Revenue Statistics 2016 - Canada

Tax-to-GDP ratio

Tax-to-GDP ratio over time

The OECD’s annual Revenue Statistics report found that the tax-to-GDP ratio in Canada increased by 0.7 percentage points, from 31.2% in 2014 to 31.9% in 2015. The corresponding figures for the OECD average were an increase of 0.1 percentage point from 34.2% to 34.3% over the same period. Since the year 2000, the tax-to-GDP ratio in Canada has decreased from 34.8% to 31.9%. Over the same period, the OECD average in 2015 was slightly above that in 2000 (34.3% compared with 34.0%).

Tax-to-GDP ratio compared to the OECD

Canada ranked 25th out of 35 OECD countries in terms of the tax-to-GDP ratio in 2015.* In 2015, Canada had a tax-to-GDP ratio of 31.9% compared with the OECD average of 34.3%. In 2014, Canada was ranked 26th out of the 35 OECD countries in terms of the tax-to-GDP ratio.

* Australia, Japan and Poland are unable to provide provisional 2015 data, therefore their latest 2014 data are presented within this country note.

In the OECD classification the term “taxes” is confined to compulsory unrequited payments to general government. Taxes are unrequited in the sense that benefits provided by government to taxpayers are not normally in proportion to their payments.
Tax structures

Tax structure compared to the OECD average

The structure of tax receipts in Canada compared with the OECD average is shown in the figure below.

![Tax structure chart]

Relative to the OECD average, the tax structure in Canada is characterised by:

- Substantially higher revenues from taxes on personal income, profits and gains, and higher revenues from taxes on corporate income and gains; payroll and property.
- A lower proportion of revenues from taxes on value added taxes and goods and services (excluding VAT/GST), and
- Substantially lower revenues from taxes on social security contributions.

<table>
<thead>
<tr>
<th>Tax Revenues in national currency</th>
<th>Tax structure in Canada</th>
<th>Position in OECD²</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canadian Dollar, millions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Taxes on income, profits and capital gains</td>
<td>296 647</td>
<td>282 254</td>
</tr>
<tr>
<td>of which Personal income, profits and gains</td>
<td>224 676</td>
<td>214 126</td>
</tr>
<tr>
<td>Corporate income and gains</td>
<td>65 151</td>
<td>62 754</td>
</tr>
<tr>
<td>Social security contributions</td>
<td>93 576</td>
<td>89 589</td>
</tr>
<tr>
<td>Payroll taxes</td>
<td>12 595</td>
<td>12 353</td>
</tr>
<tr>
<td>Taxes on property</td>
<td>72 592</td>
<td>70 604</td>
</tr>
<tr>
<td>Taxes on goods and services</td>
<td>142 074</td>
<td>135 890</td>
</tr>
<tr>
<td>of which VAT</td>
<td>83 623</td>
<td>79 099</td>
</tr>
<tr>
<td>Other¹</td>
<td>734</td>
<td>687</td>
</tr>
<tr>
<td>TOTAL</td>
<td>618 217</td>
<td>591 377</td>
</tr>
</tbody>
</table>

Tax revenue includes net receipts for all levels of government; figures in the table may not sum to the total indicated due to rounding.

1. Includes income taxes not allocable to either personal or corporate income.
2. The country with the highest share being 1st and the country with the lowest share being 35th.


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