

NEWS RELEASE--draft

B.C. has fourth-highest top personal income tax rate in Canada and U.S.

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For immediate release

VANCOUVER— British Columbia has the fourth-highest top personal income tax (PIT) rate in Canada or the United States, including both the provincial and applicable federal rates, according to a new study published by the Fraser Institute, an independent non-partisan Canadian public policy think-tank.

“B.C.’s relatively high income tax rate, compared to other Canadian and U.S. jurisdictions poses a significant policy problem for the province since competitive tax rates help attract skilled workers and investment, which fuels economic growth,” said Ben Eisen, senior fellow at the Fraser Institute and co-author of *British Columbia's Growing Tax Competitiveness Problem*.

The study finds that B.C. has a combined top PIT rate (which combines provincial and federal incomes taxes) of 53.5 per cent for top earners—including doctors, entrepreneurs and other skilled professionals. It is the fourth-highest rate in Canada and the U.S.

Moreover, B.C.’s top combined PIT rate is only 1.3 percentage points lower than the highest rate in Canada and the U.S., which is 54.8 per cent in Newfoundland and Labrador.

“If the B.C. government wants to help the provincial economy grow, it should make the province more attractive to entrepreneurship, investment and skilled workers by reducing the tax burden on top earners,” Eisen said.

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