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Gas Tax Relief Crashes Into Wall

The bluster Brad Wall used against gas taxes in Opposition is now buried under millions of dollars of revenue for his government. In the sharpest of contrasts, the man who once proposed drastic gas tax relief now argues for the status quo.

Wall sang a much different tune three years ago. In a September 7, 2005 press release, Wall proposed that provincial gas taxes be lowered one cent per litre for every dollar the price of oil went above \$60 U.S. per barrel. At the time, his proposal would have slashed seven cents off of the 15 cent per litre levy.

"Our proposal would cost the province nothing since higher revenues would offset the tax cut," Wall said. "The government says they want to put gas tax money towards debt reduction, well why not give families a break at the pumps and use excess oil revenues to pay down debt?"

Yes, why not? Strangely, Wall answered his own question after becoming premier. "What happens? The gas tax is reduced and it goes down a few pennies and boom, the price is back up at the pumps and whatever tax relief is both psychologically and effectively lost."

Not so. It's unlikely that companies would jack up prices because of a

tax reduction. The far north aside, the highest gas prices in Canada are found in Montreal, Vancouver, and Victoria because they have the highest gas taxes.

Nor is the psychological effect lost. Saskatchewan drivers must travel as far as B.C. or Quebec to find higher gas taxes. Why can't a premier who wants competitive royalty rates for oil and gas companies not see the merit in competitive gas prices? When Alberta levies just 9 cents per litre, and Manitoba 11.5 cents, why would anyone stop to fill up in Saskatchewan?

The new Wall—the one in government—says that gas tax relief isn't broad-based enough to warrant changes. Huh? This is the same government that introduced a \$150 annual credit for children in cultural, recreational and sports activities. Wouldn't it be more broad-based to give a break at the pumps for the overwhelming majority who drive a car or ride a bus? Wouldn't every consumer also benefit because of lower transportation costs for food and everything else? Gas taxes certainly are broad-based, especially in the rural ridings that put the Sask Party in power.

This about-face on gas taxes reminds us of Agriculture Minister Bob Bjornrud's recent confession.

"In opposition, I could say just about anything I wanted and I did on a lot of occasions for 12 years." Lots of opposition thunder, no government rain.

It also reminds us of Stephen Harper. Like Wall, Harper proposed something in opposition that, if enacted today, would make a tax on gas disappear. Harper once called for the GST to be removed from gas once prices hit 85 cents per litre. With gas currently at \$1.31 per litre, the GST would be long gone by now. Similarly, Wall's former proposal would also make Saskatchewan gas taxes vanish, since oil is now over \$120 per barrel.

Instead of eliminating gas taxes, Harper and Wall have eliminated their will to address them. Besides a two point drop in the GST, gas taxes haven't changed since 1995. As gas prices rise to new heights, our political leaders should pull their old press releases out of the trash. The reasons Wall and Harper gave for lower gas taxes are truer now than before they came to power.

Concerned citizens are welcome to sign the Canadian Taxpayers Federation's gas tax petitions online at www.taxpayer.com.

--Lee Harding, Sask. Director