



NEWS RELEASE

Middle-income Atlantic Canadians face much higher personal income tax burdens than Western Canadians with similar incomes

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For Immediate Release

HALIFAX—Atlantic Canadians who earn the national average income pay much higher provincial personal income tax burdens—sometimes almost double—than Western Canadians earning similar amounts, finds a new study published by the Fraser Institute, an independent, non-partisan Canadian public policy think-tank.

“The taxes you pay can significantly influence work incentives and economic decision-making, and the fact is that middle-income workers in Atlantic Canada are paying significantly higher provincial tax burdens than comparable workers out west” said Ben Eisen, senior fellow at the Fraser Institute and co-author of *Comparing Provincial Marginal Tax Rates for Middle Income Earners Across Canada*.

The study finds that Atlantic Canadian workers who earn the national average income (\$52,750 in 2022) face provincial personal income tax burdens ranging from \$4,463 in New Brunswick to \$5,318 in Nova Scotia. This is significantly higher than workers in Western Canada earning the same amount. In British Columbia, the equivalent provincial income tax burden is \$2,353, in Alberta it’s \$3,338, and in Saskatchewan it’s \$3,914.

These large differences are, in part, a result of much higher provincial personal income tax rates in Atlantic Canada compared to Western Canada. For instance, workers in Atlantic Canada making the national average face provincial personal income tax rates of between 13.8 per cent in Prince Edward Island to 14.95 per cent in Nova Scotia.

Western Canadians, however, don’t face those levels of provincial personal income tax rates until their income reaches \$150,000 in British Columbia and \$500,000 in both Alberta and Saskatchewan.

“Middle-income workers in Atlantic Canada are paying provincial income tax rates similar to workers with much, much higher incomes in Western Canada,” Eisen said.

“It’s important for Atlantic Canadians to understand how their provincial income tax burdens compare to those of comparable workers elsewhere in the country.”

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