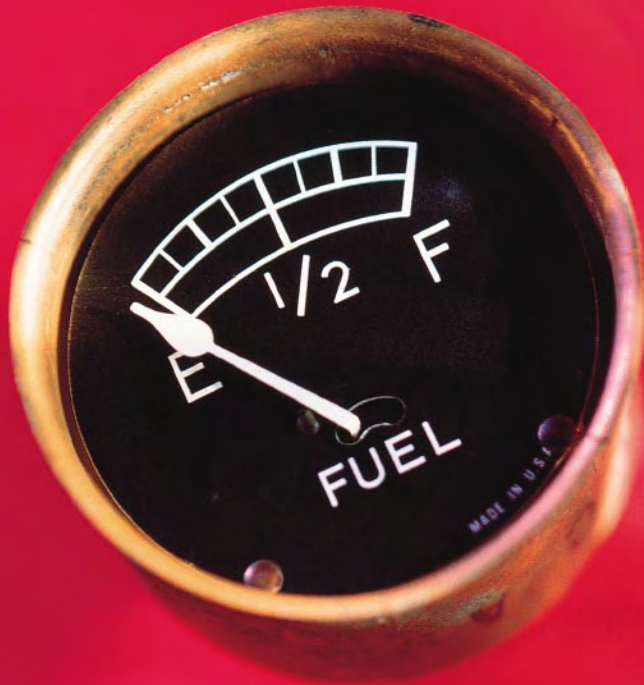




10th Annual Gas Tax Honesty Day

Taxpayers Running on Empty

Beware of a Carbon Tax Grab



May 2008
Canadian Taxpayers Federation
www.taxpayer.com



About the CTF

About the Canadian Taxpayers Federation

The Canadian Taxpayers Federation (CTF) is a federally incorporated, non-profit and non-partisan, advocacy organization dedicated to lower taxes, less waste and more accountable government. The CTF was founded in Saskatchewan in 1990 when the Association of Saskatchewan Taxpayers and the Resolution One Association of Alberta joined forces to create a national taxpayers organization. Today, the CTF has 68,000 supporters nation-wide.

The CTF maintains a federal office in Ottawa and offices in the five provincial capitals of British Columbia, Alberta, Saskatchewan, Manitoba and Ontario. In addition, the CTF has a working partnership with the Montreal-based *Quebec Taxpayers League*. Provincial offices conduct research and advocacy activities specific to their provinces in addition to acting as regional organizers of Canada-wide initiatives.

CTF offices field hundreds of media interviews each month, hold press conferences and issue regular news releases, commentaries and publications to advocate the common interest of taxpayers. The CTF's flagship publication, *The Taxpayer* magazine, is published six times a year. An issues and action update called *TaxAction* is produced each month. CTF offices also send out weekly *Let's Talk Taxes* commentaries to more than 800 media outlets and personalities nationally.

CTF representatives speak at functions, make presentations to government, meet with politicians, and organize petition drives, events and campaigns to mobilize citizens to effect public policy change.

All CTF staff and board directors are prohibited from holding a membership in any political party. The CTF is independent of any institutional affiliations. Contributions to the CTF are not tax deductible.

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Fact Summary

- **Over the past 12 months – the period of May 2007 to April 2008 – the average cost of a litre of gasoline paid by Canadian motorists was approximately \$1.16. Gasoline taxes account for an average 28 per cent of the pump price.**
- **In 2003, Canadian municipalities spent \$6.4-billion building and maintaining roads.** More than eighty per cent of all roads in Canada are municipal roads.
- **The federal government collects billions of dollars each year from gas and diesel excise taxes.** In the 2007-08 fiscal year, Ottawa collected \$5-billion in gasoline and diesel taxes (not counting GST revenues).
- In 2004-05, Ottawa invested just 7 per cent of its gas tax revenues back into road and highway development. In 2007-08, the federal government dedicated \$1.8-billion to roads and highways. This represents 36 per cent of annual gas tax revenues. The same amount – 37 per cent – will be spent this year. **By 2009-10, over \$2.6-billion is scheduled to be spent on road infrastructure, which exceeds the 50 per cent of gas tax revenue target first advocated by the Canadian Taxpayers Federation in 2002. This turnabout is a partial victory for taxpaying motorists.** To complete it, gas taxes need to be lower.
- **GST is charged on the full pump price, gasoline taxes included. It is a tax-on-tax.** In 2008-09, the federal government will collect approximately \$1.1-billion in gasoline GST revenues. Last year, Ottawa collected nearly \$1.25-billion from GST on gasoline. (The tax bite will be eased to some extent this year as a result of the second point GST reduction.)
- **The federal government benefits from higher gas prices.** As the pump price increases so too does the GST. For every 10 cent increase in the price of gasoline, Ottawa's GST revenues rise by \$100-million.
- **As a deficit reduction measure in 1995, Ottawa increased the federal gasoline tax from 8.5 to 10 cents per litre.** The deficit was vanquished over a decade ago, but the tax remains and the federal government's gouging at the pumps continues even with multi-year, multi-billion dollar federal surpluses. All said, the federal gasoline tax increased by 567 per cent between 1985 and 1995 – rising from 1.5 to 10 cents per litre.

CTF Gas Tax Principles

- Treat federal, provincial and municipal gasoline taxes as a user fee.
- Dedicate gasoline tax revenues to highway and roadway construction and maintenance.
- Reduce federal and provincial gasoline tax rates to levels commensurate with road and highway funding.

CTF Recommendations

- The federal government transfer and dedicate 5 cents per litre of federal gasoline tax revenues (equivalent to 50 per cent of gas tax revenues) to municipalities for roadway development and maintenance; and
- Remaining federal gas taxes be returned to motorists and taxpayers in the form of lower gasoline taxes, starting with elimination of the 1.5 cent per litre gas tax introduced in 1995 as a “deficit elimination measure.” In addition, that the federal government eliminate the 5 per cent GST (and 13 per cent HST in New Brunswick, Nova Scotia, and Newfoundland & Labrador) that is applied to the federal and provincial tax components of the pump price. Finally, that the federal levy be reduced by an additional 2.5 cents. These tax changes will, on average, save motorists 5 cents a litre and give Canadians a much-needed break at the pumps.

Section I: Introduction

The Tenth Annual Gas Tax Honesty Campaign – Overview

Since our first annual Gas Tax Honesty Campaign on May 20, 1999, the CTF has drawn attention to the level of gasoline taxes paid by Canadians as well as their use – or lack thereof – by governments in dedicated funding for roadway maintenance and infrastructure. This year, with gasoline prices reaching record levels across Canada, taxpayers are rightly fuming and are tired of seeing governments profiteer as they run on empty.

The Wednesday before the Victoria Day holiday weekend marks Gas Tax Honesty Day and kicks off the CTF's annual Gas Tax Honesty Campaign. This year's campaign marks ten years of CTF efforts to convince governments to bring honesty and fairness to the levying of gas taxes, especially as the price of gasoline and diesel soars and government coffers overflow. Over the years, real achievements have been made concerning roadway spending yet gas taxes continue to punish taxpaying motorists.

After years of CTF prodding, the previous Liberal government of Paul Martin finally entered into gas tax sharing agreements with provinces and municipalities. However, the agreements focused on global warming related initiatives instead of pavement and potholes. The Conservative government's changed course and allowed gas tax dollars to go into roads and related infrastructure. Moreover, the government has budgeted for stable and predictable funding by making the gas tax transfer to municipalities permanent – another recommendation made repeatedly by the CTF – in the 2008 budget. However, the Conservative government has so far refused to honour repeated campaign pledges to lower gas taxes and by failing to keep their promises, continue to overburden Canadian families. Taxpaying motorists deserve gas tax honesty from their government, especially at a time when Canadian motorists need more – not less – money in their pockets as opposed to government coffers.

Gas Tax Honesty Campaign Mile Markers

- In 1998, a report by the auditor-general states that the federal government spent \$3.5-billion over the past decade on roads and bridges, a total of just under 10 per cent of the \$36-billion collected in gas taxes over the same period.
- On May 20th, 1999, the CTF holds its first Gas Tax Honesty Day calling for service stations to list both the pre-tax and post-tax price of gasoline. On the day of our news conference in Burlington, Ontario, one gas station billboard posts the pre-tax price of 26 cents, which causes a small traffic jam at the pumps! In the past ten years, the CTF has played an important role in educating taxpayers and politicians about the taxable and non-taxable pump price of gasoline.
- Responding to CTF pressure for more information on the cost of gasoline, the Canadian Petroleum Products Institute begins publishing, in February 2000, a bi-weekly report of fuel prices including four components: government taxes, refining margin, marketing margin, and crude costs.
- In 2000, the CTF delivers 50,000 gas tax petitions to Paul Martin, then-Minister of Finance, that call for lower and dedicated gas taxes.
- In 2001, large gasoline chain retailers begin posting pump price breakdowns at the pumps. The CTF applauds the industry for helping consumers better understand the tax component of gasoline prices.
- In January 2002, municipalities join the CTF by asking federal and provincial governments for more money to fund upgrades to crumbling infrastructure.
- On May 16th, 2002, the CTF proposes a *Municipal Roadway Trust (MRT)* in response to growing demands from municipalities for funds to cover roadway construction and maintenance costs. Toronto's then-Deputy Mayor Case Ootes joins the CTF in Toronto to lend support to the CTF's MRT model.

