

**Appendix to the MEI Economic Note prepared by Jason Dean  
entitled “The Benefits of Eliminating the Middle-Income Tax Bracket”  
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**Appendix Table 1: Estimate of 2024 Tax Filers in the Second Bracket**

<b>Tax Bracket</b>	<b>Number of Tax Filers (2022) <sup>[1]</sup></b>	<b>2022 Population <sup>[3]</sup></b>	<b>Second Bracket Tax Filers (% of Population, 2022)</b>	<b>Estimated 2024 Population [3]</b>	<b>Estimated Number of Tax Filers (2024) <sup>[4]</sup></b>
\$55,867 - \$111,733 <sup>[2]</sup>	8,149,640	38,935,934	20.9%	41,288,599	<b>8,642,074</b>

[1] Canada Revenue Agency. Individual Tax Statistics by Tax Bracket, 2024 Edition (2022 Tax Year). Table 1: Individual Tax Filers by Province or Territory and Tax Bracket. Government of Canada, 29 May 2024, [www.canada.ca/en/revenue-agency/programs/about-canada-revenue-agency-cra/income-statistics-gst-hst-statistics/individual-tax-statistics-tax-bracket/individual-tax-statistics-tax-bracket-2024-edition-2022-tax-year.html](http://www.canada.ca/en/revenue-agency/programs/about-canada-revenue-agency-cra/income-statistics-gst-hst-statistics/individual-tax-statistics-tax-bracket/individual-tax-statistics-tax-bracket-2024-edition-2022-tax-year.html). Accessed 29 Dec. 2024.

[2] Canada Revenue Agency. Income Tax Rates for Individuals: 2024 Tax Year. Government of Canada, 23 Jan. 2024, [www.canada.ca/en/revenue-agency/services/tax/individuals/frequently-asked-questions-individuals/canadian-income-tax-rates-individuals-current-previous-years.html](http://www.canada.ca/en/revenue-agency/services/tax/individuals/frequently-asked-questions-individuals/canadian-income-tax-rates-individuals-current-previous-years.html). Accessed 29 Dec. 2024.

[3] Statistics Canada, Table 17-10-0005-01 - Population Estimates on July 1, by Age and Gender. DOI: <https://doi.org/10.25318/1710000501-eng>.

[4] Estimated by assuming the proportion of tax filers in the population remained constant. 2024 tax filer estimate = 2024 population × 20.9%.

**Appendix Table 2: 2022 Tax Filers by Income Bracket and Federal Tax Rates (Canada)**

<b>Tax Bracket</b>	<b>Frequency of Tax Filers [1]</b>	<b>Federal Tax Rate [2]</b>
\$50,197 or less	18,957,510	0.15
<b>\$50,197 - \$100,392</b>	<b>8,149,640</b>	<b>0.205</b>
\$100,392 - \$155,625	1,983,350	0.26
\$155,625 - \$221,708	597,560	0.29
\$221,708 or more	479,750	0.33

[1] Canada Revenue Agency. Individual Tax Statistics by Tax Bracket, 2024 Edition (2022 Tax Year). Table 1: Individual Tax Filers by Province or Territory and Tax Bracket. Government of Canada, 29 May 2024, [www.canada.ca/en/revenue-agency/programs/about-canada-revenue-agency-cra/income-statistics-gst-hst-statistics/individual-tax-statistics-tax-bracket/individual-tax-statistics-tax-bracket-2024-edition-2022-tax-year.html](http://www.canada.ca/en/revenue-agency/programs/about-canada-revenue-agency-cra/income-statistics-gst-hst-statistics/individual-tax-statistics-tax-bracket/individual-tax-statistics-tax-bracket-2024-edition-2022-tax-year.html). Accessed 29 Dec. 2024.

[2] Canada Revenue Agency. Income Tax Rates for Individuals: 2022 Tax Year. Government of Canada, 23 Jan. 2024, [www.canada.ca/en/revenue-agency/services/tax/individuals/frequently-asked-questions-individuals/canadian-income-tax-rates-individuals-current-previous-years.html](http://www.canada.ca/en/revenue-agency/services/tax/individuals/frequently-asked-questions-individuals/canadian-income-tax-rates-individuals-current-previous-years.html). Accessed 29 Dec. 2024.

