



2023 edition

Highlights

Bilan

de la

fiscalité

au Québec

Acknowledgments

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Mission of the Chaire de recherche en fiscalité et en finances publiques

The Chaire de recherche en fiscalité et en finances publiques (CFFP) was created on April 15, 2003. Its mission is to develop multidisciplinary research on and disseminate knowledge of socio-economic issues related to tax policy and public finances.

For more information on the CFFP, visit its official website at: <http://cffp.recherche.usherbrooke.ca>.

This annual publication is the fruit of a collective endeavour directed by Tommy Gagné-Dubé with the participation of Luc Godbout, Suzie St-Cerny, Michaël Robert-Angers, Julie S. Gosselin, Frédérick Hallé-Rochon and Samuel Carbonneau.

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About the report

The **2023 edition** of the **Bilan de la fiscalité au Québec** (available in French only) presents a series of key indicators widely used in taxation analysis. Together they paint a portrait of the tax situation in Québec based on the latest available data. It is not an exhaustive portrait, but it does allow grouping these key indicators in a single document, along with a brief explanation and discussion of each.

About these highlights

These highlights of the **2023 edition** of the **Bilan de la fiscalité au Québec** includes a word from the Chairholder and an *In brief* section.

The *Word from the Chairholder* serves as an introduction and allows making a few observations based on the data found in the different sections of the full report. The *In brief* section, for its part, provides an overview of what these sections contain.

The full version of the report (available in French only) includes the following sections ([Link to page](#)):

1. Tax announcements in 2022
2. Tax burden
3. Sources of taxation
4. Tax expenditures
5. Net tax burden
6. Profile of Québec taxpayers
7. Progressivity
8. Taxation and income inequality

An interactive tool makes it possible to select certain variables. Thus, the key indicators used in comparative taxation, namely, tax structure, time series and a summary of the variables by country, are just a few clicks away ([LINK](#)).

Word from the Chairholder **1**

The 2023 edition in brief **5**

Word from the Chairholder

The Chaire de recherche en fiscalité et en finances publiques (CFFP) is pleased to present the new edition of its **Bilan de la fiscalité au Québec**. The *Bilan* presents a multitude of key indicators and the latest available data in 120 charts and tables, each briefly explained.

The 2023 edition paints a broad picture of taxation in Québec. The wide array of data that it takes into account allows us not only to track the tax situation in Québec over time but also to compare the province against its principal economic partners and a host of advanced economies covered by the Organisation for Economic Co-operation and Development (OECD).

This edition of the *Bilan* comprises eight sections. Each deals with a different aspect of taxation in Québec, including the latest tax announcements, inequality indicators, tax burden, and sources of tax revenue. In the eyes of the CFFP team, the *Bilan* is a useful reference tool that can come in handy throughout the year.

There's something new this year. We carried out a comparative analysis of taxation in Québec, Sweden and Australia. This allowed us to look beyond the usual indicators and to add concrete elements to better understand how taxation is applied in each jurisdiction.

Finally, I would like to take this opportunity to share a few observations regarding taxation in Québec.

However, before getting started and to avoid any misunderstanding, it needs to be pointed out that if the tax burden in Québec is higher than anywhere else, it is because government intervention here is more extensive than anywhere else as well. Indeed, there are two sides to this coin: The state taxes more in order to fund more public services.

2022: A year marked by major one-off measures to help with the cost of living

Even if we saw inflation coming in the second half of 2021, few experts expected the inflation that emerged in the summer and fall of 2021 to prove as heavy and persistent as it did.

Québec was the first province to announce financial support to help deal with the higher cost of living. In the fall of 2021, the government announced a measure to this end to be paid out in January 2022. This one-off measure targeted taxpayers who received the solidarity tax credit. This was followed by a second one-off amount, announced in the March budget, this one more generous than the first. This time, every Quebecer 18 and over who earned less than \$100,000 received \$500. Then, during the general election, a third amount was promised, again intended for adults who earned less than \$100,000. People received either \$600 or \$400 depending on whether they reported personal income above or below \$50,000. The total cost of these three measures to help with the cost of living amounted to some \$7.5 billion.

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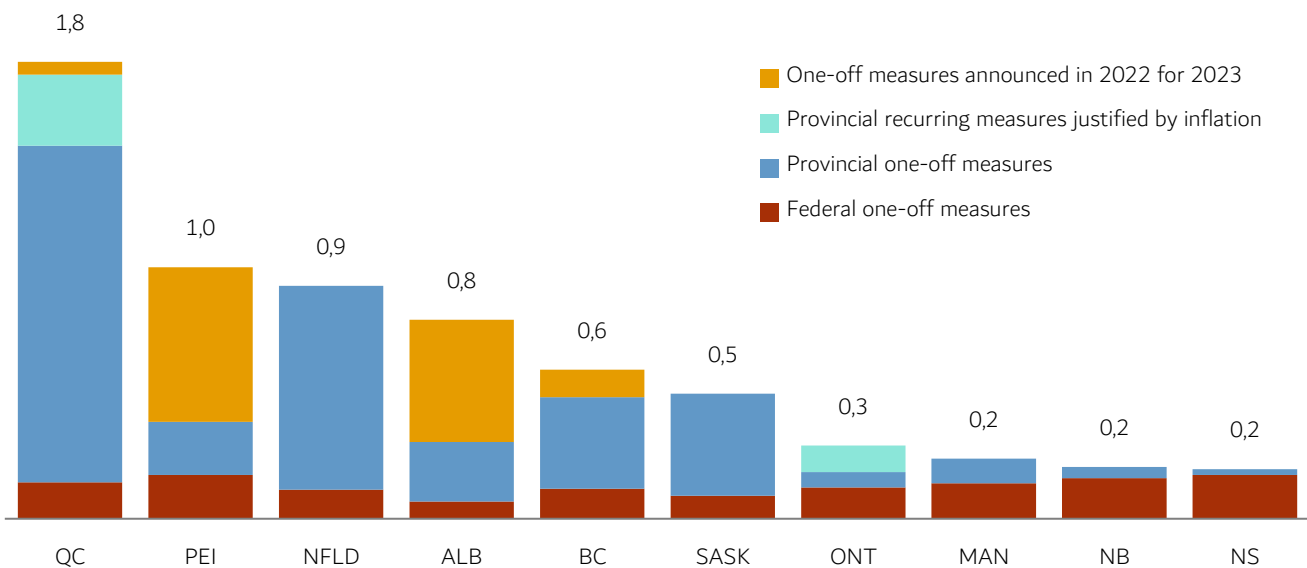
The federal government pitched in as well. In the fall of 2022, it too offered one-off benefits to help buffer the higher cost of living. The main measure consisted of doubling the GST credit for six months.

