

Election Proposal Costing

Exit Tax

April 11, 2025

Introducing an exit tax of 35% on all household net worth over \$10 million upon renouncing Canadian tax residency, effective July 1st, 2025.

Cost of Proposed Measure

Fiscal year	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	Total
Total cost \$ millions	-1,112	-1,510	-1,599	-1,720	-1,842	-7,784

Notes

- Estimates are presented on an accrual basis as would appear in the budget and public accounts.
- A positive number implies a deterioration in the budgetary balance (lower revenues or higher spending). A negative number implies an improvement in the budgetary balance (higher revenues or lower spending).
- Totals may not add due to rounding.

Estimation and Projection Method

PBO used the 2023 Survey of Financial Security (SFS) to estimate the distribution of high-net-worth households above \$10 million. The distribution was then adjusted to account for population growth and increasing household net worth over 2025 to 2030.

Emigration rates for high-net-worth households were based on the emigration rate for the general population from 2015 to 2024, considering the incentives provided by the exit tax to maintain Canadian tax residency. High-net-worth households were assumed to engage in tax avoidance behaviour which would decrease their taxable wealth by 35% before being subject to the proposed exit tax.

Sources of Uncertainty

The main source of uncertainty relates to the emigration behaviour of high-net-worth households and possible changes to the distribution of high-net-worth households in response to the exit tax.

Administration costs may impact the revenue generated by the exit tax and the policy may interact with capital gains taxes due to the deemed disposition of assets upon renouncing Canadian tax residency.

Data Sources

Household Net Worth

[Survey of Financial Security \(2023\)](#)

Quarterly Emigration

[Table: 17-10-0040-01 \(StatsCan\)](#)

Population

[Election Proposal Costing: Baseline Note](#)

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