- On May 30th, 2003, the CTF's federal director addresses the Federation of Canadian Municipalities (FCM), urging their members to join the CTF and push for a MRT. The FCM adopts a resolution asking the federal government for options to share gasoline tax revenues.
- In September 2003, the CTF announces the winner of its *Highway from Hell* contest. Initiated earlier in the year, the contest invited motorists to find the country's worst stretch of road to highlight the connection between poor roads and government tax gouging at the pumps. Bruce Hildebrand who identified Saskatchewan's Highway 47 received a free wheel alignment courtesy of the CTF.
- In 2003, then-Opposition Liberal leader Dalton McGuinty pledges to allocate 2 cents of the provincial gasoline tax to municipal transit, but fails to make a commitment for a portion dedicated to roads. On May 18th, 2004, the Ontario budget allocates 1 cent of the provincial gasoline tax to municipalities for public transit.
- On March 1st, 2004, the province of Manitoba tables Bill-14, the *Gas Tax Accountability Act* which tracks all provincial roadway spending transfers to Manitoba's municipalities relative to provincial gasoline tax collection. This bill represents the boldest move toward the CTF's MRT in the country.
- On March 23rd, 2004, then-Prime Minister Paul Martin promises Canadian municipalities a share of federal gasoline tax revenues, but the 2004 budget fails to deliver the goods. Mr. Martin made a similar promise as the front-runner in the Liberal leadership race as far back as October 2003.
- For its 6th annual Gas Tax Honesty Campaign, the CTF embarks on a 30-day cross-country tour in a decorated van – in conjunction with the 2004 federal election – beginning at Mile Zero of the Trans Canada Highway on Vancouver

Island making its way to Parliament Hill in Ottawa. The “Running on Empty, Fuming to Ottawa” tour stops in forty communities to build support for lower and dedicated gasoline taxes. Some 1,500 municipal leaders representing 450 communities across Canada sign a petition in support of the MRT model.

- The 2004 federal election saw all political parties and leaders commit to dedicating a share of gasoline tax revenues to municipalities for roads and infrastructure. Conservative Party leader Stephen Harper also promises a reduction in gas taxes – including ending the practice of taxing taxes.
- On October 26th, 2004, the CTF’s federal director meets with John Godfrey, then-Minister of State (Infrastructure and Communities) to discuss the MRT and deliver 65,000 more gasoline tax petitions.
- The 2005 federal budget pledges \$5-billion in gas taxes to be returned to municipalities on a per capita basis. Incredibly, however, the money is not being earmarked for roads, but rather tossed into the abyss of “green infrastructure projects.”
- In September 2005, in the aftermath of Hurricane Katrina, the weekly average price of gasoline in Canada hits an all-time high of \$1.26 a litre.
- In October 2005, then-Opposition leader Stephen Harper accepts 35,000 more petitions from the CTF calling for lower and dedicated fuel taxes, bringing the total number of petitions delivered to Parliament Hill by the CTF to 150,000.
- During the 2006 federal election, the Conservative Party pledges to allow cities and communities, including those with more than 500,000 people, to use gas tax transfer money to build and repair roads and bridges.

- In April, 2006, Prime Minister Stephen Harper retreats from past pledges to lower gas taxes and states that consumers must “get used to” high prices.
- During New Brunswick’s 2006 provincial election both the Liberal and Progressive Conservative parties unveiled plans to cut gas taxes. The Liberals won that election and the new government’s first act was to lower gas taxes by 3.8 cents per litre. This reduction means the province’s gas tax rate is the lowest in the Maritimes and second lowest in Canada after Alberta.
- In November 2006, Saskatchewan joins Manitoba by introducing the *Fuel Tax Accountability Act* that ensures every dollar of fuel gas collected by the province goes toward maintaining and building roads.
- The 2006, 2007 and 2008 Conservative budgets fail to lower gas taxes although roadway spending is substantially increased with 36 per cent of revenues budgeted to be spent on roads in 2007, 37 per cent in 2008, and 52 per cent in 2009, which exceeds the CTF’s MRT policy proposal formulated in 2002.
- In January 2008, the price for a barrel of oil hits \$100 for the first time.
- The 2008 budget makes the gas tax transfer to municipalities permanent, meaning \$2-billion will be transferred annually to cities and towns across Canada for infrastructure.
- In April 2008, the weekly average price of gasoline in Canada hits \$1.25 a litre, one penny off record national average.

Section II: High Gas Prices and Unfair Taxes

High and Volatile Gas Prices

Over the past couple of years, gas prices have regularly surpassed \$1 dollar a litre. In April 2008, the weekly average price of gas in Canada reached \$1.25 a litre which is one penny off the record \$1.26 a litre price recorded in the aftermath of Hurricane Katrina. In Yellowknife and Labrador City, motorists were paying \$1.41 a litre at the end of April. Gas prices spike in early spring each year as the summer driving season gets underway and this year with the price of oil over \$100 a barrel, it won't be long before record high prices are observed across Canada. This has strained household budgets like never before, particularly for Canadian families as high gas prices push the cost of living up and up.

The pump price motorists pay can be broken down into four components: crude oil costs, refining costs, retailer profit margin and gas taxes.

Table 1, Average Price of Gasoline in Select Cities, May 2007 to April 2008

City	Taxes	Marketing Margin	Refining Margin	Crude Oil	Total Pump Price
St. John's	40.5	9.8	19.8	55.5	125.6
Charlottetown	32.3	8.3	20.3	55.5	116.4
Saint John	33.5	7.8	19.5	55.5	116.3
Halifax	38.9	7.7	19.4	55.5	121.5
Quebec City	38.6	5.5	20.7	55.5	120.3
Montreal	39.9	4.1	20.7	55.5	120.2
Ottawa	30.3	5.2	21.1	55.5	112.1
Toronto	30.2	4.2	21.0	55.5	110.8
Hamilton	30.2	3.8	20.9	55.5	110.4
London	30.2	4.0	21.1	55.5	110.8
Thunder Bay	30.6	6.3	27.2	55.5	119.6
Sault Ste. Marie	30.6	5.0	23.9	55.5	115.0
Winnipeg	27.3	7.6	25.0	55.5	115.4
Regina	31.0	8.7	24.6	55.5	119.8
Calgary	24.6	5.9	26.1	55.5	112.1
Edmonton	24.5	6.2	23.9	55.5	110.1
Vancouver	36.5	5.0	21.8	55.5	118.8
Victoria	33.1	9.7	22.6	55.5	120.9
Canada	32.4	6.4	22.2	55.5	116.4

Source: MJ Ervin and Associates and CTF Calculations.

Table 2, Current Canadian Fuel Tax Rates

	Regular Gasoline	Mid-Grade Gasoline	Premium Gasoline	Diesel	Aviation Gasoline/ Turbo Gasoline	Propane
Federal Taxes						
GST	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Excise (cents per litre)	10.0	10.0	10.0	4.0	11.0/4.0	--
Harmonized Sales Tax ¹	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%
Provincial Taxes (cents per litre unless otherwise indicated)						
Newfoundland & Labrador	16.5	16.5	16.5	16.5	0.7	7.0
P.E.I.	15.8.	15.8.	15.8.	15.8.	0.7	17.0
P.E.I. Sales Tax	10.0%	10.0%	10.0%	10.0%	--	--
Nova Scotia	15.5	15.5	15.5	15.4	0.7	7.0
New Brunswick	10.7	10.7	10.7	16.9	2.5	6.7
Quebec	15.2	15.2	15.2	16.2	3.0	--
Additional Carbon Tax	0.8	0.8	0.8	0.9	--	0.5
Quebec Sales Tax	7.5%	7.5%	7.5%	7.5%	--	7.5%
Additional Montreal Levy	1.5	1.5	1.5	--	--	--
Ontario	14.7	14.7	14.7	14.3	2.7	4.3
Manitoba	11.5	11.5	11.5	11.5	4.3	9.0
Saskatchewan	15.0	15.0	15.0	15.0	3.5	9.0
Alberta	9.0	9.0	9.0	9.0	1.5	6.5
British Columbia	14.5	14.5	14.5	8.25	2.0	--
Victoria	3.5	3.5	3.5	3.5	--	--
Vancouver	6.0	6.0	6.0	6.0	--	--
Carbon Tax ²	2.41	2.41	2.41	2.41	2.41	2.41
Yukon	6.2	6.2	6.2	7.2	1.1	--
N.W.T.	10.7	10.7	10.7	9.1	1.0	--
Nunavut	6.4	6.4	6.4	9.1	1.0	--

Source: Natural Resources Canada.

