (Too/Much too)	55%	54%	57%	48%	56% D	59% D	53%	52%	64% GHJ	51%
Low (Too/Much too)	9%	9%	8%	11%	8%	7%	9% J	10% J	4%	14% J

Two-thirds of Canadians (67%) consider that the amount they pay in income tax is too high; only 1% believe that it is too low.

Perceptions of the amount paid in income tax in Canada

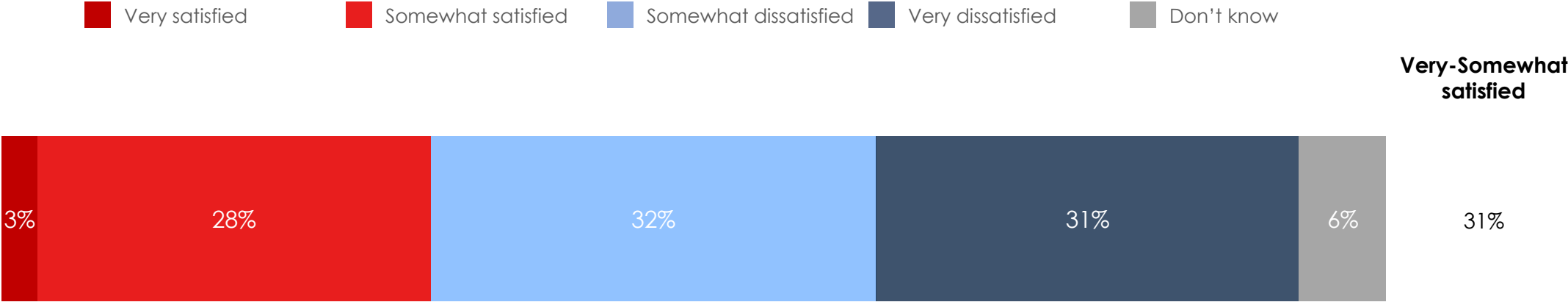


Perceptions of the amount paid in income tax in Canada by socio-demographic group

	Total	Gender		Age			Region			
		Male	Female	18-34 years	35-54 years	55+ years	West	Ontario	Quebec	Atlantic
	A	B	C	D	E	F	G	H	I	J
High (Too/Much too)	67%	65%	70% B	72% F	69%	63%	67%	67%	67%	73%
Low (Too/Much too)	1%	2% C	<1%	1%	1%	1%	2%	1%	-	1%

Six in ten Canadians (63%) are dissatisfied with the accountability and transparency of the Canadian government's spending practices.

