

FISCAL ISSUES IN CANADA

Montreal Economic Institute

Survey report

10th of October 2022

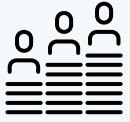


MEI

Ideas for a
More Prosperous
Society



Methodology



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



A sample of **1027 Canadian residents** aged 18 years and over was interviewed between **27th of September and the 1st of October 2022**.



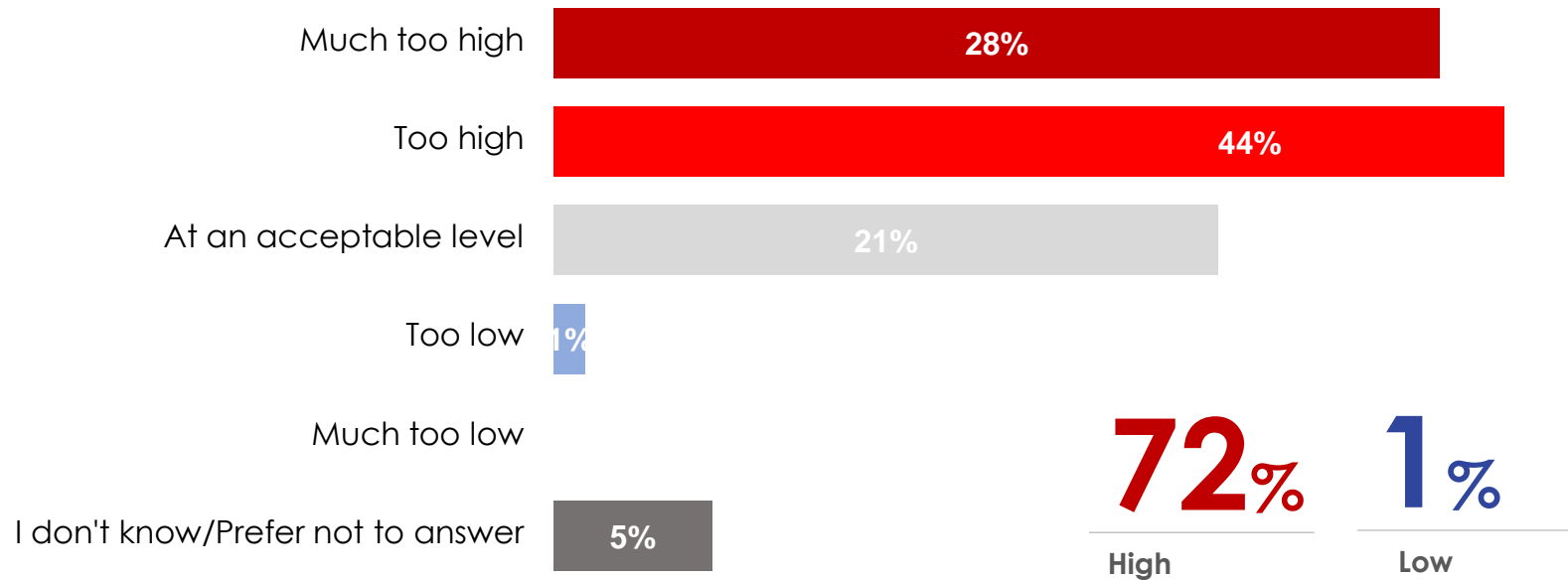
Weighting according to age, gender and region was employed to ensure that the sample's composition reflects the overall population according to the latest census information.



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.

More than 7 in 10 Canadians (72%) think that the tax burden of individuals is too high; 1 in 5 (21%) think it's at an acceptable level.