¹ The 13 per cent HST is only levied in Newfoundland & Labrador, Nova Scotia, and New Brunswick. The 5 per cent GST is levied in all other provinces and territories.

² This additional levy begins on July 1, 2008, and will increase to 7.23 cents in 2012.

Unfair Gas Taxes

The gasoline tax rate has remained high despite improvements to federal finances. In fiscal 1994-95, the federal government collected \$3.8-billion in combined federal gasoline taxes. By 2007-08, those revenues increased by 58 per cent to \$6-billion. The federal gasoline tax rate increased 567 per cent between 1985 and 1995 – from 1.5 cents per litre to 10 cents per litre. Ottawa's gas taxes are unfair in three major ways:

1. Motorists continue to pay a 1.5 cent deficit elimination tax (as part of the 10 cent excise tax) even though the federal books have been balanced for over a decade.
2. GST is charged on the full pump price, taxes included, meaning we pay tax on other taxes.
3. Ottawa continues to record multi-year, multi-billion dollar surpluses, and benefits immensely from high gas prices. Every ten cent increase in the price of gasoline pumps an extra \$100-million into the federal treasury. As Ottawa collects these unanticipated revenues, motorists, particularly families, are finding it increasingly more difficult to fill their tanks.

Who's at Fault?

As the price of gasoline soars, many believe – and would have others believe – that price fixing and collusion exists in setting the price people pay at the pumps. Perhaps disgruntled and over-taxed motorists picture oil and gas company executives meeting secretly to decide and determine what to charge the masses to fill their tanks. After all, if the price of gas increases at Station A, it is usually not long before it is up at Station B and C. This is clear evidence of collusion they say.

Or is it what economists call perfect competition?

Some economists argue the principle of “perfect competition” could be taking place in the gas retail side of the business. Essentially, the argument is that because gasoline is essentially the same product no matter where you buy it, brand loyalty is not as strong

as with other items – “I only buy Ford Trucks” or “drink 7-Up,” etc. So rational people will always purchase their gasoline at the place where they can get the lowest price. It would be virtually impossible for two gas stations across the street from each other to post different prices.

Politicians meanwhile, of all stripes point to the price of oil and the huge profits being recorded by oil companies as the real culprit behind skyrocketing gas prices. And while some of that may be true, this is a convenient way to deflect attention from unfair taxes and put the blame solely at others’ feet. While no one expects politicians to be able to control the price of oil, they do control the level of taxes charged on gas and diesel.

Generally speaking, one will see the retail price of gasoline in each province vary to the next by the amount of taxes levied by the provincial and local governments. That is why one almost always sees the lowest gas prices in Canada in the province of Alberta, which has the lowest gas taxes; and the highest prices in cities like Victoria, Vancouver and Montreal, which have the highest taxes.

Yet, politicians and governments continue to allege gouging by oil companies and/or collusion by gas companies. The federal Competition Bureau has probed price fixing six times and each time cannot find evidence of collusion in the retail gas business.

Section III: Taxing in the Name of Saving the Planet

Gasoline Prices, Taxes and the Consumption Debate

Many believe high gas prices and taxes will curb consumption. Such a position assumes that at some price/tax point, people will make changes to their lives in order to reduce the amount of household budget eaten up by the cost of fuel. Perhaps some will use public transit. Others will lower the heat during winter. Or maybe the minivan will sit in the driveway and the kids will miss a few soccer practices. However, the numbers suggest otherwise. The kids still go to soccer practices but family budgets increasingly run on empty as government coffers swell.

One argument for imposing higher gasoline taxes in the 1970s was to curb consumption. But consumption has chugged along and so has governments' tax take. According to Statistics Canada, gasoline consumption in Canada has increased on average 1.7 per cent a year since 2000. StatsCan also reported that between March 2007 and March 2008, gas prices rose 7.9 per cent, while Canadians consumed 11.3 per cent more. In other words, higher prices and taxes did not reduce consumption. Families may have less money in their pockets and bank accounts to spend on other things, but they do not drastically change their energy consumption habits.

Or course, some believe that Canadians should pay double or more for a litre of gasoline. Dale Marshall of the David Suzuki Foundation argues, "It takes quite considerable increases in price to have any effect on consumption." And how much of an increase are we talking about? "It's not a 5 per cent or a 10 per cent increase in prices that will have any effect, but a 40 per cent or 50 per cent increase in gas prices that will," Marshall says.

By that logic, Canadians should pay \$2.00 a litre – or \$7.50 a gallon – which would see government windfalls soar and household budgets devastated. Unfortunately, the hysteria surrounding the environment and what governments need to do to save us from ourselves is just getting warmed up.

The Carbon Tax Craze

The latest tool to combat man's destruction of Mother Earth is what is commonly called a carbon tax. What is a carbon tax? It is a tax on all fossil fuels, including gas, diesel, natural gas, coal, propane and home heating fuel to compensate for the carbon dioxide (CO₂) released into the atmosphere. It will hit consumers and businesses.

Governments have twisted themselves into frenzy about this because man-made CO₂ is believed by many scientists – but not all – to be responsible for “global warming.”

There is plenty of evidence to the contrary, but right now the CO₂ hysteria has created a handy excuse to raise gasoline taxes.

Carbon Taxes on Gasoline in Canada: The Story to Date

Quebec imposed the first carbon tax in Canada on October 7, 2007. Quebec uses targets based on Canada's obligations under the Kyoto Protocol to reduce greenhouse gas (GHG) emissions by 6 per cent below 1990 levels by 2012. Oil companies are required to pay 0.8 cents for each litre of gasoline distributed in Quebec and 0.938 cents for each litre of diesel fuel. The tax is expected to generate \$69-million a year from gasoline sales, \$36-million from diesel fuel and \$43-million from heating oil.

The Quebec carbon tax directly taxes energy producers and importers. The Quebec government originally told the public the carbon tax would be paid by the oil and gas industry. Industry, unsurprisingly, passed the new tax along to its customers. The government is now telling angry consumers that, of course, the new tax means they will pay more for gasoline and natural gas because how can the state possibly control the market decisions of oil and gas companies?

In British Columbia, the government will impose a carbon tax of \$10 per tonne of CO₂ equivalent starting July 1, 2008. This will rise by \$5 per year until it reaches \$30 in 2012. The tax will be charged to end users of fossil fuels. The carbon tax will result in a gasoline tax increase of 2.41 cents per litre at the pump on July 1, 2008, and will rise to 7.23 cents per litre in 2012. Plus, of course, the GST tax-on-tax levy.

Table 3, B.C.'s Carbon Tax and Gasoline Tax Increase (with GST)

Date	Carbon tax/tonne	Gasoline tax/litre	B.C. carbon tax with GST
July 1 st , 2008	\$10	2.41¢	2.53¢
July 1 st , 2009	\$15	3.62¢	3.80¢
July 1 st , 2010	\$20	4.82¢	5.06¢
July 1 st , 2011	\$25	6.03¢	6.33¢
July 1 st , 2012	\$30	7.23¢	7.59¢

Source: 2008 B.C. Budget Documents and CTF Calculations.

Although the carbon tax in both Quebec and British Columbia will initially have a small effect on the price of gasoline, the experience in Europe, which has had carbon taxes since the 1990's, shows that artificially increasing the price of gasoline has a limited effect on both gasoline consumption and CO2 reductions. In fact, overall CO2 levels in Europe have increased since the implementation of carbon taxes.

Carbon Taxes in the European Union

In Europe, governments collect far more in carbon taxes than climate change impact justifies. Carbon taxes are, simply put, another tax grab.

According to a report by the British Taxpayers' Alliance green taxes and charges fill the government's coffers by £10.2-billion (\$20.5-billion) more annually than necessary to meet the social cost of Britain's CO2 emissions. The carbon tax on gasoline is a case in point. Britain's 50 pence (\$1) per litre Fuel Duty (gasoline tax) alone raises more than *five times* the Intergovernmental Panel on Climate Change's estimate of the social cost of Britain's entire annual output of CO2 emissions. And there is more. Britain's Vehicle Excise Duty raises almost £20-billion (\$40-billion) more than the amount spent on roads there.

Reduced CO2 Emissions or Tax Grab?

What effect will carbon taxes have on greenhouse gas emissions in Quebec and British Columbia and what is the evidence from jurisdictions in Europe that have had similar taxes in place for many years?

Quebec's carbon tax is supposed to help Quebec reach Kyoto Protocol targets to reduce greenhouse gas (GHG) emissions by 2012. The estimated \$200-million to be collected by industry from end-users with this tax will be deposited into the province's so-called green fund.