Accountability and transparency of the Canadian government's spending practices

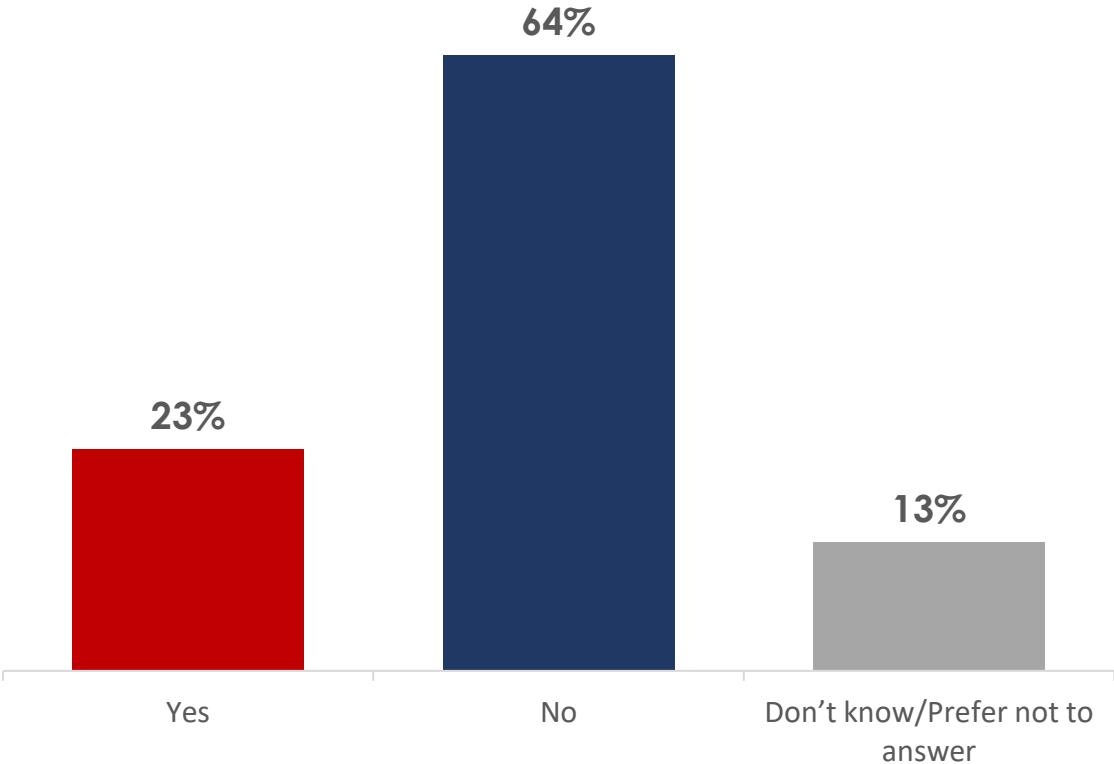


Accountability and transparency of the Canadian government's spending practices by socio-demographic group

	Total	Gender		Age			Region			
		Male	Female	18-34 years	35-54 years	55+ years	West	Ontario	Quebec	Atlantic
	A	B	C	D	E	F	G	H	I	J
Satisfied (Very/somewhat)	31%	32%	30%	33%	34% F	27%	30%	33%	32%	25%
Dissatisfied (Very/somewhat)	63%	64%	62%	62%	60%	66%	63%	61%	63%	69%

Less than a quarter of Canadians believe that the federal government is effectively allocating funds to address the most important issues facing Canada today.

Federal government is effectively allocating funds to address the most important issues

