

NEWS RELEASE

Families in Nova Scotia that earn \$100,000 or more face some of the highest tax rates nationwide

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For immediate release

HALIFAX—Nova Scotia, along with the rest of Atlantic Canada and Quebec have some of the highest personal income tax rates nationwide on individuals and households that earn \$100,000 or more a year, and also have among the lowest percentages of tax filers with over \$100,000 of income, finds a new study released today by the Fraser Institute, an independent, non-partisan Canadian public policy think-tank.

“There is clearly an east-west divide in Canada, with Quebec and Atlantic Canada having the highest income tax rates on high-income earners, and the lowest share of high-income tax filers,” said Alex Whalen, policy analyst at the Fraser Institute and co-author of *High Tax Rates on Top Earners in Atlantic Canada and Quebec*.

“Western Canada, in contrast, taxes high income earners at lower rates and has higher numbers of those earners.”

The study finds that couples with no children, couples with one child, and couples with two children in Nova Scotia rank among the top most-taxed in Canada.

In fact, when looking at families with two children and over \$100,000 in income, Nova Scotia has the second-highest tax rate nationwide after Quebec, and Newfoundland and Labrador have the third highest rate in Canada.

For couples with one child and income over \$100,000, Nova Scotia is third nationwide, after Quebec (1st) and Newfoundland & Labrador (2nd).

Crucially, of the 10 Canadian provinces, the Atlantic provinces are at the bottom of the pack for the share of tax filers who earn more than \$100,000. Prince Edward Island has the lowest share, followed by New Brunswick (9th), Nova Scotia (8th) and Newfoundland and Labrador (6th), while Ontario and western Canadian provinces all have higher shares.

“The evidence is clear—those jurisdictions in Canada with the highest personal income tax rates on high-income earners also have the lowest share of high-income earners nationwide,” Whalen said.

“Given that high income earners are often entrepreneurs, job creators, or other high performers, policymakers in Nova Scotia and across Atlantic Canada should consider personal income tax reform in order to make their tax regimes competitive with the rest of the country.”

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