This appears to be a classic tax grab, as the carbon tax is marketed as a way to generate revenue to subsidize so-called green projects, but no estimates of its actual contribution to Quebec's GHG reduction goals are available other than vague references to the overall target and the benefits of subsidies to transit.

B.C.'s carbon tax (on all fossil fuels, not just gasoline), is expected to reduce B.C.'s CO2 emissions in 2020 by up to three million tonnes annually. Three million tonnes is a mere 7.5 per cent of B.C.'s greenhouse gas reduction goal of 33 per cent from 2007 levels by 2020, or about 40 million tonnes. If the price of a 7.5 per cent CO2 reduction is more than \$15-billion (the low-end estimate of the carbon tax revenue), taxpayers can only imagine what it will cost to cut the other 92.5 per cent.

This appears to be nothing but a cynical tax-grab. The B.C. government's recent budget forecasts gasoline and diesel consumption to *increase* by 2 per cent a year between 2008 and 2010. It seems not even the government expects the carbon tax to reduce gasoline consumption in B.C.

How successful have existing carbon taxes on gasoline been in reducing GHG emissions in Europe? Between 2000 and 2005, GHG emissions from petroleum consumption have gone up by 3.2 per cent overall in Europe. In Finland, GHG emissions increased by 7.3 per cent while the carbon tax on gasoline increased by 1.5

per cent. In Sweden, GHG emissions increased by 7 per cent while the carbon tax on gasoline went up by 147 per cent.

The key assumption of carbon tax proponents is as gasoline prices increase, consumption will fall and so will CO2 emissions. In Spain, which has no carbon tax but plenty of other taxes on gasoline, gasoline prices increased by 22 per cent between 2000 and 2005 (International Energy Agency, 2005), and CO2 emissions from petroleum consumption increased by 16.3 per cent. There is obviously a lot more going on than carbon tax proponents would have us believe.

Lastly, Canadian taxpayers would do well to remember the previous federal Liberal government spent \$6-billion to reduce GHG emissions and the country's GHGs grew by 33 per cent.

While climate change enthusiasts would have you believe that higher taxes will cause people to drive less resulting in reduced GHG emissions, the evidence suggests otherwise. Carbon taxes in Europe have not been successful in reducing GHG emissions from transportation. In fact, in virtually every European country with high gasoline taxes, GHG emissions have increased along with tax revenues.

In truth, carbon taxes simply mean another gasoline tax and more of the family budget consumed by government, leaving less for other things that may also become more expensive.

A carbon tax is a tax grab in Europe and, if implemented, will be one in Canada as well. Unlike in B.C. and Quebec, the federal government has so far resisted pressure to introduce a carbon tax, although the Liberal opposition has proposed to implement one nationally. This is the wrong move, especially at a time when motorists are already being over-taxed and a renewed scientific debate about what is really causing global warming/climate change rages on.

Section IV: Real Results on Roadway Spending

Transferring Gas Taxes to Municipalities

The CTF has long called for a portion of federal gas tax revenues to be returned to municipalities to fund roadway spending. In January 2002, municipalities from coast to coast joined the CTF in asking federal and provincial governments for more money to fund upgrades to crumbling infrastructure.

In 2002, the CTF proposed a *Municipal Roadway Trust* (MRT) in response to growing demands from municipalities for funds to cover roadway construction and maintenance costs. Toronto's then-Deputy Mayor Case Ootes joined the CTF at a press conference in Toronto to lend support to the CTF's MRT model.

Under the CTF's proposed MRT, existing federal gas tax revenues would be transferred directly to municipalities. According to the Constitution, municipalities are a provincial jurisdiction; however, there is an established precedent for the federal government to directly pay municipalities cash in lieu of property taxes owed. The MRT is predicated on the principle that gasoline taxes be treated as a user fee levied on motorists and it ensures transparency and fairness in allocating funds for roadway spending. It makes sense that funding goes to municipalities because Canadian towns and cities are responsible for maintaining over 80 per cent of all Canadian roads.

On May 30th, 2003, the CTF's federal director addressed the Federation of Canadian Municipalities, urging their members to join the CTF and push for a MRT. The Federation adopted a resolution asking the federal government for options to share gasoline tax revenues.

The 2005 federal budget pledged to begin returning a portion of federal gas taxes to municipalities, based on an equitable per capita funding model. This was a positive first step and one the CTF had been urging for years.

Early Problems with Ottawa's Gas Tax Sharing Schemes

Past approaches to infrastructure initiatives have been problematic, if not wholly political in their focus. One debacle was the Canada Infrastructure Works Program (CIW), later renamed Infrastructure Canada. As the auditor-general noted in 1996, "Our observations dealt with the need for clearer definitions of program objectives and project selection criteria, as well as the need for improved information."

Furthermore, the program definition of infrastructure was far too broad. As a result, the auditor-general reported that only 60 per cent of the funding contributed to the construction of roads, bridges, and water and sewer networks. The other 40 per cent went to fund bocce ball courts, fountains, canoe museums and other questionable projects. The auditor-general also reported in February 2004 that federal infrastructure programs lack accountability and proper guidelines.

It appeared the Liberals learned little from their infrastructure debacles, as gas tax funds of upwards of \$5-billion were to be dropped in the abyss of "environmentally sustainable infrastructure projects such as public transit, water and wastewater treatment, community energy systems and the handling of solid waste." There was little mention of potholes and pavement.

Better roads mean less idling and fuel consumption which is environmentally friendly. Transferring federal gas tax revenues also frees up municipal resources for other transit/green project initiatives. Dedicating fuel taxes to road and highway funding is a win-win policy for all stakeholders – governments, motorists, and taxpayers.

CTF Policy Implemented

Since taking office, the Conservative government has moved in the right direction by allowing municipalities to spend the gas tax transfer on roads, bridges and highways. It is absurd that the initial arrangements under the Liberals ranked roads as a secondary tier. In some cases, roads and highways were not entitled to gas tax revenues at all.

The 2007 federal budget confirmed that last year, Ottawa spent 36 per cent of gas tax revenues on road and highway construction and maintenance. By 2009-10, just over half (52 per cent) of the federal government's fuel tax revenues is scheduled to be invested in road and highways. This is an impressive achievement.

Another positive development is that the 2008 budget makes the gas tax transfer to municipalities permanent. This means \$2-billion will be transferred to cities and towns across Canada annually, meaning predictable and long term funding for infrastructure to municipalities. The Conservative government is also phasing out past infrastructure initiatives under which everything from bocce ball courts to water foundations and canoe museums were deemed eligible for gas tax revenues. This is a victory for the CTF and more importantly for all taxpaying motorists. In 2004, Ottawa's reinvested only 7 per cent of its gas tax revenues in road and highway development. Today, the federal government is remarkably close to what the CTF first called for in 2002.

Table 4, Ottawa's Infrastructure and Roadway Spending Plan (\$)

Initiative	2007-2008	2008-2009	2009-2010
Gas tax transfer	800,000,000	1,000,000,000	2,000,000,000
Fund for gateways and border crossings	137,000,000	221,000,000	283,000,000
Asia-Pacific Gateway and Corridor initiative	108,000,000	158,000,000	118,000,000
Sunsetting infrastructure initiatives	798,500,000	570,500,000	285,500,000
TOTAL:	1.8-billion	\$1.95-billion	\$2.7-billion
Percentage of Annual Gas Tax Revenues	36%	37%	52%

Source: 2007 Federal Budget and CTF Estimates.

These developments show the positive effect the CTF's Gas Tax Honesty Campaign has had on federal lawmakers. Yet despite victory on the roadway spending side, successive governments continue to gouge motorists with high taxes.

Section V: Who Will Stand up for Taxpayers?

Liberals and Gas Taxes

Over the past several years as gas prices increased, Liberal governments refused to even consider cutting gas taxes. It was said any reduction in taxes would be immediately invisible due to price fluctuations or gobbled up by oil and gas companies. When reminded that the 1.5 cent deficit elimination measure could be removed since the federal books were in surplus, Liberals quickly changed the subject. When soaring gas prices began to gouge Canadians like never before, the matter was referred to the federal Competition Bureau. The one thing the government does control – the ability to lower taxes – was always sidestepped. While some credit is due in initiating the transfer of gas tax revenues to municipalities, this too was bungled in making roads a secondary priority behind various Kyoto-inspired green initiatives. After the January 2006 federal election brought to power the first Conservative government in thirteen years, many believed statements and commitments made by the Tories in Opposition would finally become part of the government's agenda.

Conservatives and Gas Taxes

During the 2004 federal election, then-Opposition leader Stephen Harper promised to eliminate the GST on gasoline once it reached 85 cents per litre. The Conservative Opposition also pledged to stop applying GST to gas taxes.

In August 2005, Stephen Harper blasted the Liberal government for refusing to reduce gas taxes as prices soared. "There's no reason for the federal government to profiteer when consumers are hurting," he said, urging the former government to give motorists a break. "This is causing considerable dislocation. There are a lot of people on fixed incomes. There are a lot of businesses on thin margins that are going to be affected by this."

