

# **Nine in Ten Canadians Support Taxing the Rich “More” (88%) and a Potential ‘Millionaire’s Tax’ (89%)**

*Average Canadian Defines ‘Rich’ As \$195,000 Annual Household Income*

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## Nine in Ten Canadians Support Taxing the Rich “More” (88%) and a Potential ‘Millionaire’s Tax’ (89%)

*Average Canadian Defines ‘Rich’ As \$195,000 Annual Household Income*

Toronto, ON – While Canadians have great respect and admiration for the success and innovation of the country’s ‘rich’, most believe they should be putting more into the national coffers, according to a new poll conducted by Ipsos Reid on behalf of The Munk Debates.

Nine in ten (88%) Canadians ‘support’ (48% strongly/40% somewhat) the following resolution, to be the subject of the upcoming Munk Debate on May 30<sup>th</sup>: the rich should pay more taxes. Just one in ten (12%) Canadians ‘oppose’ (3% strongly/8% somewhat) this resolution.

- British Columbians (93%) are most supportive of the rich paying more taxes, compared to Albertans (82%) who are least supportive.
- As household income increases, support for making the rich pay more taxes decreases. Canadians making a household income of less than \$40,000 annually (93%) are most supportive while those on the other end of the income spectrum, making \$100,000+ annually, are least supportive (72%) – yet still a majority supports the initiative.
- Canadians seniors (91%, aged 55+) are most supportive of the idea of taxing the rich more, compared to 88% of middle-aged Canadians (aged 35-54) and 84% of young Canadians (aged 18-34).

The survey was commissioned by the Munk Debates for release today as 3,000 people convene at Roy Thompson Hall to take part in the Munk Debate on taxing the rich. Former speaker of the U.S. House of Representatives Newt Gingrich and Arthur Laffer, the intellectual father of “Reaganomics”, will argue *against* the debate motion “be it resolved tax the rich more”. Their opponents will be Nobel Laureate in Economics, Paul Krugman, and

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the former Prime Minister of Greece and current President of the Socialist International, George Papandreou. – for more information visit [www.munkdebates.com](http://www.munkdebates.com).

The survey also shows a similar proportion (89%) of Canadians also indicate they'd be 'supportive' (54% very/34% somewhat) of a 'millionaire's tax', whereby families with a combined annual household income greater than \$1,000,000 would pay a special or additional tax on all income over a million dollars. Only one in ten (11%) Canadians would 'not be supportive' (4% not at all/8% not very) of this potential 'millionaire's tax'.

On average, Canadians supportive of this 'millionaire's tax' believe families with a combined annual income of more than \$1,000,000 should pay a tax rate of approximately 33% on all portions of income over this amount. One in three (34%) of those supportive of the 'millionaire's tax' idea believe this tax rate should be 20% or less, while a majority (56%) believe it should be somewhere between 21%-50%. One in ten (11%) 'millionaire's tax' supporters believe additional annual household income over \$1,000,000 should be taxed at a rate of more than 50%.

#### *What is 'Rich'?*

While most Canadians believe the rich should be taxed more, the definition of 'rich' is subjective. This question was posed to Canadians and they were asked to determine at what level of annual household income they would consider a family to be 'rich'.

On average, Canadians indicate that a family making an annual household income of approximately \$195,000 can be designated as 'rich'. Four in ten (41%) Canadians believe it's possible for a family to be 'rich' while bringing in less than \$100,000 annually, while one in three (32%) believe this 'rich' amount to be between \$100,001 to \$200,000. One quarter (24%)



believe being 'rich' means a family brings in more than \$200,000 annually, while 5% believes a 'rich' family brings home more than \$500,000 annually.

- Albertans are at the high end of what it means for a family to be 'rich' by citing an average amount of \$242,000 to earn this designation, compared to Quebecers who sit at the low end (\$158,000).
- There is a glowing disparity for this 'rich amount' between Canadians in the lowest income category (less than \$40,000 annually) who believe this amount to be approximately \$157,000, on average, compared to Canadians in the highest income category (\$100,000+ annually) who believe this amount to be \$296,000, on average, which is nearly twice as much as their low income counterparts.

### *Canadians Attitudes Towards The Wealthy and Taxes*

Although most Canadians are resoundingly supportive of those they designate as 'rich' paying more taxes, this is not to say that most Canadians don't believe the rich deserve all their successes.

Seven in ten (70%) Canadians 'agree' (16% strongly/55% somewhat) that 'wealthy people are innovators and entrepreneurs who deserve the success they've achieved, compared to three in ten (30%) Canadians who 'disagree' (6% strongly/24% somewhat) with this assessment.

Conversely, only one in three (34%) Canadians 'agree' (7% strongly/27% somewhat) that 'people mostly become wealthy because they are lucky, not because they work hard', while two in three (66%) 'disagree' (21% strongly/46% somewhat) with this statement.

While most Canadians believe the success of those who are wealthy is well-deserved, they still don't believe these people pay what they should when it comes to income taxes. Only three in ten (30%) Canadians 'agree' (10% strongly/19% somewhat) that they 'believe



wealthy people pay their fair share of taxes', while seven in ten (70%) 'disagree' (29% strongly/41% somewhat).

Most believe it is power and privilege that affords the rich the ability to get out of paying their fair share. Eight in ten (83%) Canadians 'agree' (43% strongly/40% somewhat) that 'wealthy people use their power and privilege to avoid paying their fair share of taxes, while just 17% 'disagree' (4% strongly/13% somewhat) that the rich use these influences.

A concept often thrown around when looking at potentially simplifying tax structures is the idea of a 'flat tax', where all Canadian taxpayers would pay the same rate on their income, regardless of how much they earn. Four in ten (40%) 'agree' (15% strongly/25% somewhat) that 'everyone should pay the same percentage of their income towards taxes, regardless of what that income is', compared to six in ten (60%) who 'disagree' (31% strongly/30% somewhat) with this assessment.

### *Testing Canadians' Knowledge on Who Pays What...*

The Occupy Movements of last year paid particular emphasis on how much money the top 1% of earners contribute to society in the form of taxes, so this question was posed to the Canadian general population.

The average Canadian believes that the top 1% of income earners in Canada contribute approximately 20% of all federal and provincial or territorial income taxes, which is nearly the exact amount (21.2%) this group pays as calculated by Statistics Canada earlier this year.

Interestingly, Canadians, on average, believe that the bottom 20% of income earners contribute more in terms of income taxes (to the tune of 27%) compared to the top 1% of



earners (20%). In fact, the bottom 20% of income earners pay 1.6% of all income taxes (e.g. federal, provincial and territorial taxes combined).

Even more interesting is that the average Canadian believes that the country's bottom 50% of income earners contribute more than twice as much in income taxes (43%) compared to the top 1% of earners, when in fact, the bottom 50% of income earners pay 17% of all taxes.

*These are some of the findings of an Ipsos Reid poll conducted between May 16<sup>th</sup> to 22<sup>nd</sup>, 2013, on behalf of The Munk Debates. For this survey, a sample of 1,055 Canadians from Ipsos' Canadian online panel was interviewed online. Weighting was then employed to balance demographics to ensure that the sample's composition reflects that of the adult population according to Census data and to provide results intended to approximate the sample universe. The precision of Ipsos online polls is measured using a credibility interval. In this case, the poll is accurate to within +/- 3.4 percentage points had all Canadians adults been polled. All sample surveys and polls may be subject to other sources of error, including, but not limited to coverage error, and measurement error.*

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