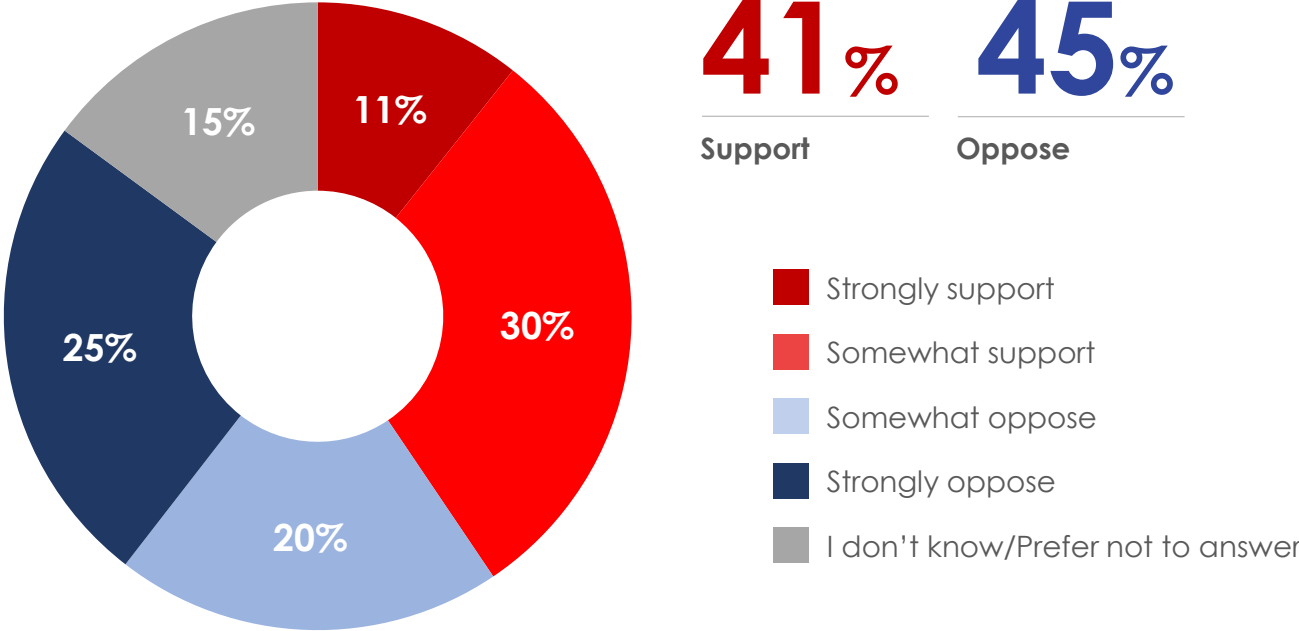


Federal government is effectively allocating funds by socio-demographic group

	Total	Gender		Age			Region			
		Male	Female	18-34 years	35-54 years	55+ years	West	Ontario	Quebec	Atlantic
	A	B	C	D	E	F	G	H	I	J
Yes	23%	25% C	20%	27% F	24%	19%	22%	20%	31% GHJ	16%

Canadians are divided about supporting carbon pricing, being slightly more likely to oppose (45%) than support (41%) it.

Support for carbon pricing



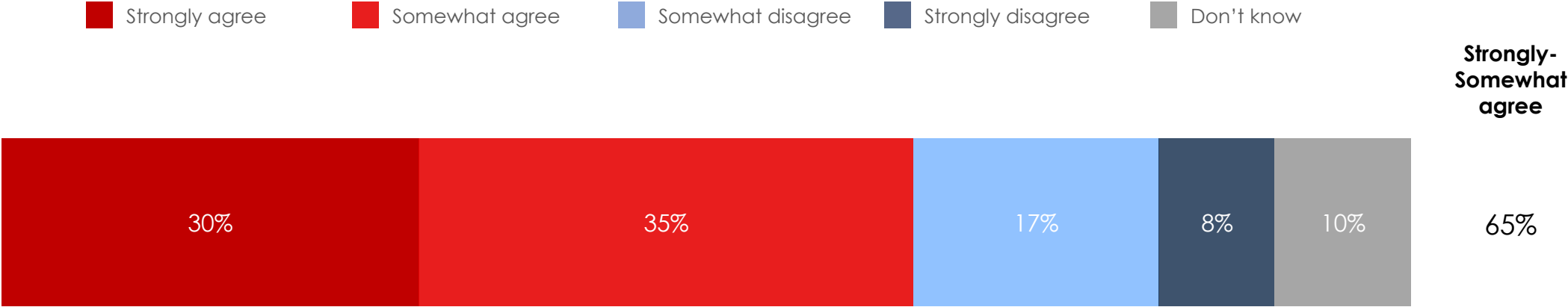
Q5. To what extent do you support or oppose carbon pricing?
Base : All respondents (n=1020)

Support for carbon pricing by socio-demographic group

	Total	Gender		Age			Region			
		Male	Female	18-34 years	35-54 years	55+ years	West	Ontario	Quebec	Atlantic
	A	B	C	D	E	F	G	H	I	J
Support (Strongly/somewhat)	41%	44% C	37%	42%	40%	40%	37%	41% J	47% GJ	29%
Oppose (Strongly/somewhat)	45%	48% C	41%	43%	44%	46%	50% HI	43% I	32%	68% GHI

Over six in ten Canadians (65%) agree with the idea that higher government spending over the past three years has contributed to higher inflation levels.