Mr. Harper went further, saying there were numerous ways the government could ease the pain at the pumps, "They could knock the GST off of the excise tax. They could knock the GST off of gas above a certain price level."

In the summer of 2005, Mr. Harper was quoted saying that gas taxes could be reduced by as much as 5 cents a litre. He also toured southwestern Ontario in a minivan to highlight his commitment to reduce gas taxes and give motorists a break. The topic of high gas prices was so high on his party's agenda in September 2005 that Conservative MPs asked five questions in Question Period on the issue on the first day of Parliament's fall session. "Rather than continue to rake in record high revenue from record-high oil prices, will the government simply cut gas taxes for consumers," Mr. Harper thundered in the House of Commons.

On October 5, 2005, he accepted 35,000 signatures on petitions from the Canadian Taxpayers Federation calling on Ottawa to cut gas taxes. To date, the CTF has delivered 150,000 signatures on petitions to Parliament Hill that call for a reduction in gas taxes. Conservative MPs even used CTF gas tax data to show how the Liberal government was gouging motorists through gas taxes as prices skyrocketed.

In government, the GST reduction has been the only measure brought forward by the Conservatives to address the pains being experienced by motorists at the pumps. Prime Minister Harper now says that high gas prices are here to stay and that paying them is something motorists will just have to "get used to." The one thing Canadians are getting used to is governments that say one thing in opposition and do another in government.

As gas prices soar and a federal election looms, Canadians will be looking at which political party stands up for them when times are tough and their household budgets are being squeezed more than ever. Where gas taxes are concerned, neither of the main political parties are standing up for Canadians.

Conclusion – A Bumpy 10 Years for Gas Tax Honesty

When the CTF launched its first Gas Tax Honesty Campaign in 1999, most motorists and taxpayers were unaware of the tax component of gasoline at the pumps. Today, as gas prices are at record levels, Canadians are rightly outraged at how governments profit as motorists suffer.

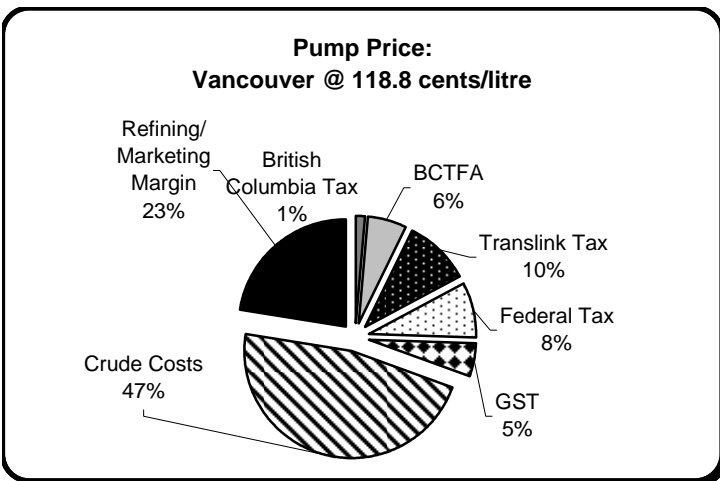
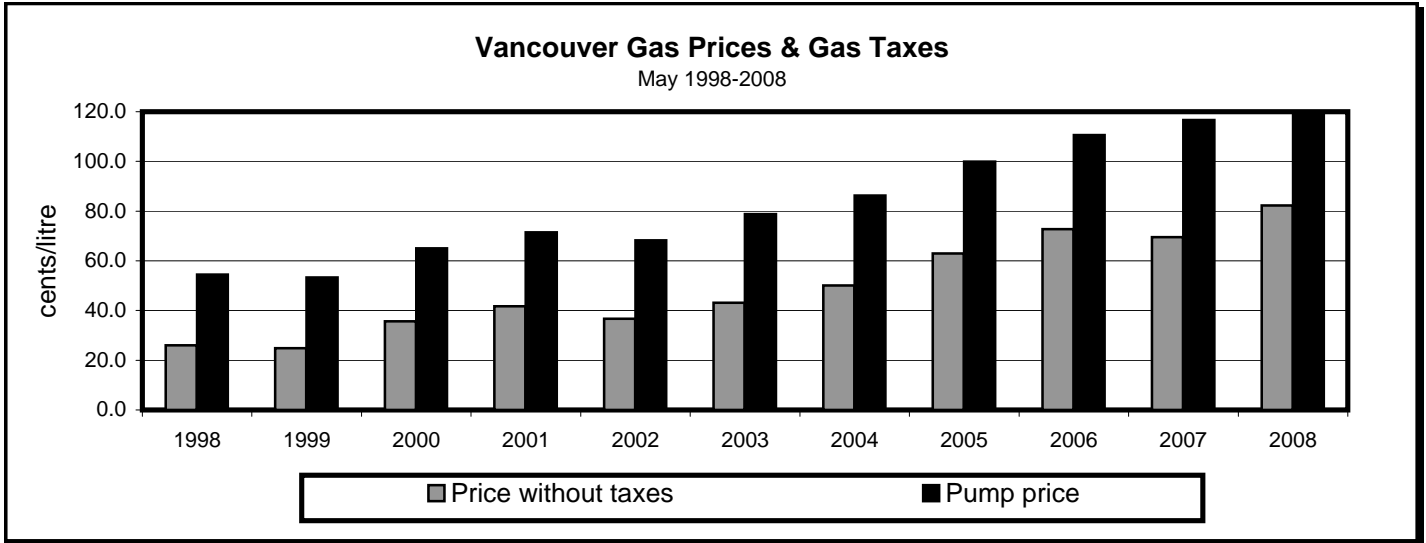
Nonetheless, a victory has been achieved concerning channeling money back into roadway construction and maintenance at the federal and provincial levels yet successive governments continue to profiteer on the tax side.

And some want to take even more money from motorists and pump it into government coffers in the name of being “green” by introducing carbon taxes. Quebec and British Columbia have introduced different versions of a carbon tax and each scheme leaves Canadians paying more and more to fill their tanks. So far, the Conservative government has firmly – and rightly – rejected the idea of a carbon tax, but Liberal leader Stéphane Dion wrote in the *Toronto Star* on May 4, 2008, that Canada must put a “serious price on carbon.” Call it whatever you want but a price on carbon is a tax that will punish Canadians who are already running on empty from high gas prices and dishonest taxes. A “serious price on carbon” is code for a massive tax increase on energy. Taxpayers should beware of such politicians because first they do not use honest language to express themselves, and second they do not understand how new taxes will further hurt household budgets and the Canadian economy.

High gas prices and unfair gas taxes are punishing Canadians like never before. Thanks to the GST, the federal government profits off the backs of Canadian families every time the price of gasoline increases. Moreover, the GST (and HST) is applied not only to the price of fuel but also applied to the various taxes. And why do motorists continue to pay a “deficit elimination” tax when Ottawa balanced its budget over a decade ago? It is time to bring honesty and fairness to the levying of gas taxes.



British Columbia -- Gas Tax Facts



Pump Price Breakdown:

Fill-up		118.8 cents/litre
Capacity		50.0 litres
Total Sale	\$	59.40
British Columbia Tax	\$	0.88
BCTFA	\$	3.38
Translink Tax	\$	6.00
Federal Tax	\$	5.00
GST	\$	2.97
Crude Costs	\$	27.75
Refining/Marketing Margin	\$	13.40
		31% Tax
		69% Costs

