




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 130,000 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.
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Introduction



- ▶ Money raised through carbon taxes go to:
 - ▶ Cutting other taxes, such as personal and business income taxes (i.e. a revenue neutral carbon tax);
 - ▶ Investments in green initiatives; and/or,
 - ▶ General government spending.
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Federal Position

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

Federal Position

- ▶ \$10/tonne equals about 2.2 cents per litre on gasoline and 2.67 cents per litre on diesel
- ▶ 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

Saskatchewan Position

- ▶ The Saskatchewan government is opposing a carbon tax
- ▶ Saskatchewan is going to court to stop Ottawa's carbon tax
- ▶ (The Canadian Taxpayers Federation is seeking intervener status in the legal challenge)



British Columbia's Carbon Tax Experience

- ▶ Implemented in 2008
- ▶ Currently 7.8 cents per litre on gasoline and 9 cents per litre on diesel
- ▶ Designed to be revenue neutral, but new increases go to government spending



British Columbia's Carbon Tax Experience

- ▶ BC's so-called revenue neutral carbon tax increased taxes by **\$865 million** from 2013/14 to 2018/19 – [Fraser Institute](#)
- ▶ BC's fuel consumption increased by **5.34 per cent** from 2011 to 2015 – Statistics Canada
- ▶ "Emissions were **higher** in 2015 than in 2010 and have risen in four of the last five years." – [Sierra Club](#)

Problems with Carbon Taxes



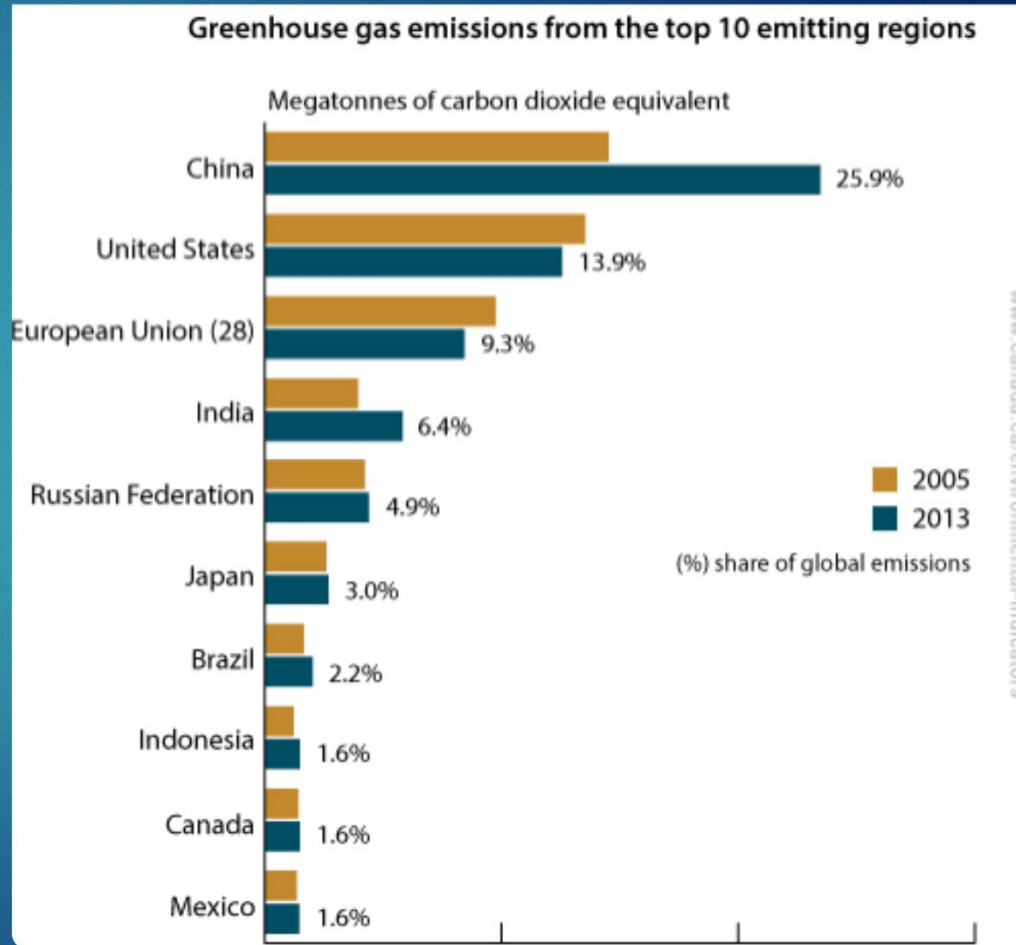
- ▶ Carbon taxes raise taxes, even when they're supposed to be revenue neutral
- ▶ Carbon taxes raise taxes on some people more than others
 - ▶ A government employee biking to work would likely pay less tax
 - ▶ People living in rural areas or using diesel for work would likely pay more tax

Problems with Carbon Taxes

- ▶ Carbon taxes don't necessarily reduce local emissions
- ▶ People may need just as much fuel so they'll simply pay more if alternatives are unavailable
- ▶ Federal documents released through [access-to-information requests](#) show the carbon tax would need to be more than **60 cents per litre** to work

Problems with Carbon Taxes

- ▶ Other countries aren't imposing a carbon tax, especially the US
- ▶ A carbon tax may send jobs out of country instead of reducing emissions
- ▶ Canada produces 1.6 per cent of global emissions



Can we stop a carbon tax?

- ▶ Australia imposed a carbon tax in 2012 and repealed it in 2014
- ▶ Saskatchewan has a strong legal case
- ▶ Alberta and [Ontario] are poised to oppose carbon taxes
- ▶ **People oppose carbon taxes**
 - ▶ 72 per cent of Ontarians say carbon taxes are just a cash grab



Conclusion



- ▶ We can stop a carbon tax because people know it will:
 - ▶ Cost them money; but,
 - ▶ It won't help the environment.
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