All told, some Québec households received financial support in excess of \$2,850 in 2022.

The support offered in Québec amounted to 1.8% of GDP in 2022, more than three times that offered in the other provinces on average.

Of course, other provinces offered support as well, but it is in Québec that government intervention proved most substantial, especially when measured as a share of GDP. In addition to the benefits paid out in 2022, there was also new recurring spending to tackle the higher cost of living. This included enhancement of the senior assistance tax credit and announcements made in 2022 but whose financial impact will be felt only in 2023, such as capping the indexation of government fees at 3%. Overall, then, the support offered in Québec amounted to 1.8% when calculated as a share of GDP in 2022, that is, more than 3.5 times that offered in the other provinces on average.

Cost of measures implemented or announced in 2022 to help with cost of living, as a share of GDP in 2022



Sources: Miscellaneous government publications and newspapers.

Note: The measures taken into account are those announced by the federal and provincial governments for 2022 and implemented January 2022 to December 2023, whether they took the form of one-off payments or recurring spending, so far as they were motivated by inflation. The cost of each measure is for one year. Where Québec is concerned, the measures in question are the one-off measures to help with the higher cost of living, enhancement of the senior assistance tax credit, capping of government fee indexation at 3%, and federal measures, including the housing benefit and temporary enhancement of the goods and services sales tax (GST) credit.

Some people may be tempted to explain the strong financial support in Québec on the fact that 2022 was an election year in the province. However, though this could be construed as a favourable condition, it cannot be considered as a sufficient condition, seeing how 2022 was an election year in Ontario as well.

Many people were critical of the one-off measures for targeting too many households and for stimulating consumption and the economy just as the central bank was seeking to do the opposite. Indeed, the Bank of Canada raised its policy rate for a seventh consecutive time in December 2022 in order to fight inflation. While we are not calling into question the fact that something had to be done to cushion the impact of inflation, it would nevertheless be advisable in future to focus support measures more narrowly on low-income households.

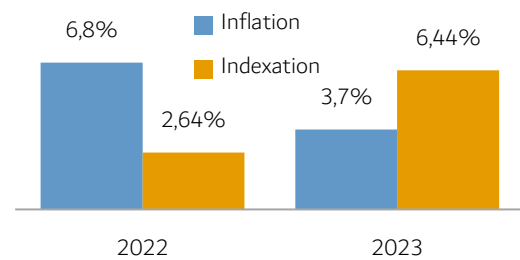
It should be pointed out, however, that despite their imperfections, these one-off measures were better than others that the government might have considered or that other governments actually applied, such as lowering the taxes on gasoline. Clearly, cutting fuel taxes would have sent the wrong signal by running counter to objectives set in the fight against climate change.

2023: Time for indexation to take over

The tax system adjusts to inflation to ensure that taxpayers are not penalized simply because their income grows apace with inflation. The parameters of the federal and provincial tax systems and benefits are indexed so that transfers, credits, and income tax reflect the fact that inflation is accounted for.

This annual mechanism is announced in the fall for the year beginning the following January 1 and is based on the annual inflation rate for the year ended September of the previous year. Consequently, there may be a gap between perceived inflation and indexation in years where inflation flares up, as was the case in 2022. However, over the long run, things tend to balance out. In any event, this is the situation with inflation and indexation in 2022 and 2023. In this light, if the one-off measures to help with the cost of living may have been justified in 2022, they no longer are in 2023.

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2023: Economic slowdown or recession?

In 2022, the Québec economy has emerged from the slowdown caused by the pandemic and has operated at full potential to fill government coffers beyond expectations. What emerges from the data presented in December's economic update is that, not counting the new measures announced in the fall and before accounting for the economic risk provision, the Québec budget would have been balanced under the terms of the *Balanced Budget Act* across the period spanning 2022-2023 to 2026-2027. However, with the new initiatives in the fall, there is a budget deficit that would be gradually eliminated. The Minister of Finance continues to signal his intention to achieve a balanced budget by 2027-2028.

As it happens, 2023 will be marked by an economic slowdown, if not recession. This fall, the average private-sector economic growth forecast for Québec in 2023 was for a mere 0.3%. Even if Québec's public finances appear to be in good shape, we must bear in mind that it is in an uncertain economic environment that the government must, in its next budget, abide anew by the constraints of the *Balanced Budget Act* and lay down the groundworks of a plan to return to a balanced budget by 2027-2028.