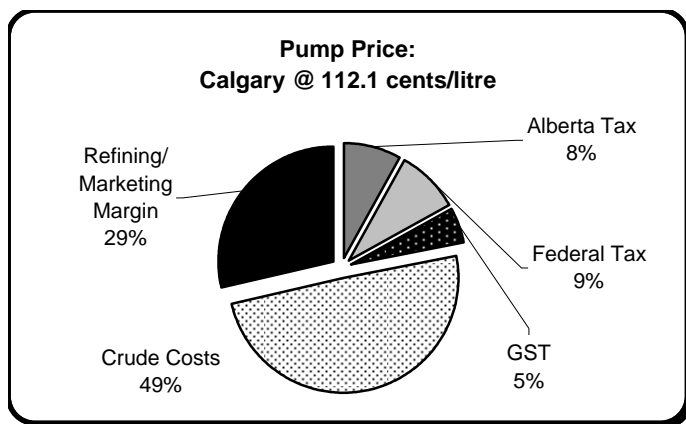
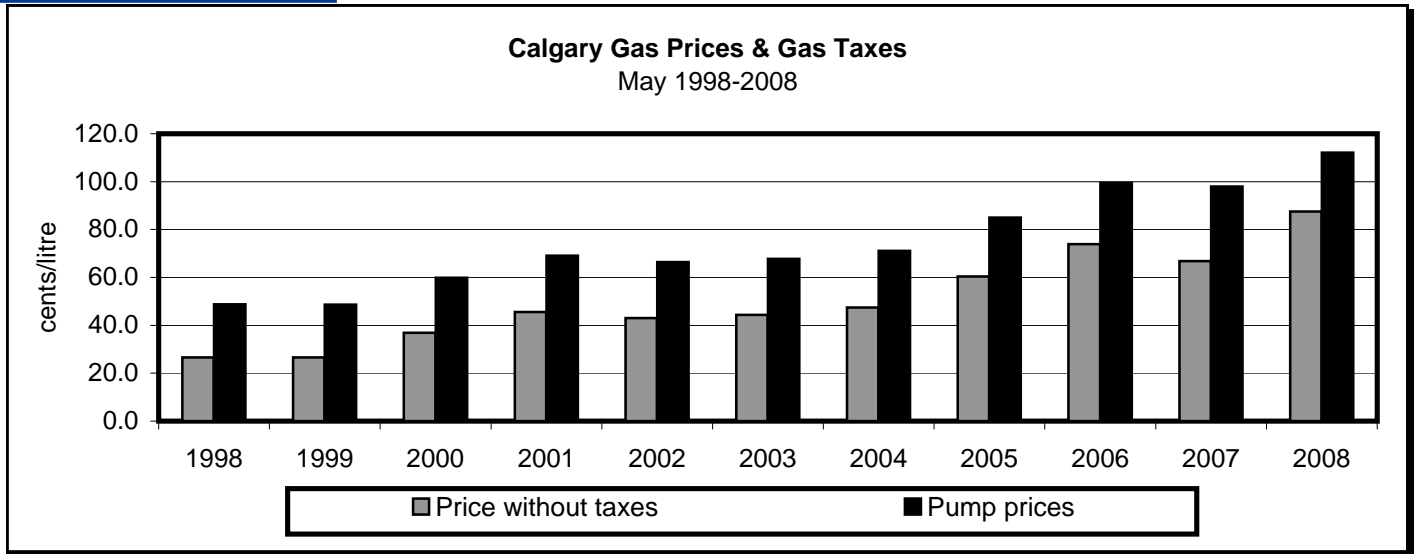
Comparative Provincial Motoring Revenues and Expenditures 1998-2008 (\$ million)

Year	Gas Tax Revenue	Fees	Federal Transfers	Total Revenue	Transport Spending	Transport Capital	Total Spending	Spending % of Revenue
1998-1999	872.0	329.0	0.1	1,201.1	790.0	781.0	790.1	65.8%
1999-2000	836.0	336.0	-	1,172.0	1,697.0	1,015.0	1,697.0	144.8%
2000-2001	825.0	342.0	-	1,167.0	1,574.0	554.0	1,574.0	134.9%
2001-2002	802.0	346.0	-	1,148.0	1,763.0	310.0	1,763.0	153.6%
2002-2003	684.0	355.0	-	1,039.0	1,301.0	444.0	1,301.0	125.2%
2003-2004	875.0	362.0	-	1,237.0	1,446.0	597.0	1,446.0	116.9%
2004-2005	895.0	380.0	-	1,275.0	1,308.0	597.0	1,308.0	102.6%
2005-2006	904.0	398.0	-	1,302.0	1,223.0	707.0	1,223.0	93.9%
2006-2007	900.0	419.0	-	1,319.0	852.0	921.0	1,773.0	134.4%
2007-2008	938.0	436.0	-	1,374.0	1,365.0	1,063.0	2,428.0	176.7%
2008-2009	957.0	445.0	-	1,402.0	1,334.0	884.0	1,334.0	95.1%

N.B. 1999-2000 Includes debt write-down for the BC Ferry Corporation.
British Columbia Ministry of Transportation and Highways Expenditures.



Alberta -- Gas Tax Facts



Pump Price Breakdown:

Fill-up		112.1 cents/litre
Capacity		50.0 litres
Total Sale	\$	56.05
Alberta Tax	\$	4.50
Federal Tax	\$	5.00
GST	\$	2.80
Crude Costs	\$	27.75
Refining/Marketing Margin	\$	16.00
		22% Tax
		78% Costs

Comparative Provincial Motoring Revenues and Expenditures 1998-2008 (\$ million)

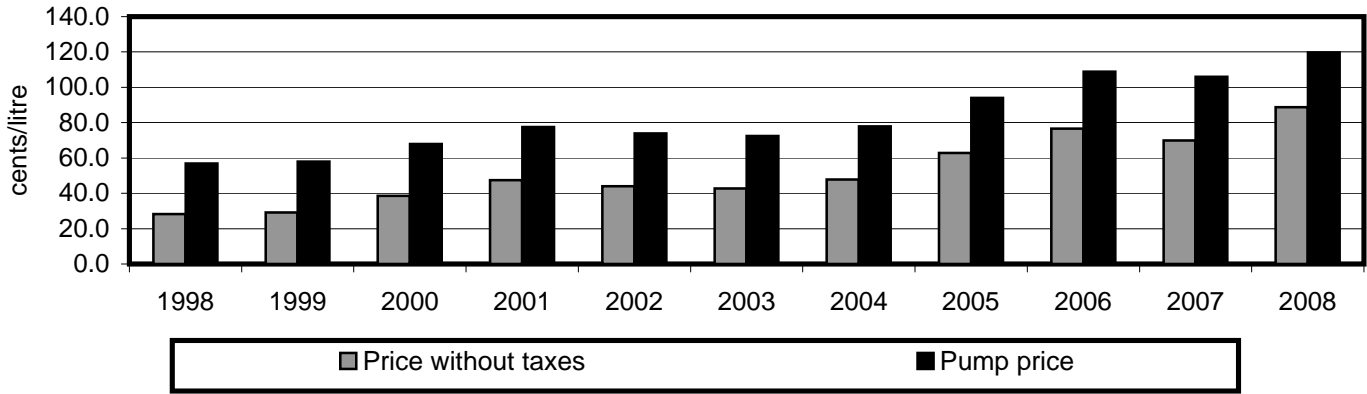
Year	Gas Tax Revenue	Fees	Federal Transfers	Total Revenue	Transport Spending	Transport Capital	Total Spending	Spending % of Revenue
1998-1999	547.0	196.0	-	743.0	1,242.0	247.0	1,242.0	167.2%
1999-2000	568.0	203.0	-	771.0	888.0	1,416.0	1,417.0	38.0%
2000-2001	581.0	208.0	-	789.0	885.0	1,282.0	1,429.0	38.1%
2001-2002	590.0	213.0	-	803.0	926.0	990.0	1,482.0	39.1%
2002-2003	597.0	248.0	-	845.0	652.0	596.0	1,554.0	39.1%
2003-2004	620.0	262.0	-	882.0	1,001.0	785.0	1,001.0	113.5%
2004-2005	635.0	285.0	-	920.0	1,268.0	981.0	1,268.0	137.8%
2005-2006*	664.0	312.0	-	976.0	2,765.0	1,720.0	2,765.0	283.3%
2006-2007	700.0	328.0	-	1,028.0	2,684.0	924.0	2,684.0	261.1%
2007-2008	755.0	362.0	-	1,117.0	423.0	1,484.0	1,907.0	170.7%
2008-2009	775.0	365.0	-	1,140.0	486.0	1,852.0	2,338.0	205.1%

* Prior to 2006-07 Alberta Transportation was part of larger Alberta Infrastructure & Transportation (expenditure numbers not comparable)
Alberta: Transportation



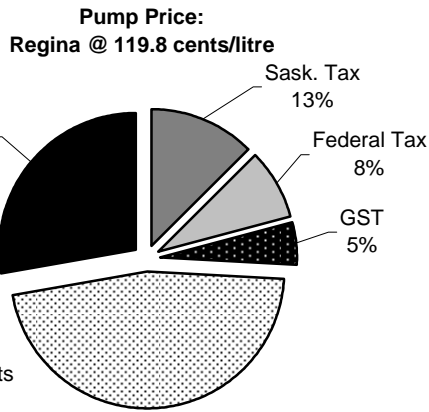
Saskatchewan -- Gas Tax Facts

Regina: Gas Prices & Gas Taxes
May 1998-2008



Pump Price Breakdown:

Fill-up		119.8 cents/litre
Capacity		50.0 litres
Total Sale	\$	59.90
Saskatchewan Tax	\$	7.50
Federal Tax	\$	5.00
GST	\$	3.00
Crude Costs	\$	27.75
Refining Margin/Marketing	\$	16.65
		26% Tax
		74% Costs