Agreement that there is a relationship between government spending and inflation levels



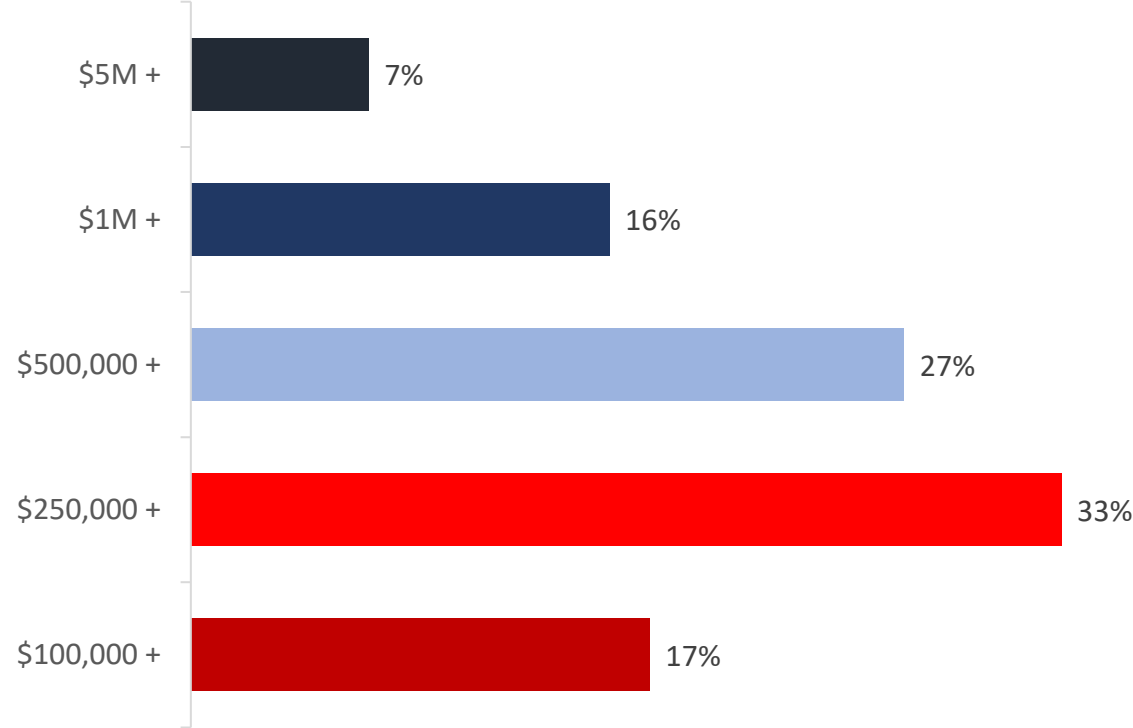
Perceived relationship between government spending and inflation levels by socio-demographic group

	Total	Gender		Age			Region			
		Male	Female	18-34 years	35-54 years	55+ years	West	Ontario	Quebec	Atlantic
	A	B	C	D	E	F	G	H	I	J
Agree (Strongly/somewhat)	65%	66%	63%	64%	64%	66%	65%	66%	60%	70%
Disagree (Strongly/somewhat)	26%	26%	25%	29% F	25%	23%	25%	25%	29% J	19%



A third of Canadians (33%) believe that those who earn more than \$250,000 per year can be considered “rich,” while another 27% view \$500,000 as the key threshold.