2023: Time to lower income tax?

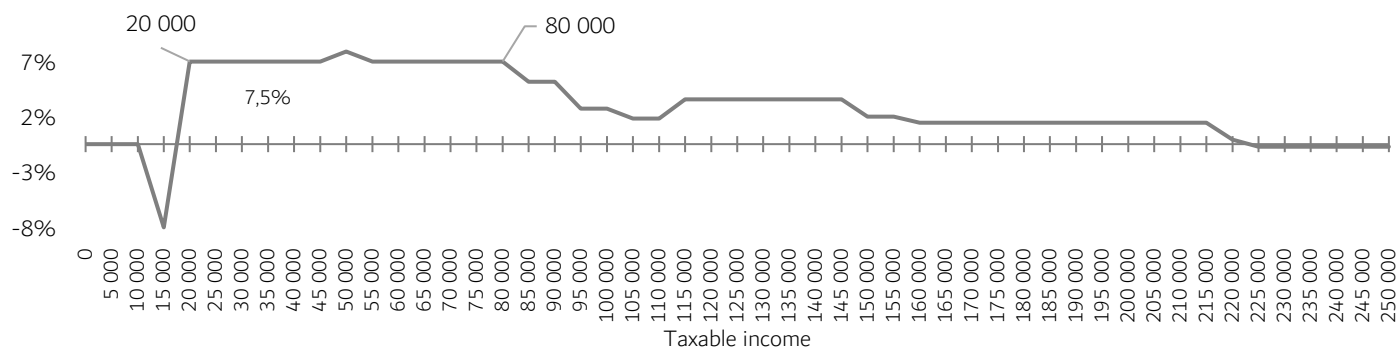
The elected government promised to lower income tax for individuals. To our eyes, however, certain conditions must be met before honouring that pledge. These include abiding by the *Balanced Budget Act*, presenting a plan for deficit correction by 2027-2028, setting a new debt target on a 10- to 15-year horizon, and determining the annual deposits to be made in the Generations Fund to attain this target. This last point is necessary, given that the income tax cut will be funded by reducing the size of these deposits. If the government is bent on going that route, it must do so only after having ascertained the size of the payments required to the Generations Fund in order to reach the new debt target. If this proves to be the case, it will then be possible to assess whether there is any leeway to go ahead with the income tax reduction.

If there is room for an income tax cut, it must be targeted to benefit Québec workers most.

Comparing the income tax brackets in Québec and Ontario shows that, in 2022, the largest differences in rates occurred for taxable income from \$20,000 to \$80,000. Québec taxpayers in this range paid nearly 30% more in income tax than their Ontario counterparts did.

If there is room for an income tax cut, it must be targeted to benefit Québec workers most.

Difference between combined income tax brackets for individuals in Québec and Ontario, 2022



Note: Taking account of basic personal amounts and surtaxes, when applicable.

2023: The year of green taxation?

The data in the *Bilan* show that tax administrations in Québec under-use green taxation. A mere 3% of the tax revenues collected fall under this category.

Green taxation in Québec essentially boils down to fuel taxes and a carbon tax. At the international level, Québec fares poorly against advanced countries in this regard, coming in third for lowest fuel taxes. Within Canada, however, it is in Québec that these taxes are highest.

Where the price of gasoline is concerned, taxpayers tend to be struck more by increases than by decreases. In the first half of 2022, the price of a litre of regular gasoline rose, clearing the psychological bar of \$2 in March and peaking above \$2.20 in June. Since then, the price has dropped. In Montreal in mid-December, it hit \$1.45. In 2013, it stood at \$1.35. Without the carbon market component, the price would have been more or less the same as it was 10 years ago! What's more, if the price of a litre of gasoline in 2013 had merely kept up with inflation, it would have stood at \$1.63 at the start of 2023, which is higher than the actual price prevailing in January.

This said, if we really want to change behaviours and however unpleasant it may seem to some people, Québec must make greater use of green taxes so that the message presently being received by the market takes the cost of pollution more into account. The province needs to do so, also, because the Land Transportation Network Fund, where fuel tax revenues are deposited for the purpose of funding public transit services and the construction and operation of road and public transport infrastructures, is presently in deficit. Seeing how climate change and environmental protection are such critical issues, let us hope that a broad consensus will develop in 2023 on the need for green taxes. The implementation of such taxes must not be considered as just an increase of the tax burden but rather as an instrument of necessary action.

In the wake of the unveiling of the 2023 edition of the *Bilan de la fiscalité*, which shows that Québec's tax reached its highest level in 2021 compared to the last twenty years, the Minister of Finance's 2023 pre-budget consultations promise to be rich in discussions on taxation.

Read on for plenty more. I hope it proves informative and useful. Cheers!

Luc Godbout

Chairholder, Chaire de recherche en fiscalité et en finances publiques



The *2023 edition* of the *Bilan de la fiscalité au Québec* is based primarily on data regarding fiscal 2021, the first year of living with COVID-19 post-crisis. It allows taking stock of the tax situation in Québec and comparing it against the rest of Canada and the advanced economies of the Organisation for Economic Co-operation and Development (OECD). Although the tax data used are subject to revision, they nonetheless allow us to conduct a preliminary assessment of whether indicators show a return to pre-pandemic levels or not.