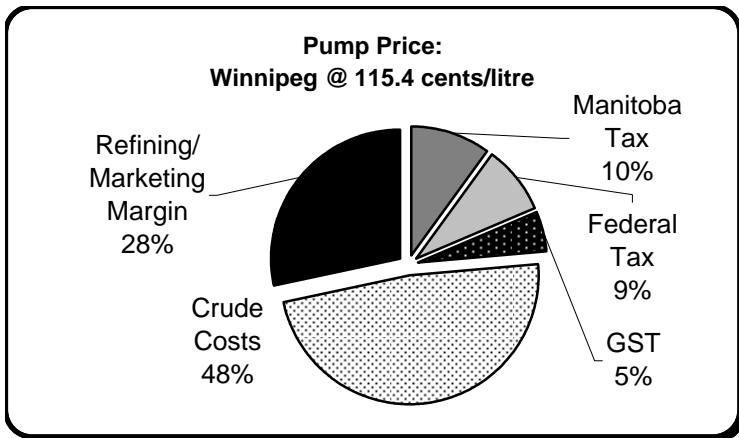
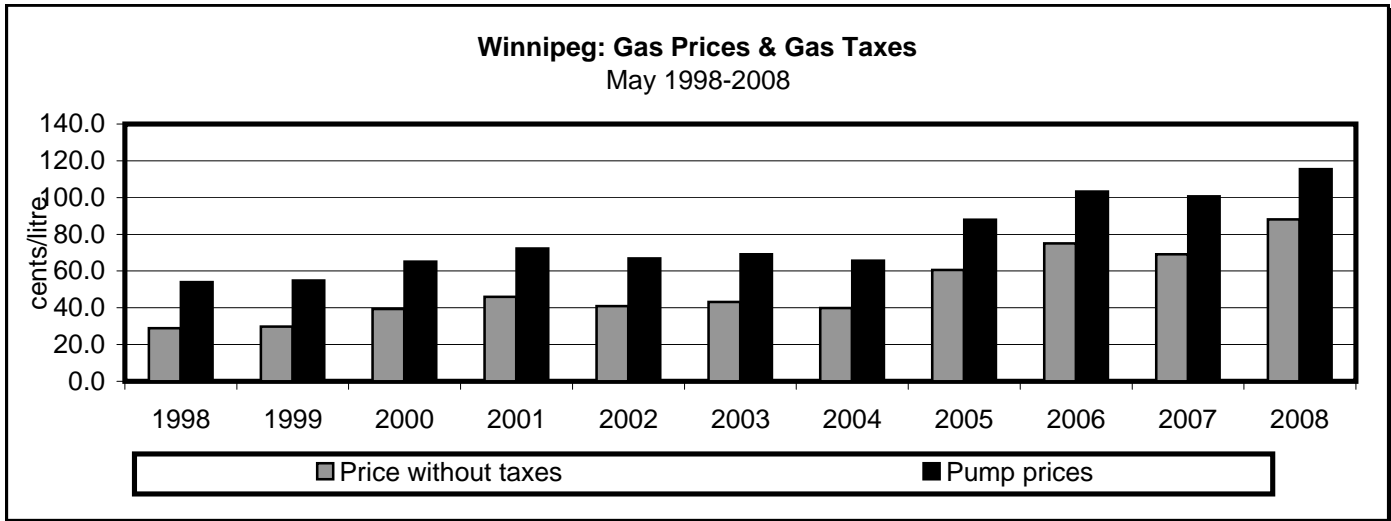


Comparative Provincial Motoring Revenues and Expenditures 1998-2008 (\$ million)

Year	Gas Tax Revenue	Fees	Federal Transfers	Total Revenue	Transport Spending	Transport Capital	Total Spending	Spending % of Revenue
1998-1999	354.6	108.1	-	462.7	232.0	109.3	232.0	50.1%
1999-2000	369.0	113.3	-	482.3	236.0	106.0	236.0	48.9%
2000-2001	345.1	113.8	-	459.0	273.0	133.2	273.0	59.5%
2001-2002	354.0	117.9	-	471.9	309.0	166.3	309.0	65.5%
2002-2003	332.0	117.0	-	449.0	294.0	157.1	294.0	65.5%
2003-2004	357.0	119.0	-	476.0	243.0	78.0	243.0	51.0%
2004-2005	363.0	121.0	-	484.0	260.0	120.0	260.0	53.7%
2005-2006	370.0	130.0	-	500.0	268.0	127.0	268.0	53.6%
2006-2007	376.6	132.7	-	509.3	315.9	-	315.9	62.0%
2007-2008	401.3	139.4	-	540.7	365.7	-	365.7	67.6%
2008-2009	413.3	141.5	-	554.8	372.1	-	372.1	67.1%



Manitoba -- Gas Tax Facts



Pump Price Breakdown:

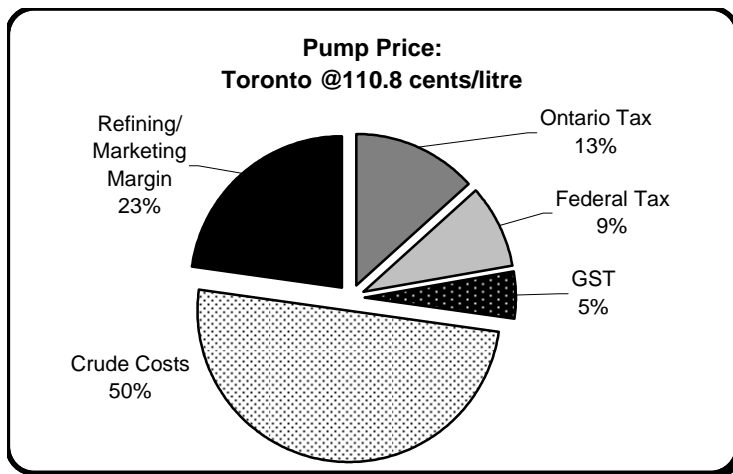
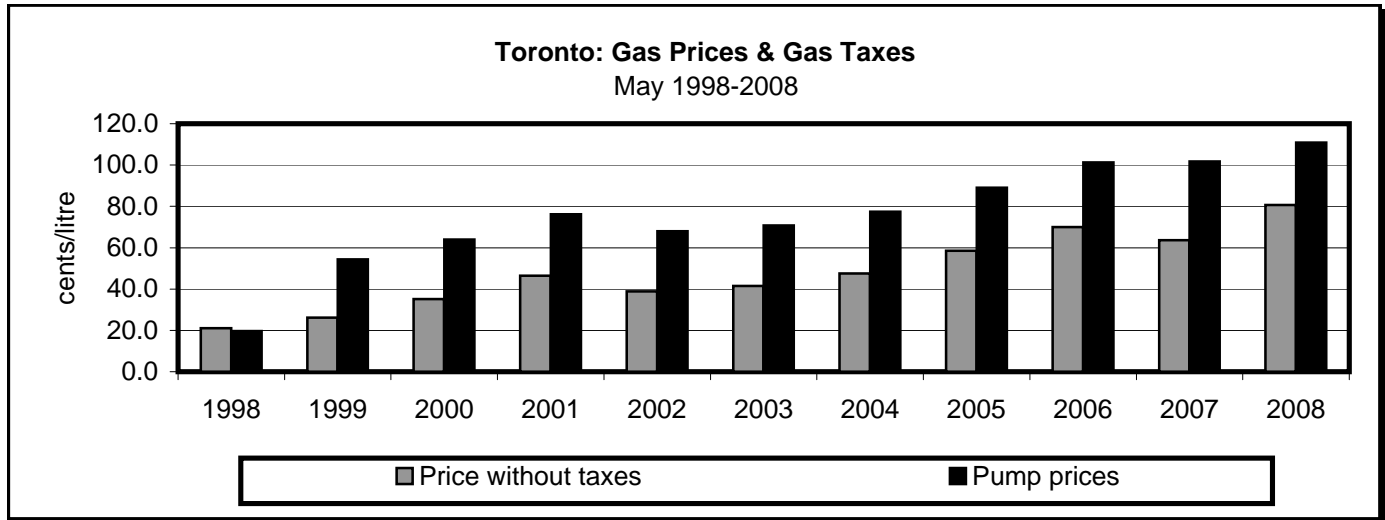
Fill-up		115.4 cents/litre
Capacity		50.0 litres
Total Sale	\$	57.70
Manitoba Tax	\$	5.75
Federal Tax	\$	5.00
GST	\$	2.89
Crude Costs	\$	27.75
Refining/Marketing Margin	\$	16.30
		24% Tax
		76% Costs

Comparative Provincial Motoring Revenues and Expenditures 1998-2008 (\$ million)

Year	Gas Tax Revenue	Fees	Federal Transfers	Total Revenue	Transport Spending	Transport Capital	Total Spending	Spending % of Revenue
1998-1999	221.3	63.4	-	284.7	232.8	n/a	232.8	81.8%
1999-2000	221.7	68.3	-	290.0	293.9	n/a	293.9	101.3%
2000-2001	224.0	70.5	-	294.5	300.6	n/a	300.6	102.1%
2001-2002	224.0	75.5	-	299.5	319.1	n/a	319.1	106.6%
2002-2003	227.3	80.1	-	307.4	321.9	n/a	321.9	104.7%
2003-2004	231.3	88.7	-	320.0	372.0	68.0	372.0	116.3%
2004-2005	232.0	103.8	-	335.8	382.0	79.0	382.0	113.8%
2005-2006	236.0	116.0	-	352.0	401.0	n/a	401.0	113.9%
2006-2007	238.8	116.0	-	354.8	437.7	n/a	437.7	123.4%
2007-2008	242.4	100.5	-	342.9	493.4	n/a	493.4	143.9%
2008-2009	227.1	106.0	-	333.1	527.0	n/a	527.0	158.2%