Perceptions of the tax burden of individuals in Canada

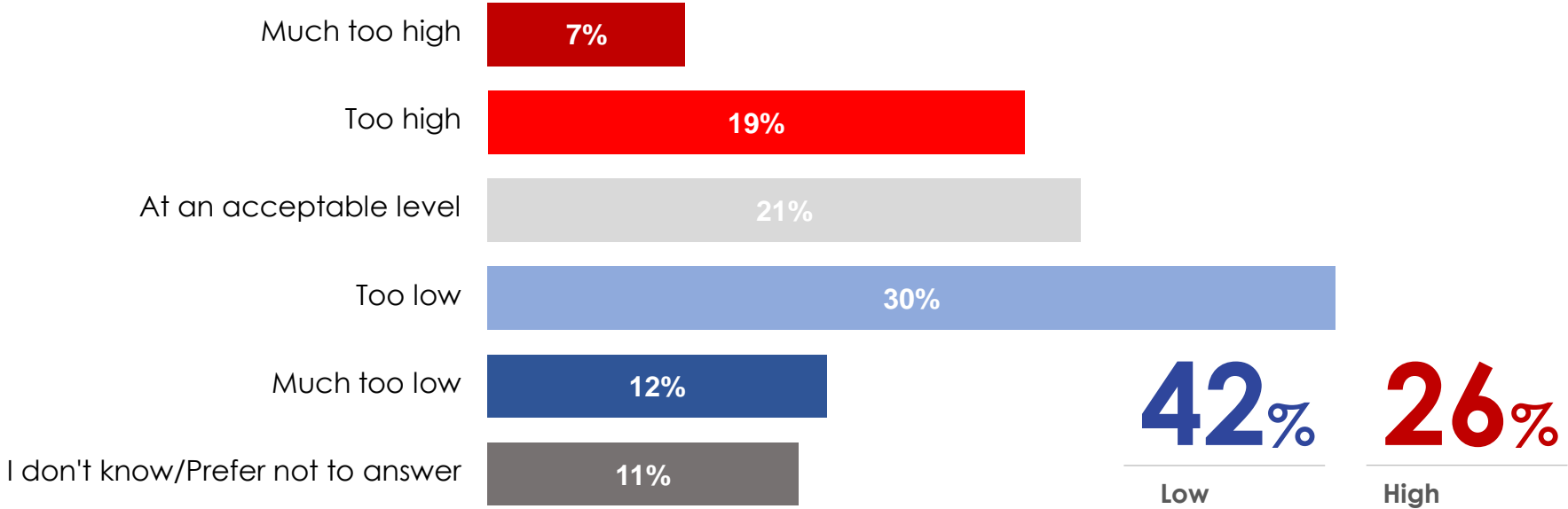


Perceptions of the tax burden of individuals by socio-demographic group

	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	J	K
High (Too/Much too)	72%	70%	74%	70%	75%	72%	74% H	68%	75% H	77%
Low (Too/Much too)	1%	1%	1%	2%	1%	1%	1%	1%	2%	3% G

More than 4 in 10 Canadians (42%) think the tax burden of companies is too low; a quarter (26%) believe that it's too high.