This edition of the *Bilan* comprises eight sections. The first presents the tax announcements made by the Québec and federal governments, and by those of the other provinces, since the previous edition of the report. The next two sections compare Québec against the OECD advanced economies and the other Canadian provinces in terms of taxation. At the international level, Québec will be compared against 31 OECD member states considered advanced economies as defined by the International Monetary Fund (IMF). The fourth section presents an overview of tax expenditures in Québec and evidences the choices made regarding the different sources of tax revenues. Then, two sections examine taxation from different angles, namely, households (net tax burden) and individuals (profile of Québec taxpayers). The seventh section focuses on tax progressivity indicators. Finally, the last section looks at various indicators of income inequality and how governments reduce inequality through taxation.

Tax announcements in 2022

At the end of 2021, various governments in Canada adopted a first series of measures to help with the higher cost of living owing to inflation. Thus, a new round of temporary tax measures came into being across the country just as measures motivated by COVID-19 were disappearing from the land. The latter took the form primarily of transfers through the tax system and reductions to certain consumption taxes, such as the gasoline tax. Higher inflation also contributed to boost the own-source revenues of all governments across the country. Many of these governments have openly expressed the intention to give this windfall back to taxpayers.

Tax burden

The tax revenues raised by all levels of government in Québec in 2021 totalled 199.6 billion dollars, an increase of 21.4 billion dollars over 2020. As a result, the tax burden in Québec amounted to 39.6% of GDP, making it the 10th highest out of 32 when compared against the 31 OECD advanced economies. These revenues derived from a small set of income and other taxes, with 12 of these generating nearly 90% of all the taxes raised in the province.

Of all these tax revenues, 50% was raised by the provincial government, 32% by the federal government, 8% by local governments, and 10% by pension plans. Québec is the only province where the federal government collected less than 38% of the tax revenues. Of course, the special Québec abatement explains this result in part. However, even without it, the share of the revenues collected would be 47% by the Québec government and 35% by the federal government.

As of 1981, the tax burden in Québec grew steadily until it peaked at 39.9% in 2000. It then trended down until it hit a low of 36.2% in 2008. In 2020, it was roughly where it was in 1997. While the tax burden in Québec exceeded the OECD advanced economies average over this period, the OECD advanced economies average did trend up as well over this lapse of time.

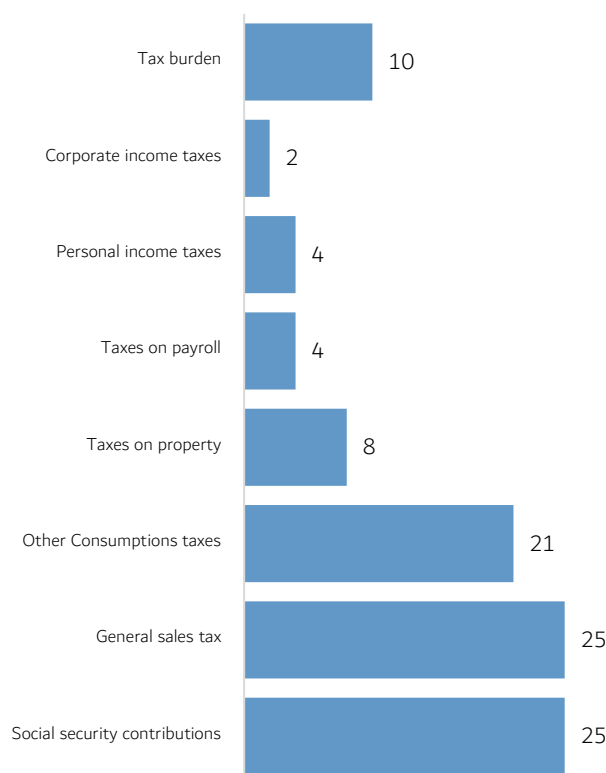
The tax burden in Canada minus Québec has trended down slightly, but the gap with Québec, which stood at 7.6 percentage points in 2014, narrowed to 5.4 percentage points in 2020. Compared with the other Canadian provinces, Québec still had the highest tax burden in 2021. Among the provinces with the lowest tax burden, three were oil-producing, namely, Alberta, Newfoundland and Labrador, and Saskatchewan.

Sources of taxation

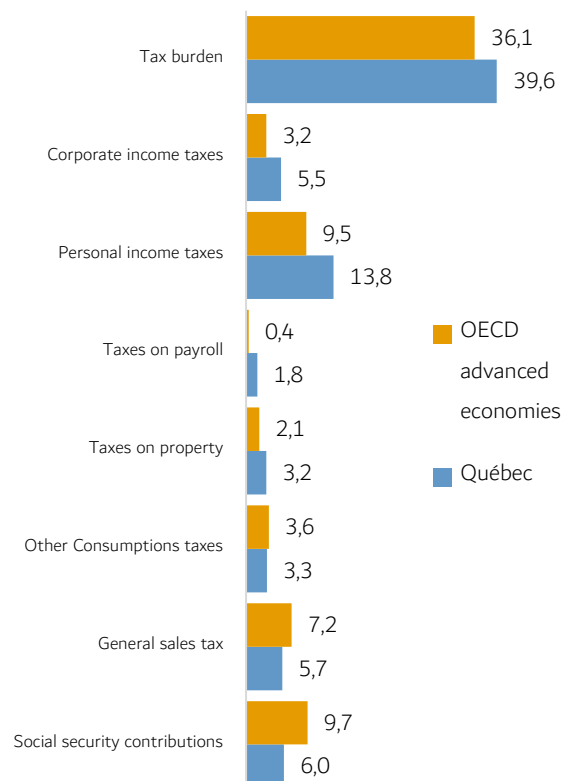
How tax revenues are raised in Québec differs significantly from how they are raised on average in the OECD advanced economies and some differences have grown over time. In 1981, income taxes were the top source of tax revenue in Québec, just as they were for the OECD advanced economies on average. They have remained so in Québec while they gradually slipped to second and then third place for the OECD advanced economies on average, topped today by both consumption taxes and social security contributions. Though similar, the tax structures in Québec and in Canada minus Québec have evolved with some differences. For example, personal income taxes are on the rise in Canada minus Québec while they are on the decline in Québec, and the weight of corporate income taxes is rather stable in Canada minus Québec while it is on the rise in Québec.