Perceptions of the yearly revenue of a “rich” person



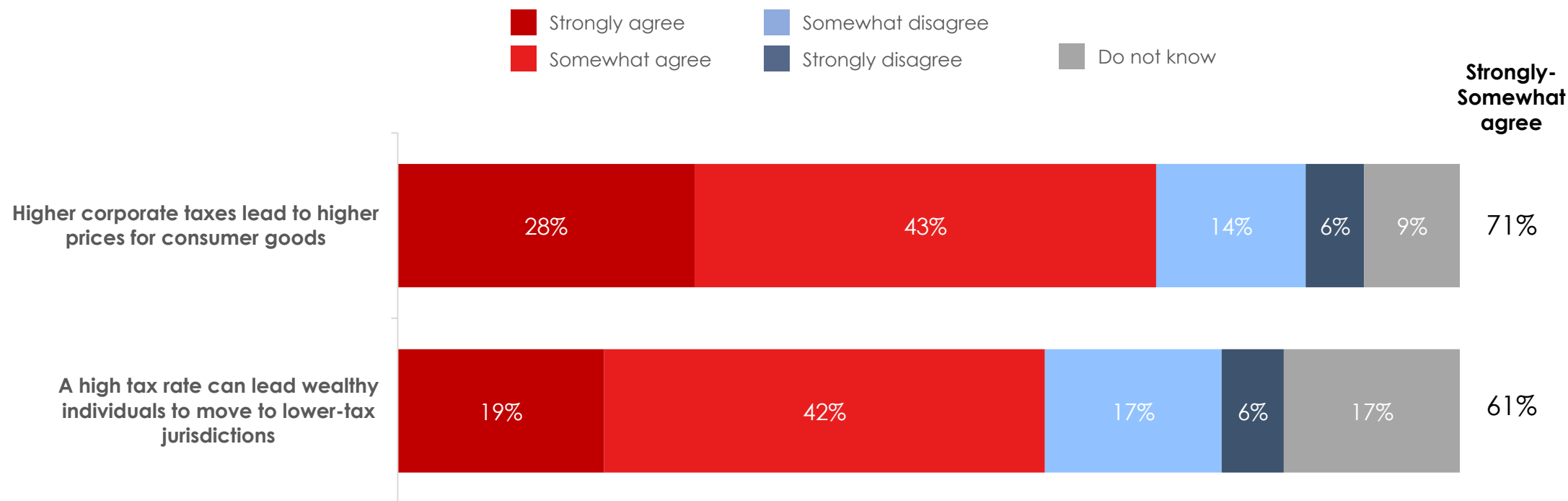
Q7. In your view, is a 'rich' person someone whose annual income is higher than...?
Base : All respondents (n=1020)

Perceptions of the yearly revenue of a “rich” person by socio-demographic group

	Total	Gender		Age			Region			
		Male	Female	18-34 years	35-54 years	55+ years	West	Ontario	Quebec	Atlantic
	A	B	C	D	E	F	G	H	I	J
Higher than \$100,000	17%	14%	20% B	20% F	18%	15%	16%	17%	21%	18%
Higher than \$250,000	33%	36% C	30%	33%	29%	37% E	29%	33%	37% G	38%
Higher than \$500,000	27%	27%	27%	25%	27%	29%	32% HI	25%	23%	27%
Higher than \$1 million	16%	15%	17%	16%	19% F	13%	16%	19% I	12%	14%
Higher than \$5 million	7%	8%	6%	7%	7%	6%	8% J	6% J	7% J	2%