Perceptions of the tax burden of companies in Canada

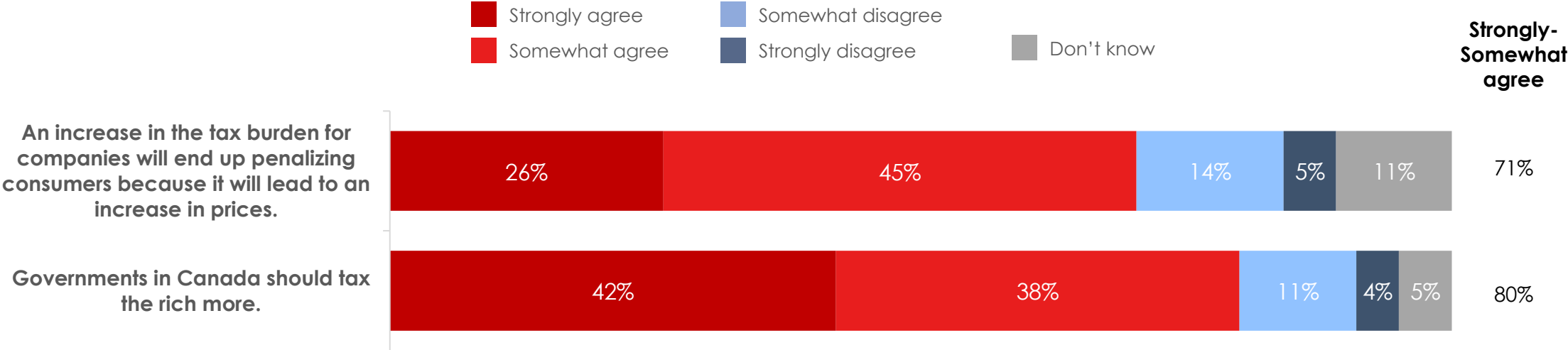


Perceptions of the tax burden of companies in Canada by socio-demographic group

	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	J	K
High (Too/Much too)	26%	26%	26%	39% EF	27% F	15%	24%	24%	29%	34%
Low (Too/Much too)	42%	40%	44%	29%	39% D	54% DE	45%	40%	42%	38%

7 in 10 Canadians (71%) believe an increase of the tax burden of companies will end up penalizing consumers; 8 in 10 (80%) think that governments should tax the rich more.

Tax burden of companies and the 'rich'



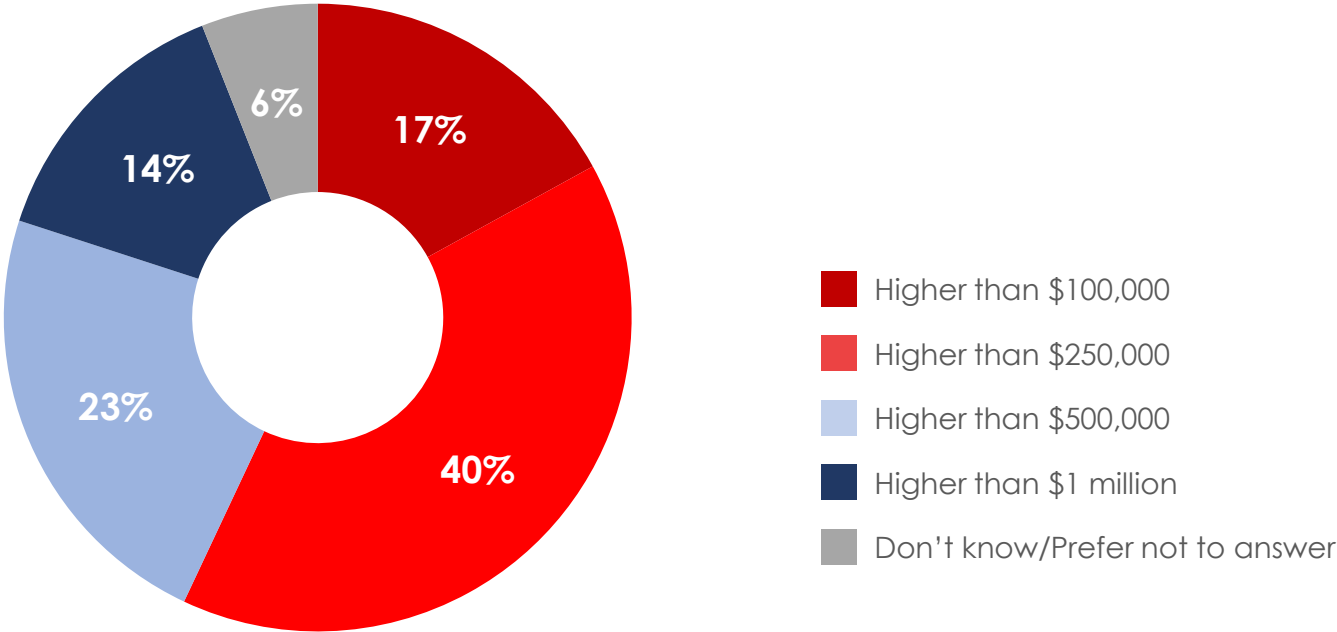
Tax burden of companies and the 'rich' by socio-demographic group

<i>An increase in the tax burden for companies will end up penalizing consumers because it will lead to an increase in prices.</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	J	K
Agree (Strongly/somewhat)	71%	72%	70%	70%	71%	71%	69%	72%	70%	74%
Disagree (Strongly/somewhat)	18%	20%	16%	19%	17%	19%	18%	20%	18%	14%

<i>Governments in Canada should tax the rich more.</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	J	K
Agree (Strongly/somewhat)	80%	79%	81%	73%	80% D	86% DE	80%	79%	83%	77%
Disagree (Strongly/somewhat)	15%	16%	13%	22% EF	14% F	10%	15%	16%	13%	13%

Most Canadians believe that those who earn more than \$250,000 per year can be considered as 'rich'.