The charts below show how Québec ranked in 2021 by source of tax revenue as a percentage of GDP against the OECD advanced economies and the other Canadian provinces. In the left-hand charts, the lower the rank, the higher the weight. In the right-hand charts, weights in Québec are compared against the OECD advanced economies average or weights in Canada minus Québec.

Québec ranking among OECD advanced economies (out of 32; #1 → highest tax burden)



Tax revenue as a percentage of GDP



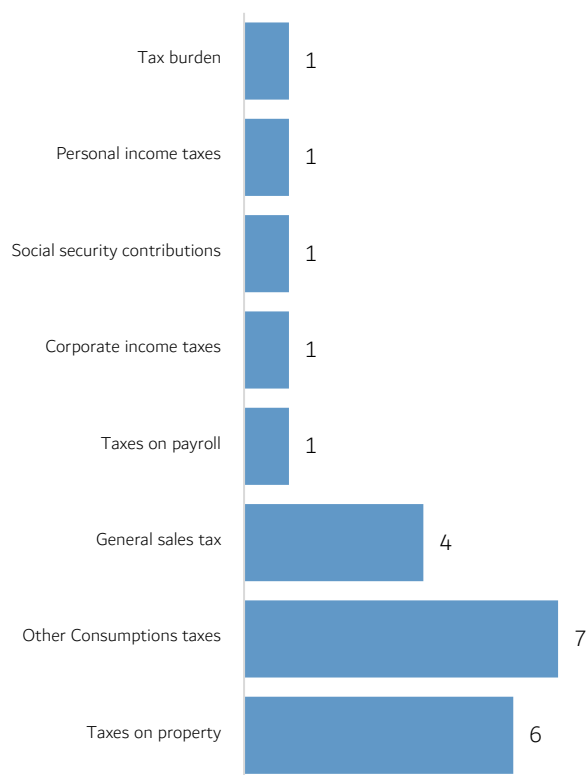
While Québec ranked 10th among the OECD advanced economies in terms of tax burden, its ranking by weight of revenue source as a percentage of GDP was much more extreme:

- ▶ Québec ranked in the top eight for three sources, namely, corporate income taxes, personal income taxes and payroll taxes, and the weights were significantly higher than the OECD advanced economies average.
- ▶ Québec ranked in the bottom fifth for general sales taxes and social security contributions, with weights below the OECD advanced economies average.

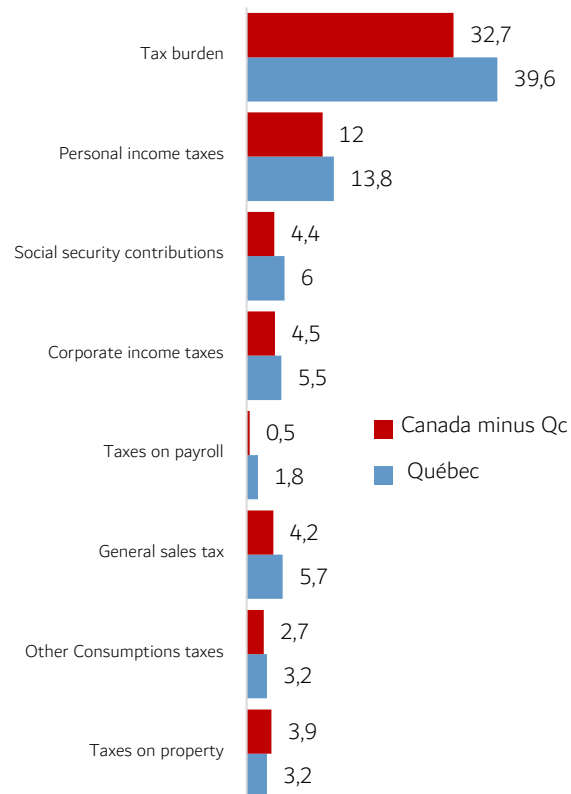
Among the Canadian provinces, Québec ranked 1st for tax burden and for weight of personal income taxes, social security contributions, corporate income taxes and payroll taxes as a percentage of GDP. Moreover, it ranked 4th for general sales taxes. Of the seven sources of revenue indicated, Québec came in behind Canada minus Québec only for property taxes.

Canada minus Québec came in on the same side as Québec (above or below) relative to the OECD advanced economies average across all sources of revenue, albeit at a different distance. As a result of this, contrary to Québec, Canada minus Québec in the end had a tax burden below the OECD average.

