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Canada's tax burden unlikely to rise expert says

- **Canada's tax burden as percentage of GDP is 32%**
 - **Among the G8, Russia, Japan and the US have a tax burdens lower than Canada**
 - **The average tax burden of the major Eurozone economies is now nearly 44% of GDP**
 - **The fast-growing "BRIC" economies still collect, on average, less than 30% of GDP in tax**
 - **Canada's tax burden of 32% is significantly higher than that of the US (24%)**
 - **Research by UHY, a top 25 global accounting and consultancy network**

UHY professionals studied tax and GDP data for 23 countries across its international network, including the G8, as well as key emerging economies, including the BRIC nations.

Brahm Shiller, partner at UHY Victor LLP in Montreal comments: "While Canada's tax as a percent of GDP is close to the G8 average, it is 8% higher than that of the US, its largest trading partner and closest neighbor. The higher Canadian taxes are mostly due to Canada's public funding of healthcare, higher education and other social programs. The gap with the US and the Conservative federal government make it unlikely that Canadian tax rates will rise significantly in the next few years."

In contrast to Canada, many G8 nations have raised taxes over the last few years as governments have made efforts to reduce their debt levels. A higher tax burden, however, is often identified as an important factor inhibiting economic growth, according to UHY, the international accounting and consultancy network.

John Wolfgang, chairman of UHY comments: "The comparison between the Eurozone countries and the BRIC and other Western nations is extreme. Generally speaking, the lower tax rate countries are experiencing higher growth, while most of the lower growth countries have higher tax rates."

Among the 23 economies studied, the country collecting the lowest amount of tax as a percentage of GDP is Mexico. Mexico collected just 10% (see below) of GDP in tax (USD \$120 billion in tax from a GDP of USD \$1,155 billion).

The study also shows that, among the G8, there is a wide gulf in the relative value of social security contributions collected as a proportion of total tax revenues. For example, 63.5% of all tax (USD \$779 billion) in France is social security whereas, at the other end of the scale, specific social security taxes comprise just 18.4% (USD \$151 billion) of all tax in the UK.

Total tax burden as a percentage of GDP (G8)

	TOTAL TAX COLLECTED (USDbn)	GDP (USDbn)	TOTAL TAX AS % of GDP
Russia	354.5	1,850.4	19%
Japan	1,232.8	5,458.8	23%
US	3,648.0	15,094.0	24%
Canada	559.0	1,736.9	32%
UK	817.6	2,417.6	34%
Germany	1,394.2	3,255.5	43%
Italy	891.8	2,060.9	43%
France	1,225.6	2,776.3	44%
G8			
total/average	10,123.5	34,650.4	29%

Total tax burden as a percentage of GDP (BRIC nations)

	TOTAL TAX COLLECTED (USDbn)	GDP (USDbn)	TOTAL TAX AS % of GDP
India*	197.3	1,676.1	12%
Russia	354.5	1,850.4	19%
China	1,796.9	7,484.1	24%
Brazil	704.1	2,081.2	34%
BRIC			
total/average	3,052.7	11,010.6	28%

* Does not include local taxes

Total tax burden as a percentage of GDP

	TOTAL TAX COLLECTED (USDbn)	GDP (USDbn)	TOTAL TAX AS % of GDP
Mexico	120.2	1,154.8	10%
India*	197.3	1,676.1	12%
Nigeria	31.0	238.9	13%
Russia	354.5	1,850.4	19%
Malaysia	49.8	238.8	21%
Japan	1,232.8	5,458.8	23%
Australia	354.1	1,507.4	23%
US	3,648.0	15,094.0	24%
China	1,796.9	7,484.1	24%
Slovakia	24.0	87.3	28%
Ireland	64.3	217.7	30%
Spain	425.0	1,407.4	30%
Romania	57.4	189.8	30%
Czech Republic	63.5	198.5	32%
Canada	559.0	1,736.9	32%
Estonia	7.0	22.2	32%
Denmark	104.5	333.0	33%
UK	817.6	2,417.6	34%
Brazil	704.1	2,081.2	34%
Netherlands	300.0	780.7	38%
Germany	1,394.2	3,255.5	43%
Italy	891.8	2,060.9	43%
France	1,225.6	2,776.3	44%
G8	9,536.5	34,650.4	28%
BRIC	3,052.7	11,010.6	28%

* Does not include local taxes

Notes for Editors

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Established in 1986 and based in London, UK, UHY is a network of independent audit, accounting, tax and consulting firms with offices in over 250 major business centres in 81 countries. Over 6,800 staff generated an aggregate income of USD 625 million in 2011, ranking UHY the 25th largest international accounting and consultancy network. Each member of UHY is a legally separate and independent firm. Each member of UHY is a legally separate and independent firm. For further information on UHY please go to www.uhy.com

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