Perceptions of the yearly revenue of a 'rich' person



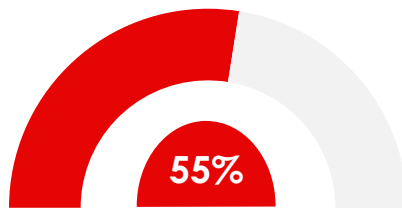
Q4. In your view, a 'rich' person is someone whose annual salary is higher than:
Base : All respondents (n=1027)

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

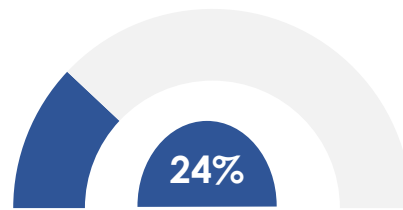
	Total	Gender		Age			Region			
		Male	Female	18-34 years	35-54 years	55+ years	West	Ontario	Quebec	Atlantic
	A	B	C	D	E	F	G	H	J	K
Higher than \$100,000	17%	18%	16%	17%	19%	15%	16%	14%	23% GH	16%
Higher than \$250,000	40%	44% C	37%	38%	43%	40%	44% J	40%	35%	41%
Higher than \$500,000	23%	24%	23%	25%	19%	26%	22%	25% J	24%	23%
Higher than \$1 million	14%	11%	16% B	15%	13%	14%	12%	17%	11%	14%

More than a majority (55%) of Canadians believe that the 'very rich' mainly use their money to buy luxury goods and services; a quarter (24%) believe that they mainly invest in companies and create jobs.

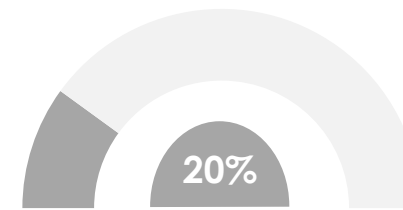
Perceptions of how the 'very rich' use their money



Mainly use their money to buy luxury goods and services



Mainly use their money to invest in companies and create jobs



I don't know/Prefer not to answer

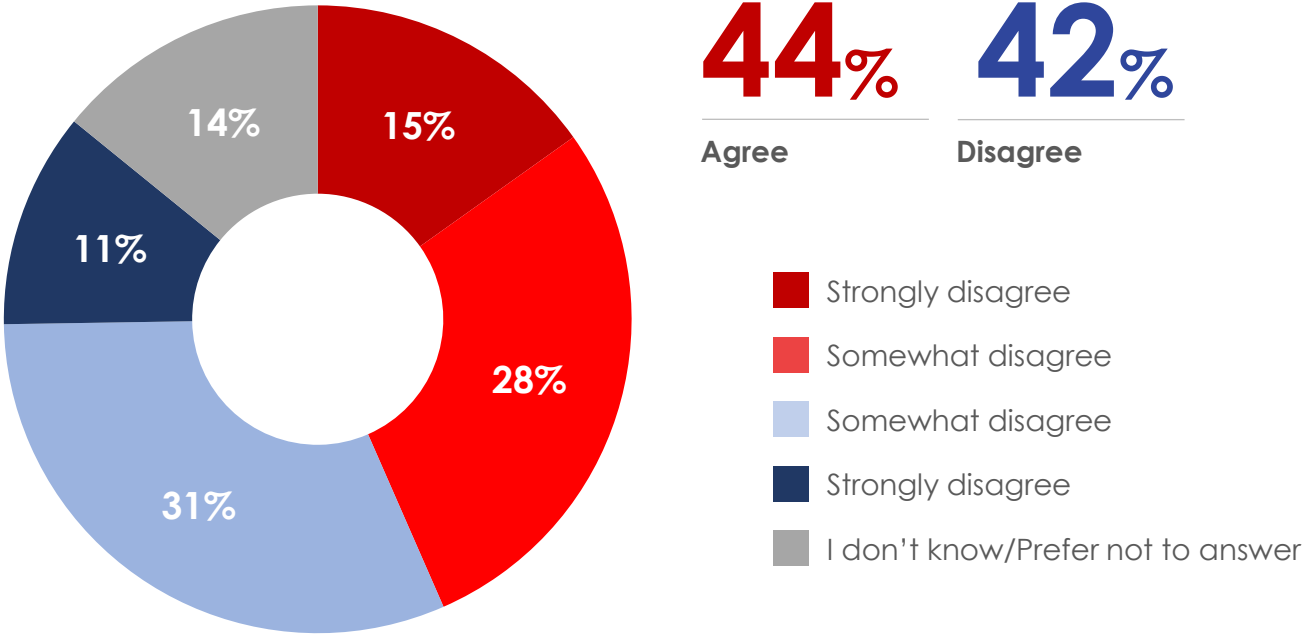
Q5. In your opinion, what do the 'very rich' do with their money? Do they...
Base : All respondents (n=1027)

