

# Measuring Physicians' Incomes with a Focus on Canadian-Controlled Private Corporations

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## Appendix 1: Calculation of income tax savings from incorporation (by family income, \$,000s)

Family income	<\$100K		\$100K–\$200K		\$200K–\$300K		\$300K–\$400K		\$400K–\$500K		\$500K–\$600K	
Marital status	Single	Married	Single	Married	Single	Married	Single	Married	Single	Married	Single*	Married
<b>Not incorporated</b>												
Weighted sample size	295	265	825	1,565	765	2,700	385	2,335	190	1,360		930
Family income	\$70.047	\$61.968	\$151.050	\$158.867	\$243.367	\$250.022	\$348.334	\$346.410	\$444.578	\$444.667		\$546.784
Standard error	\$1.509	\$1.658	\$0.887	\$0.735	\$1.035	\$0.540	\$1.548	\$0.589	\$1.837	\$0.750		\$0.880
After-tax family income	\$59.392	\$54.679	\$112.759	\$127.823	\$168.244	\$185.061	\$233.522	\$243.594	\$288.175	\$304.188		\$362.053
Standard error	\$1.221	\$1.398	\$0.697	\$0.578	\$0.753	\$0.447	\$1.532	\$0.496	\$3.430	\$0.806		\$1.020
Percent taxes paid	15.21%	11.76%	25.35%	19.54%	30.87%	25.98%	32.96%	29.68%	35.18%	31.59%		33.79%
<b>Incorporated</b>												
Weighted sample size	270	335	895	2,980	640	4,555	340	2,695	135	1,475		720
Family income	\$64.818	\$71.174	\$150.664	157.758	\$244.234	\$250.022	\$347.002	\$344.656	\$437.002	\$447.381		\$547.007
Standard error	\$1.509	\$1.186	\$0.887	0.500	\$1.181	\$0.540	\$1.605	\$0.537	\$1.938	\$0.759		\$1.028
After-tax family income	\$56.028	\$64.147	\$116.467	132.398	\$178.223	\$197.011	\$244.633	\$255.155	\$293.739	\$321.925		\$383.450
Standard error	\$1.091	\$1.068	\$0.697	0.417	\$1.017	\$0.337	\$1.734	\$0.493	\$3.430	\$0.848		\$1.331
Percent taxes paid	13.56%	9.87%	22.70%	16.08%	27.03%	21.20%	29.50%	25.97%	32.78%	28.04%		29.90%
Financial gain	\$1.1	\$1.3	\$4.0	\$5.5	\$9.4	\$12.0	\$12.0	\$12.8	\$10.5	\$15.9		\$21.3

Notes: Physicians in private practice earning under \$750K and working more than 20 hours are included. Data are for 2011. Thousands of 2016 inflation-adjusted dollars are reported. In 2011, the National Health Survey was a 20% sample, so the average sample weight is five. Financial gain is calculated by taking the difference in tax rates and applying it to the incorporated physician's family income. \*Single physicians not reported for the top income group because of Statistics Canada confidentiality requirements.