Québec ranking among provinces
(out of 10; #1 → highest tax burden)



Tax revenue
as a percentage of GDP



Tax expenditures

Tax expenditures are the result of tax decisions about how tax revenues are raised. Indeed, governments resort to tax expenditures to make economic or social interventions by way of taxation. Whenever a government sets up tax credits, deductions or exemptions within its baseline tax system, this deprives it of tax revenues.

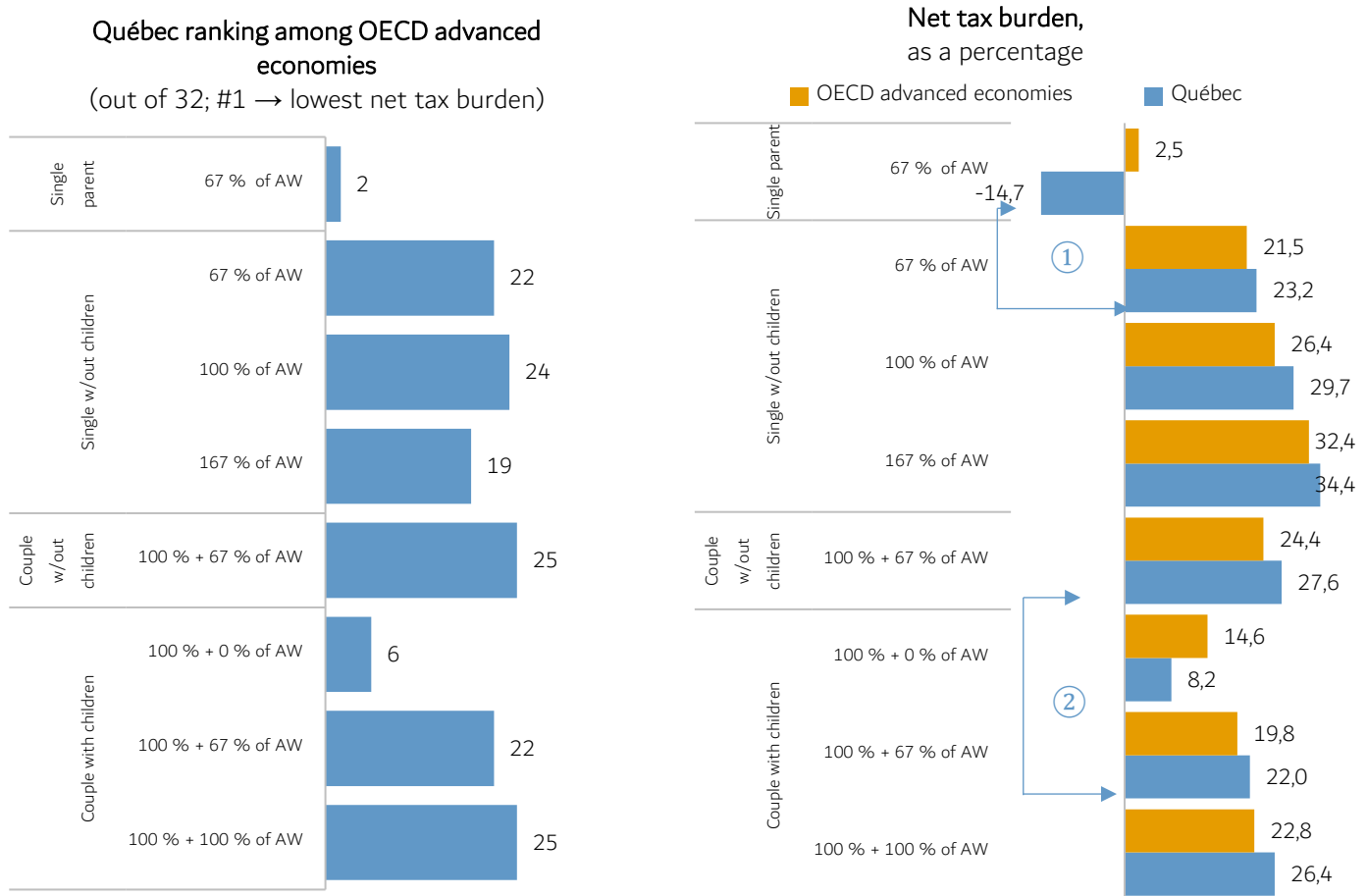
The overall weight of the Québec government's tax expenditures in the economy has trended up since the mid-1990s, though not always steadily. In 2021, nearly 67% of Québec's tax expenditures were tied to the individual income tax system. In some cases, particularly those that apply to individuals, they are broad-based and benefit millions of taxpayers. This is the case, for instance, with the deduction for workers, which in 2029 was claimed by more than 55% of the 6.7 million tax filers in the province. Some measures, however, target a very small number of beneficiaries. Regarding the tax expenditures that apply to corporations, a very large portion of the tax credits in Québec is granted to a very small number of companies.

Comparing the Québec and federal governments on their main tax expenditures revealed many similarities. Ten of the 15 main tax expenditures of one government had a counterpart among the 15 main tax expenditures of the other.

Net tax burden

While indicators of tax burden and tax revenue sources for Québec show the weight of total tax revenues or of income taxes as a percentage of GDP to be rather high, analyzing the net tax burden sheds a finer light on the matter when, in addition to income taxes, social security contributions paid and benefits received are also taken into account.

Ranked among the OECD advanced economies, Québec had the second-lowest net tax burden in the case of single-parent families with two children earning 67% of the average wage (AW) and came in 6th out of 32 for couples with two children earning 100% of AW (in 2021, 100% of AW amounted to \$70,128 in Québec). For the other cases presented, Québec's relative position was in the top third with net tax burden rates above the average for the OECD advanced economies.