Perceptions of how the 'very rich' use their money 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	J	K
Mainly use their money to buy luxury goods and services	55%	55%	56%	53%	58%	55%	53%	54%	61%	55%
Mainly use their money to invest in companies and create jobs	24%	26%	23%	34% EF	22%	20%	22%	29% GJ	21%	21%

Canadians are divided about the tax rate for those who earn more than \$250,000 a year.

Tax rate over 50% for those who earn more than \$250,000 a year



Q6. Do you agree or disagree with this statement: "The combined federal and provincial tax rate for those who earn more than \$250,000 annually should be higher than 50%"?
Base : All respondents (n=1027)

Tax rate over 50% for those who earn more than \$250,000 a year by socio-demographic group

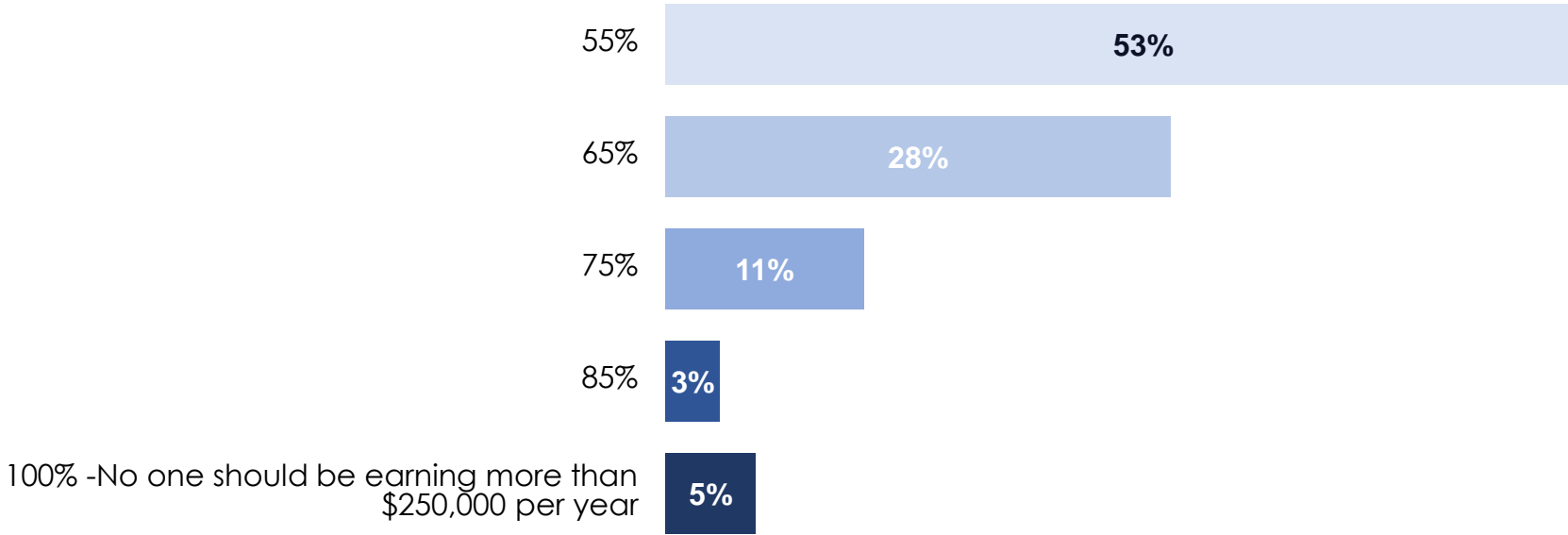
	Total	Gender		Age			Region			
		Male	Female	18-34 years	35-54 years	55+ years	West	Ontario	Quebec	Atlantic
	A	B	C	D	E	F	G	H	J	K
Agree (Strongly/somewhat)	44%	48% C	40%	48% F	44%	40%	44%	39%	42% GH	51%
Disagree (Strongly/somewhat)	42%	42%	43%	40%	40%	45%	47% J	45% J	32%	39%