### Appendix Table 3

#### Number of Tax Filers by Taxable Income (Canada, 2022)

Taxable Income Range (CAD)	Number of Tax Filers
0 and under	0*
\$0-\$4,999	0*
\$5,000 - \$9,999	1,159,600
\$10,000 - \$14,999	1,504,620
\$15,000 - \$19,999	1,795,400
\$20,000 - \$24,999	2,306,470
\$25,000 - \$29,999	1,642,620
\$30,000 - \$34,999	1,453,940
\$35,000 - \$39,999	1,438,490
\$40,000 - \$44,999	1,400,870
\$45,000 - \$49,999	1,384,600
<b>\$50,000 - \$54,999</b>	<b>1,328,220</b>
<b>\$55,000 - \$59,999</b>	<b>1,139,090</b>
<b>\$60,000 - \$69,999</b>	<b>1,956,310</b>
<b>\$70,000 - \$79,999</b>	<b>1,582,910</b>
<b>\$80,000 - \$89,999</b>	<b>1,290,640</b>
<b>\$90,000 - \$99,999</b>	<b>1,036,340</b>
<b>\$100,000 - \$149,999</b>	<b>2,491,590</b>
\$150,000 - \$249,999	1,071,200
\$250,000 and over	480,020

[1] Government of Canada, Canada Revenue Agency. Selected T1 Statistics, 2023 Edition (for the 2022 Tax Year: Taxable Income Assessed), Table 2 – All Returns by Province or Territory of Residence and Total Income Class. Government of Canada, 14 Dec. 2023, [www.canada.ca/en/revenue-agency/programs/about-canada-revenue-agency-cra/income-statistics-gst-hst-statistics/selected-t1-statistics/2022-tax-year.html](http://www.canada.ca/en/revenue-agency/programs/about-canada-revenue-agency-cra/income-statistics-gst-hst-statistics/selected-t1-statistics/2022-tax-year.html).

Accessed 30 Dec. 2024. CSV file name: tbl2-2022.csv.

Note: Figures are from Table 2, with "Total/Total" in the Province\_or\_territory column indicating data for all of Canada. I used the Item\_Poste value of 15, which identifies taxable income assessed, and Number\_Nombre, which provides the total number of tax filers per income bracket.

\*Data suppressed for confidentiality.

**Appendix Table 4: Number of Tax Filers by Taxable Income: Second Bracket Adjusted (Tax Year 2022)**

Taxable Income Levels <sup>†</sup>	Number of Tax Filers <sup>††</sup>	Filers per Dollar of Income <sup>‡</sup>	Second Bracket Taxable Income Levels <sup>‡‡</sup>	Dollars per category <sup>§</sup>	Adjusted Filers in Bracket <sup>#</sup>	Official Tax Filers Allocated to Second Bracket <sup>##</sup>
(1)	(2)	(3)	(4)	(5)	(6)	(7)
\$50,000 - \$54,999	1,328,220	265.6	<b>\$50,197</b> - \$54,999	4,803	<b>1,275,888</b>	<b>1,127,051</b>
\$55,000 - \$59,999	1,139,090	227.8	\$55,000 - \$59,999	5,000	1,139,090	1,139,090
\$60,000 - \$69,999	1,956,310	195.6	\$60,000 - \$69,999	10,000	1,956,310	1,956,310
\$70,000 - \$79,999	1,582,910	158.3	\$70,000 - \$79,999	10,000	1,582,910	1,582,910
\$80,000 - \$89,999	1,290,640	129.1	\$80,000 - \$89,999	10,000	1,290,640	1,290,640
\$90,000 - \$99,999	1,036,340	103.6	\$90,000 - \$99,999	10,000	1,036,340	1,036,340
\$100,000 - \$149,999	2,491,590	49.8	\$100,000 - <b>\$100,392</b>	393	<b>19,584</b>	<b>17,299</b>
Total						8,149,640

<sup>†</sup> Income ranges and filer counts are sourced from 2022 CRA data (Appendix Table 2), with values extracted to isolate the second federal tax bracket (\$50,197–\$100,392).

<sup>††</sup> Sourced directly from Appendix Table 3.

<sup>‡</sup> Computed by dividing each income range’s total filers (Column 2) by the approximate width of that range in dollars. For example, \$50,000–\$54,999 spans \$5,000; dividing 1,328,220 filers by \$5,000 yields about 265.6 filers per dollar.

<sup>‡‡</sup> Identifies the income range as adjusted to align with the second federal tax bracket.

<sup>§</sup> The width (in dollars) of each adjusted sub-range that falls within the second tax bracket. For example, for \$50,197–\$54,999, the range width is calculated as  $(\$54,999 - \$50,197) = \$4,803$ .

<sup>#</sup> The estimated number of filers within each adjusted sub-range, calculated by multiplying filers per dollar of income (Column 3) by the Dollars per Category (Column 5).