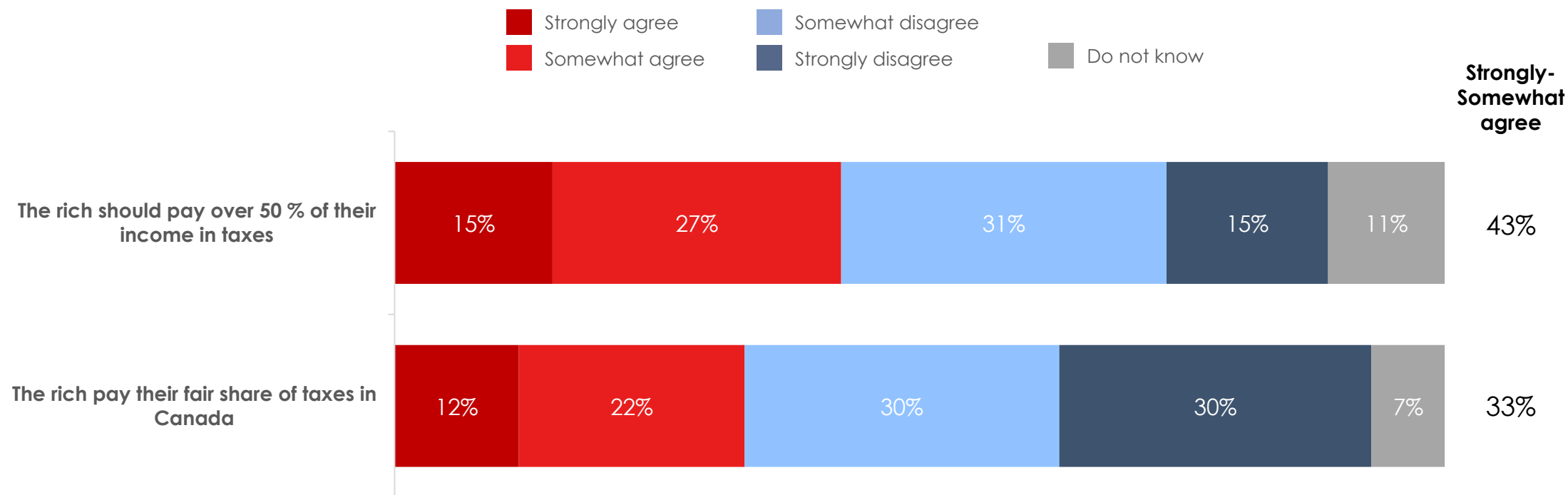
Seven in ten (71%) Canadians believe that higher corporate taxes lead to higher prices for consumers, while six in ten (61%) agree that a high tax rate can lead wealthy individuals to move to lower-tax jurisdictions.

Perceptions and impact of tax rates



In contrast, more than four in ten (43%) think that the rich should pay over 50% of their income in taxes, while only a third of Canadians (33%) consider that the rich pay their fair share of taxes in Canada.

Perceptions and impact of tax rates



Perceptions and impact of tax rates by socio-demographic group

<i>Higher corporate taxes lead to higher prices for consumer goods.</i>	Total	Gender		Age			Region			
		Male	Female	18-34 years	35-54 years	55+ years	West	Ontario	Quebec	Atlantic
	A	B	C	D	E	F	G	H	I	J
Agree (Strongly/somewhat)	71%	70%	73%	71%	70%	73%	68%	68%	80% GH	75%
Disagree (Strongly/somewhat)	20%	24% C	15%	20%	20%	19%	19% I	24% I	13%	22% I

<i>A high tax rate can lead wealthy individuals to move to lower-tax jurisdictions.</i>	Total	Gender		Age			Region			
		Male	Female	18-34 years	35-54 years	55+ years	West	Ontario	Quebec	Atlantic
	A	B	C	D	E	F	G	H	I	J
Agree (Strongly/somewhat)	61%	65% C	57%	58%	59%	64%	59%	59%	66% H	64%
Disagree (Strongly/somewhat)	22%	24%	21%	25%	22%	21%	21%	24%	22%	23%

Perceptions and impact of tax rates by socio-demographic group (Cont.)

<i>The rich should pay over 50% of their income in taxes.</i>	Total	Gender		Age			Region			
		Male	Female	18-34 years	35-54 years	55+ years	West	Ontario	Quebec	Atlantic
	A	B	C	D	E	F	G	H	I	J
Agree (Strongly/somewhat)	43%	45%	40%	43%	44%	41%	37%	42%	49% GH	49% G
Disagree (Strongly/somewhat)	46%	48%	45%	49%	45%	45%	52% IJ	47%	41%	40%

<i>The rich pay their fair share of taxes in Canada.</i>	Total	Gender		Age			Region			
		Male	Female	18-34 years	35-54 years	55+ years	West	Ontario	Quebec	Atlantic
	A	B	C	D	E	F	G	H	I	J
Agree (Strongly/somewhat)	33%	34%	32%	46% EF	34% F	24%	35%	34%	33%	27%
Disagree (Strongly/somewhat)	60%	61%	58%	49%	58% D	69% DE	58%	59%	60%	69% G

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Game Changers

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You act better when you are sure.