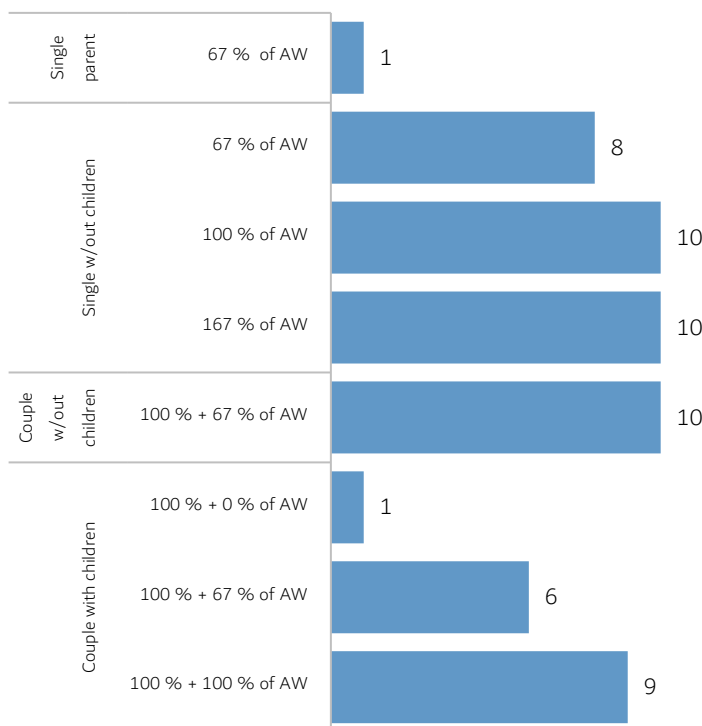
For single persons earning 67% of AW, the net tax burden was 23.2% and, relative to this, the rate for single-parent families with the same income was 37.9 percentage points lower ①. This result indicates that children are given tremendous consideration within Québec's tax and benefits structure.

For couples with children where one spouse earned 100% of AW and the other 0% of AW (100% + 0%), the net tax burden was 8.2%. However, for couples with children where each spouse earned 100% of AW (100% + 100%), the net tax burden rose to 26.4%, an increase of 18.2 percentage points ②. Here, the result shows the Québec tax system to be highly progressive.

When Québec is compared against the other Canadian provinces, results essentially tell the same story, namely, that the net tax burden in Québec was either the lowest or among the lowest when income was very low and families included children.

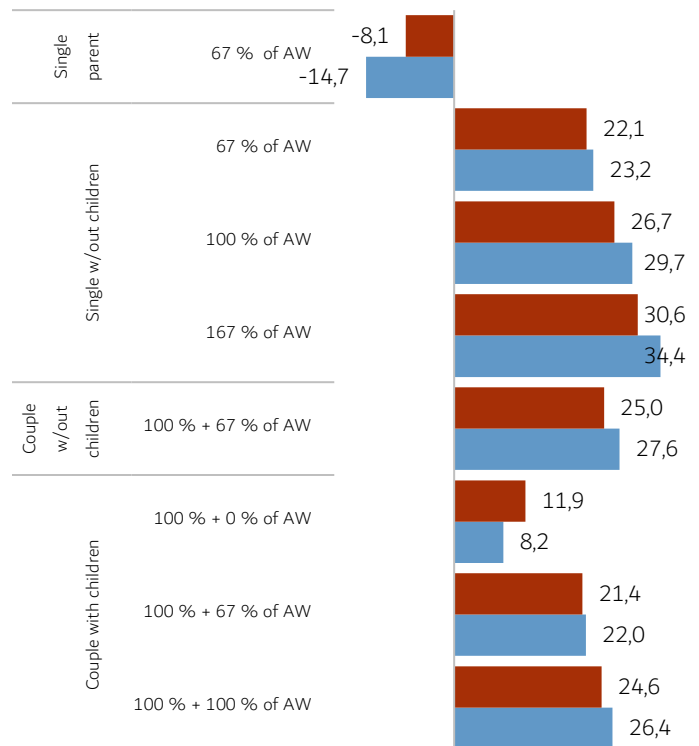
Québec ranking among Canadian provinces

(out of 10; #1 → lowest net tax burden)



Net tax burden, as a percentage

■ Average for 9 other provinces ■ Québec



Since the early 2000s, the net tax burden in Québec for single persons earning 100% of AW and for couples with two children earning 167% of AW (100% + 67%) has been trending down.

Profile of Québec taxpayers

In 2019, the percentage of taxpayers who declared total income of less than \$50,000 stood at almost 66.5% in Québec. Among the other provinces, this rate was slightly higher in the Maritime Provinces (from 68% to 70.4%) and lowest in Alberta (57.5%).

Total income was composed for the most part of employment income, but the relative composition varied by income level. For example, retirement income and other income (including government benefits) made up a relatively high share of the total when income was less than \$30,000, whereas the share of business and investment income was higher for the group of taxpayers earning \$100,000 or more than for the other groups.

Analyzing how incomes and taxes paid are distributed by quintile shows again that, in 2018, a large share of the income tax raised in Québec (70.7%) was paid by 20% of the highest-income taxpayers. However, this 20% earned more than half of all the income declared.