Q6. Do you agree or disagree with this statement: "The combined federal and provincial tax rate for those who earn more than \$250,000 annually should be higher than 50%"?

Base : All respondents (n=1027)

The majority of those who believe that the tax rate for those who earn more than \$250,000 per year should be higher than 50% think that it should be 55%; 28% believe that the rate should be 65%.

Tax rate for those who earn more than \$250,000



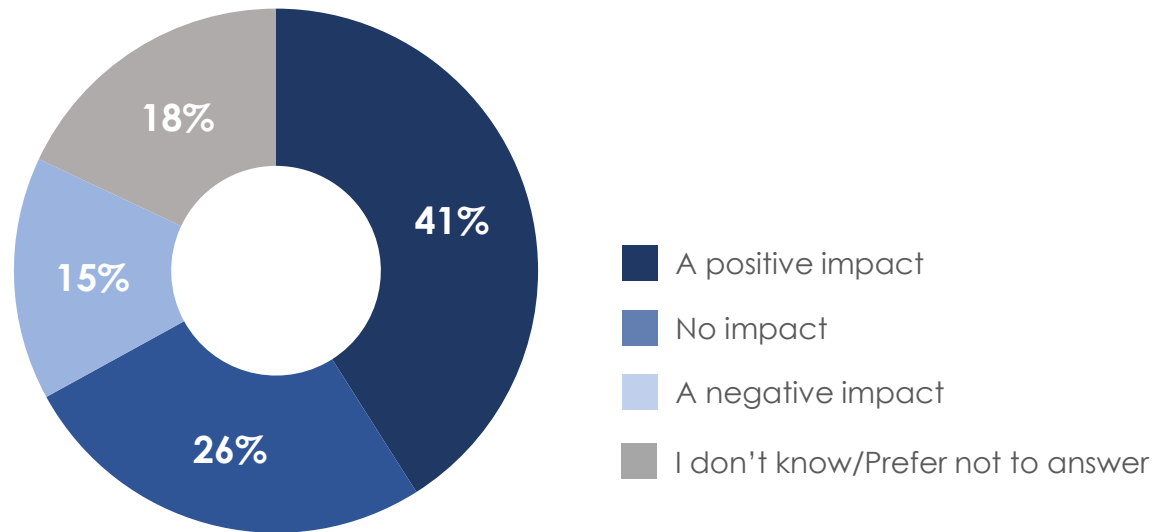
Q7. In your opinion, the combined federal and provincial tax rate for those who earn more than \$250 000 annually should be:
Base : Those who believe that the tax rate should be higher than 50% (n=449)

Tax rate for those who earn more than \$250,000 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	J	K
55%	53%	57% C	48%	45%	50%	62% DE	50%	50%	61% GH	54%
65%	28%	26%	31%	31%	30%	25%	31%	27%	26%	34%
75%	11%	11%	11%	17% F	12% F	5%	13%	13% J	7%	6%
85%	3%	3%	3%	4%	4%	1%	4%	3%	3%	-
100% - No one should be earning more than \$250,000 per year	5%	3%	7% B	3%	4%	7%	3%	7%	4%	6%

4 in 10 Canadians (41%) believe that an increase of the tax burden for the 'rich' and the 'very rich' would have a positive impact.