<sup>##</sup> The figures in Column (6) require adjustment. The filers-per-dollar method assumes that tax filers are uniformly distributed within each income range, but in reality, income distributions are right-skewed, meaning the estimates (1,275,888 and 19,584) are not exact. However, since we know the exact number of filers in the midrange brackets and the total 2022 tax filers in the second bracket (8,149,640 from Appendix Table 1), we can determine the total number of filers in the two partial-range bands (\$50,000–\$54,999 and \$100,000–\$149,999), which is 1,144,350. Column (7) adjusts for this by using the proportion from the filers-per-dollar approach to allocate this remainder between the second bracket and adjacent income ranges, ensuring internal consistency while preserving the known midrange totals.

**Appendix Table 5: Estimated Revenue Loss from Merging the Second Federal Tax Bracket into the First – Canada, 2022**

<b>Taxable Income Bracket<sup>†</sup></b> <b>(1)</b>	<b>Applicable Taxable Income over 2<sup>nd</sup> Bracket Floor<sup>††</sup></b> <b>(2)</b>	<b>Tax Relief (5.5% Bracket Cut)<sup>‡</sup></b> <b>(3)</b>	<b>Applicable Number of Tax Filers<sup>‡‡</sup></b> <b>(4)</b>	<b>Estimated Tax Relief / Revenue Loss<sup>#</sup></b> <b>(\$ Millions)</b> <b>(5)</b>
\$50,197 or less	N/A	N/A	18,957,510	\$0.00
<i>Income Range for 2022 Second Bracket: \$50,197–\$100,392</i>				
\$50,197 - \$54,999	\$2,401.00	\$132.10	1,127,051	\$148.83
\$55,000 - \$59,999	\$7,302.50	\$401.60	1,139,090	\$457.50
\$60,000 - \$69,999	\$14,802.50	\$814.10	1,956,310	\$1,592.71
\$70,000 - \$79,999	\$24,802.50	\$1,364.10	1,582,910	\$2,159.31
\$80,000 - \$89,999	\$34,802.50	\$1,914.10	1,290,640	\$2,470.46
\$90,000 - \$99,999	\$44,802.50	\$2,464.10	1,036,340	\$2,553.68
\$100,000 - \$100,392	\$49,999.00	\$2,749.90	17,299	\$47.57
<i>Total Tax Relief for Middle Class:</i>				<b>\$9,430.10</b>
<i>Weighted Average Per-Filer Tax Relief<sup>§</sup></i>				<b>\$1,157.10</b>
\$100,392 - \$155,625	\$50,195.00	\$2,760.70	1,983,350	\$5,475.48
\$155,625 - \$221,708	\$50,195.00	\$2,760.70	597,560	\$1,649.70
\$221,708 or more	\$50,195.00	\$2,760.70	479,750	\$1,324.46
<b>Total Estimated Revenue Loss of Policy:</b>				<b>\$17,879.71</b>

<sup>†</sup> Brackets and filer counts are sources from Appendix Table 3.

<sup>††</sup> Represents the difference between the midpoint of each bracket's range and the bracket's lower bound. For tax brackets above the second bracket, a fixed value of \$50,195 applies (the difference between \$100,392 and \$50,197).

<sup>‡</sup> Tax relief is calculated by applying the 5.5% bracket reduction to the applicable taxable income over the second bracket floor. Specifically, each income range's excess taxable amount over \$50,197 (or \$100,392 for higher brackets) is multiplied by 5.5% to determine the per-filer tax relief.

<sup>‡‡</sup> Figures are from Appendix Tables 2 and 3.

<sup>#</sup> The Estimated Tax Relief / Revenue Loss is calculated by multiplying the per-filer tax relief in Column (3) by the number of tax filers in Column (4) for each income range. Note that this simple approach does not need to factor in tax credits because they apply after tax liability is calculated. However, in rare cases, filers with substantial leftover tax credits can fully eliminate taxes payable, making the proposed rate cut irrelevant. Also the estimates here tend to overstate revenue loss, making this a conservative approximation. Although CRA data in Appendix Table 3 provides greater granularity for the second bracket, the absence of finer subranges necessitates midpoint and uniform distribution assumptions. In reality, most filers have incomes closer to the lower bound of the bracket (around \$50,197), meaning their taxable portion above that threshold—and thus their tax relief—is smaller than the midpoint assumption suggests, which can inflate the estimated revenue loss.

<sup>§</sup> The estimated per-filer tax relief is a weighted average, calculated by multiplying tax relief amounts (Column 3) by the corresponding proportion of tax filers within the second bracket.