Finally, in 2018, the proportion of taxpayers that paid no provincial income taxes stood at 34.8% in Québec. This was not the highest proportion among the Canadian provinces. Elsewhere it ran from 27.5% in Prince Edward Island to 40.9% in Saskatchewan. For Canada minus Québec, 36.2% of taxpayers paid no provincial income taxes.

By comparison, the tax burden of Québec taxpayers was heavier than it would have been had they been subject instead to the tax structure and transfers for individuals of the majority of the other Canadian provinces. It exceeded the gross tax burden that they would have had under the Ontario system of income tax, consumption tax, and social security contributions by 14,2 billion dollars. When transfers were taken into account, the tax burden gap narrowed to 10,7 billion dollars.

The corporate tax statistics presented are those for fiscal year 2017, when 96.5% of the corporations that filed a return in Québec were small businesses (less than 15 million dollars in assets). Of these, 58.4% paid no income tax and 41.4% paid both no income tax and no other contributions.

Progressivity

The progressivity of personal income taxes in Québec and in Canada is key to understanding how the Québec tax system works and how it compares against those of other jurisdictions, particularly because personal income taxes are the dominant source of revenue under the Québec tax structure.

The indicators included in this new section show that progressivity is well established in Québec and, in some cases, is much more so than in many other jurisdictions.

- ▶ In 2021, the top rate in the Québec personal income tax structure was the 6th highest among the OECD advanced economies and the 4th highest among the Canadian provinces. In 2022, however, with Newfoundland and Labrador adding new upper brackets to its tax structure, Québec will drop a rank to 5th.
- ▶ In 2022, marginal effective tax rates (METRs), which are the result of tax progressivity, whereby tax payable increases as income increases, combined with certain government transfers, which, instead, decrease as income increases, reached as high as 90% in Québec for couples with children. These rates are on the rise on account of the enhancement of the Canada workers benefit (CWB).
- ▶ For a single person in Québec, the progressivity of the net tax burden when income increases from 67% to 167% of AW was the 12th highest among the OECD advanced economies and the highest among the Canadian provinces. This bears witness to a high tax progressivity relative to the other jurisdictions considered.
- ▶ The low net tax burden in Québec and Canada in some income situations comes with particularly high METRs. For instance, for a couple with two children where only one of the two spouses earns the AW, Québec has the second-lowest net tax burden among the OECD advanced economies but the fourth- highest METR after Canada.
- ▶ Progressivity runs deeper in Québec than in the other Canadian provinces. A case in point: Québec is the province where the net tax burden rate for single persons who earn 30% of AW is the lowest among the provinces, but for single persons who earn 80% of AW, it is the highest. The tax system in Québec also has a very high degree of progressivity (as measured by the net tax burden rate) when it comes to couples with two children.

Taxation and income inequality

Taxation can contribute to stimulate the economy, change how taxpayers behave, and reduce inequality. This last function is actualized in particular through a progressive income tax system and various tax measures intended to benefit lower-income taxpayers.

Various indicators are used to gauge inequality. One of these is the share of income accounted for by the highest-income taxpayers, including the top 1%. Taxation manages to reduce inequalities when this share drops following government intervention, that is, after taxes and transfers.

- ▶ In 2020, the top 1% of income earners declared 12.3% of pre-tax income in Québec. After tax, this share dropped to 8.3%. In Canada as a whole, this share dropped from 13.9% before tax to 9.6% after tax. Québec came in 5th among the provinces for the largest percent drop in this share following government intervention through taxes and transfers.
- ▶ The top 10% of income earners declared 39.4% of pre-tax income. After tax, this share dropped to 28.6%. The largest percent drop in this share occurred in Newfoundland and Labrador. Québec came in 4th in this regard.

The interdecile ratio is another indicator that allows gauging the effects of taxation on reducing inequality. It is the ratio between the income cut-off separating the bottom 90% of earners from the top 10% (9th cut-off) and the income cut-off separating the bottom 10% of earners from the top 90% (1st cut-off). In 2020, this ratio dropped from 14.2x pre-tax to 3.5x after-tax.

The Gini coefficient is yet another indicator that allows gauging the impact of government intervention on income inequality. It is widely used, particularly in international comparisons. This indicator serves to compare market income (before taxes and transfers) and disposable income (after taxes and transfers). In Québec, governments interventions in 2020 allowed reducing market income inequality by 40.8%, which was better than the average rate for the OECD advanced economies (35.6%) and for Canada (36.0%).

According to the Gini coefficient for disposable income, Québec came in 5th out of 32, in increasing order of inequality, when ranked against the OECD advanced economies.

Comparing the Gini coefficient for disposable income across Canada shows that Québec was the 3rd province with the least inequality, whereas it came in 7th based on market income. Furthermore, the data indicate that disposable income inequality has been lower in Québec than in Canada as a whole since 1976 and that the Gini coefficient for disposable income in Québec was lower in 2020 than it was on average from the mid-1990s. This suggests that inequality declined over the years. The sharp drop in inequality noted in 2020 can be explained, in particular, by the financial support measures implemented to get through the COVID-19 crisis. It will be interesting to see how this situation evolves in the coming years.

Finally, tax burden as measured by tax revenues as a percentage of GDP was analyzed in relation to level of inequality as measured by the Gini coefficient. Results show that jurisdictions with a high tax burden, such as Québec and the Nordic countries, presented a lower level of inequality compared with countries with low taxation.

This report reviewed the key indicators most widely used in taxation analysis. What is presented here is a brief summary of what can be found in the 2023 edition of the *Bilan de la fiscalité au Québec* (available in French only).