



Carbon Taxes

PRESENTATION BY THE CANADIAN TAXPAYERS FEDERATION

Canadian Taxpayers Federation



- ▶ Mission statement: lower taxes, less waste and accountable government
- ▶ Funded entirely by donations from 200,000 supporters across Canada
- ▶ The Canadian Taxpayers Federation **opposes** carbon taxes

Introduction

- ▶ Carbon taxes are supposed to reduce greenhouse gas emissions by:
 - ▶ Make fuels such as gasoline more expensive so people use less of it; and,
 - ▶ Drive innovations such as hybrid vehicles.





Federal Position

- ▶ Each province must impose a carbon tax; or,
- ▶ Ottawa imposes a carbon tax of \$20/tonne in 2019 rising to \$50/tonne in 2022.

Federal Position



- ▶ **2019** – carbon tax **4.4 cents** per litre on gas and **5.34 cents** per litre on diesel
- ▶ **2022** – carbon tax of **11 cents** per litre on gas and **13.4 cents** per litre on diesel
- ▶ The federal government is rebating most of the money to individuals

Saskatchewan Position

- ▶ The Saskatchewan government challenged the federal carbon tax and narrowly lost a split decision
- ▶ Saskatchewan is now going to the Supreme Court
- ▶ (The Canadian Taxpayers Federation intervened at the provincial level and will do so at the Supreme Court)



The Future of Carbon Taxes



- ▶ Alberta, Ontario, New Brunswick and Saskatchewan openly oppose carbon taxes
- ▶ Newfoundland, Nova Scotia and Prince Edward Island are reluctantly taking special deals
- ▶ The carbon tax will be a key election issue
- ▶ A wide range of outcomes are possible from the courts

What's this going to cost RMs?

Gasoline

- ▶ **4.4 cents** per litre rising to **11 cents** per litre

Diesel

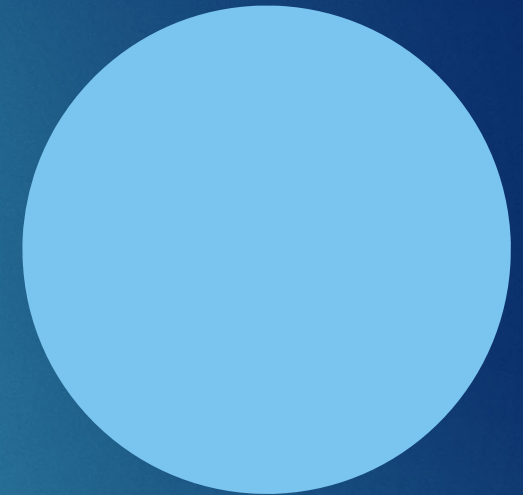
- ▶ **5.34 cents** per litre rising to **13.4 cents** per litre

SaskPower

- ▶ **2.7 per cent** increase with similar annual increases

SaskEnergy

- ▶ **17 per cent to 21 per cent** increase with **10 per cent** increases in each of the next three years



Example One – Direct Costs

Item	Current Amount	2019	2022
Heat	\$6,200	\$1,100	\$3,500
Power	\$6,700	\$175	\$700
Diesel	\$90,000	\$4,000	\$10,500
Gasoline	\$12,500	\$500	\$1,350

Example Two – Direct Costs

Item	Current Amount	2019	2022
Heat	\$12,500	\$2,400	\$7,400
Power	\$24,500	\$600	\$2,700
Diesel	\$114,000	\$5,000	\$13,500

Indirect Costs

- ▶ Trucking
- ▶ Contractors
- ▶ Supplies



What Should RMs Do?

- ▶ Assess actual costs
- ▶ Try to reduce consumption
- ▶ Reduce other spending

What Else Should RMs Do?

- ▶ Keep opposing carbon taxes