Impact of an increase of the tax burden for the 'rich' and 'very rich'



Q8. In your view, would an increase of the tax burden for the 'rich' and the 'very rich' have a positive impact, no impact, or a negative impact on economic growth?:
Base :All respondents (n=1027)

Impact of an increase of the tax burden of the 'rich' and 'very rich' by socio-demographic group

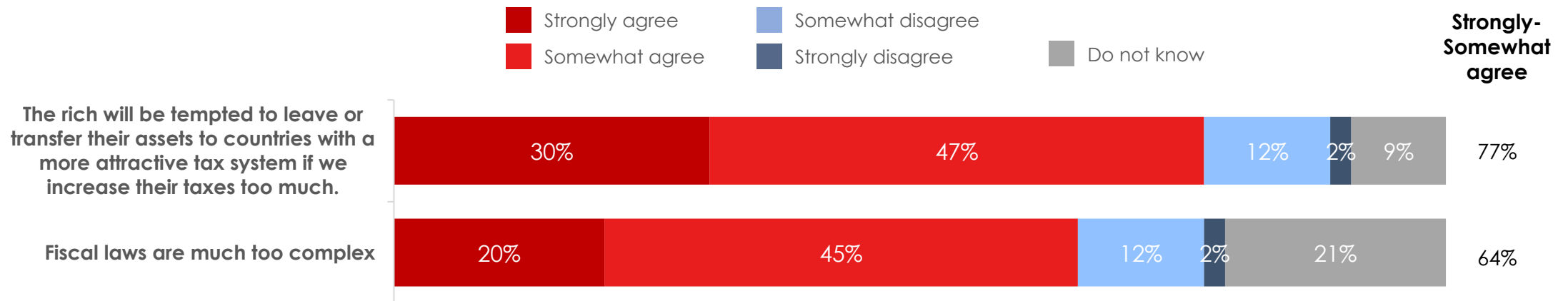
	Total	Gender		Age			Region			
		Male	Female	18-34 years	35-54 years	55+ years	West	Ontario	Quebec	Atlantic
	A	B	C	D	E	F	G	H	J	K
A positive impact	41%	39%	43%	43%	42%	38%	42%	44% J	36%	36%
No impact	26%	31% C	22%	25%	24%	30%	23%	25%	34% GH	27%
A negative impact	15%	19% C	11%	19% F	16% F	11%	15%	15%	11%	24% GHJ

Q8. In your view, would an increase of the tax burden for the 'rich' and the 'very rich' have a positive impact, no impact, or a negative impact on economic growth?:

Base :All respondents (n=1027)

More than three-quarters (77%) of Canadians believe that the rich will be tempted to leave or transfer their assets to more attractive countries if their taxes increase too much; almost two-thirds (64%) think that fiscal laws are much too complex.

The impact of fiscal laws



The impact of fiscal laws by socio-demographic group

<i>The rich will be tempted to leave or transfer their assets to countries with a more attractive tax system if we increase their taxes too much.</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	J	K
Agree (Strongly/somewhat)	77%	79%	75%	78%	76%	76%	74%	78%	78%	75%
Disagree (Strongly/somewhat)	14%	15%	14%	14%	13%	16%	17%	13%	14%	11%

<i>Fiscal laws are much too complex.</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	J	K
Agree (Strongly/somewhat)	64%	69% C	60%	61%	63%	69% D	60%	62%	72% GH	71% G
Disagree (Strongly/somewhat)	14%	15%	14%	19% F	14%	11%	15% K	14% K	17% K	5%

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You act better when you are sure.