

NEWS RELEASE

June 7 is Tax Freedom Day, when Canadians start working for themselves and not government

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VANCOUVER—This year, Tax Freedom Day for the average Canadian family falls on June 7, according to the Fraser Institute's annual calculations.

Tax Freedom Day measures the total yearly tax burden imposed on Canadian families by the federal, provincial and local governments. If you had to pay all your taxes up front, you'd give government every dollar you earned before Tax Freedom Day.

"Governments in Canada, from Parliament Hill to city hall, levy such a wide range of taxes, so it's nearly impossible for Canadian families to easily calculate their total annual tax bill, which is why our Tax Freedom Day calculations are so important," said Charles Lammam, director of fiscal studies at the Fraser Institute and co-author of *Canadians Celebrate Tax Freedom Day on June 7*, 2016.

In 2016, the average Canadian family (with two or more people) will pay \$45,167 in total taxes. That's 42.9 per cent of its annual income (\$105,236) going to pay income taxes, payroll taxes, health taxes, sales taxes, property taxes, fuel taxes, "sin" taxes and more.

On the calendar, those numbers represent more than five months of income—from January 1 to June 6. It's not until June 7—Tax Freedom Day—when families start working for themselves, not the government.

While Tax Freedom Day comes two days earlier this year than in 2015, it's not because of any major tax reductions. This year, 2016, is a leap year, which means Tax Freedom Day comes one day earlier. And because Tax Freedom Day is calculated based on federal and provincial tax revenue forecasts, overly-conservative revenue estimates by governments moved the date earlier up the calendar. When governments provide actual revenue estimates at the end of the year, Tax Freedom Day calculations are revised.

"Taxes take 43 per cent of our incomes, yet that's not enough to satisfy the spending habits of governments in Canada who will collectively spend \$47 billion more than revenues allow this year. If governments further increased taxes to balance their budgets instead of financing expenditures with deficits, Tax Freedom Day would arrive 11 days later," Lammam said.

Calculate your personal Tax Freedom Day using the Fraser Institute's <u>online</u> <u>calculator</u>. And check out our short Tax Freedom Day video on the Fraser Institute's YouTube channel.

Tax Freedom Day for each province varies according to the extent of the provincially levied tax burden.

Provincial Tax Freedom Days (earliest to latest)

Alberta	May 17
Saskatchewan	June 1
Prince Edward Island	June 1
British Columbia	June 5
Ontario	June 5

Manitoba	June 7
Nova Scotia	June 9
New Brunswick	June 11
Quebec	June 13
Newfoundland & Labrador	June 14

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