Ontario -- Gas Tax Facts



Pump Price Breakdown:

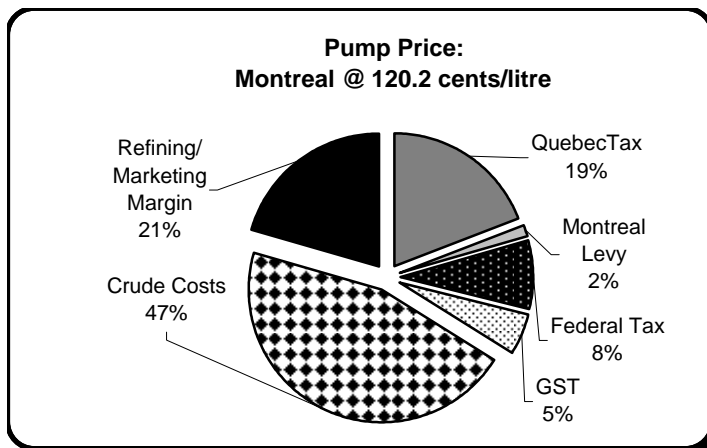
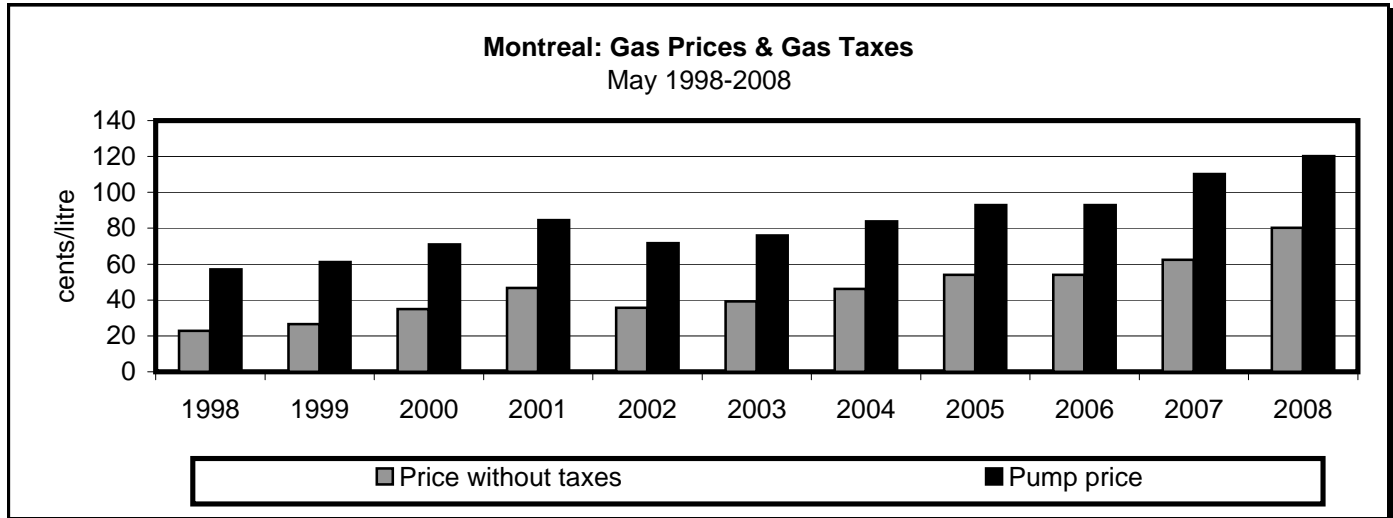
Fill-up		110.8 per litre
Capacity		50.0 litres
Total Sale	\$	55.40
Ontario Tax	\$	7.35
Federal Tax	\$	5.00
GST	\$	2.77
Crude Costs	\$	27.75
Refining/Marketing Margin	\$	12.60
		77% Tax
		73% Costs

Comparative Provincial Motoring Revenues and Expenditures 1998-2008 (\$ million)

Year	Gas Tax Revenue	Fees	Federal Transfers	Total Revenue	Transport Spending	Transport Capital	Total Spending	Spending % of Revenue
1998-1999	2,660.0	890.0	23.7	3,573.7	1,526.0	892.0	1,549.7	43.4%
1999-2000	2,819.0	911.0	-	3,730.0	1,417.0	830.0	1,417.0	38.0%
2000-2001	2,820.0	929.0	-	3,749.0	1,429.0	836.0	1,429.0	38.1%
2001-2002	2,851.0	941.0	-	3,792.0	1,482.0	818.0	1,482.0	39.1%
2002-2003	2,988.0	982.0	-	3,970.0	1,554.0	578.0	1,554.0	39.1%
2003-2004	2,945.0	985.0	-	3,930.0	1,816.0	797.0	1,816.0	46.2%
2004-2005	3,004.0	976.0	-	3,980.0	1,831.0	774.0	1,831.0	46.0%
2005-2006	3,010.0	763.0	-	3,773.0	2,188.0	1,253.0	2,188.0	58.0%
2006-2007	3,033.0	970.0	-	4,003.0	2,753.0	1,442.0	2,753.0	68.8%
2007-2008	3,083.0	1,027.0	-	4,110.0	2,179.0	n/a	2,179.0	53.0%
2008-2009	3,122.0	1,044.0	-	4,166.0	2,075.0	n/a	2,075.0	49.8%



Quebec -- Gas Tax Facts



Pump Price Breakdown:

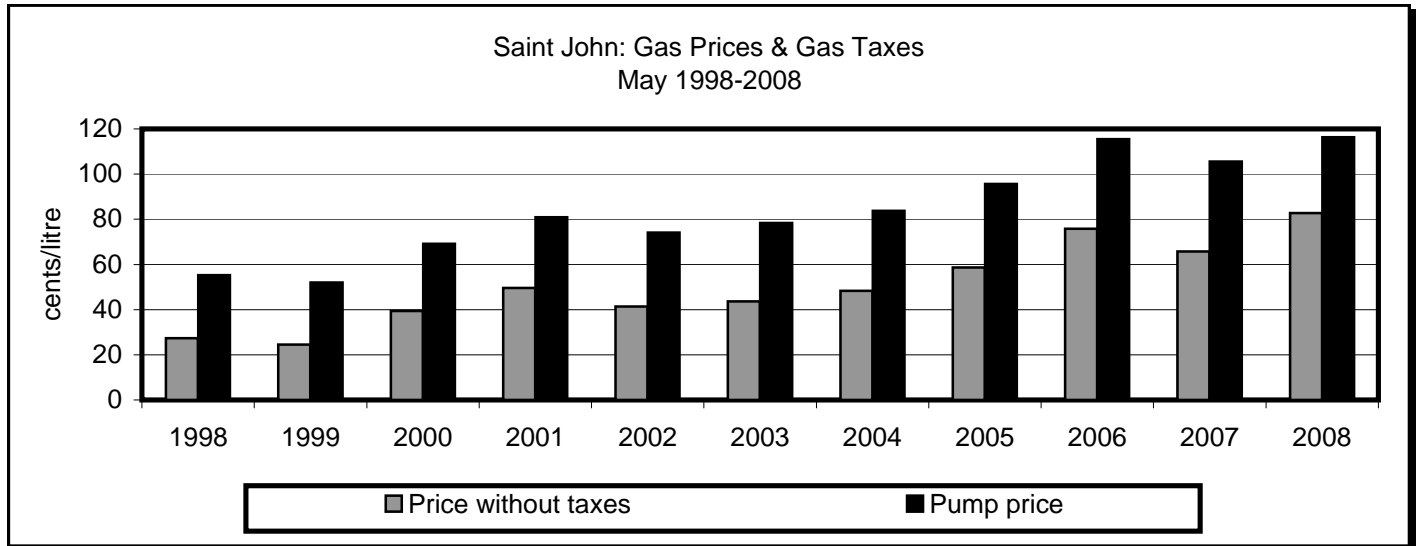
Fill-up	120.2 cents/litre	
Capacity	50.0 litres	
Total Sale	\$ 60.10	
Quebec Tax	\$ 11.61	33% Tax
Montreal Levy	\$ 0.90	
Federal Tax	\$ 5.00	
GST	\$ 3.01	
Crude Costs	\$ 27.75	67% Costs
Refining/Marketing Margin	\$ 12.40	

Comparative Provincial Motoring Revenues and Expenditures 1998-2008 (\$ million)

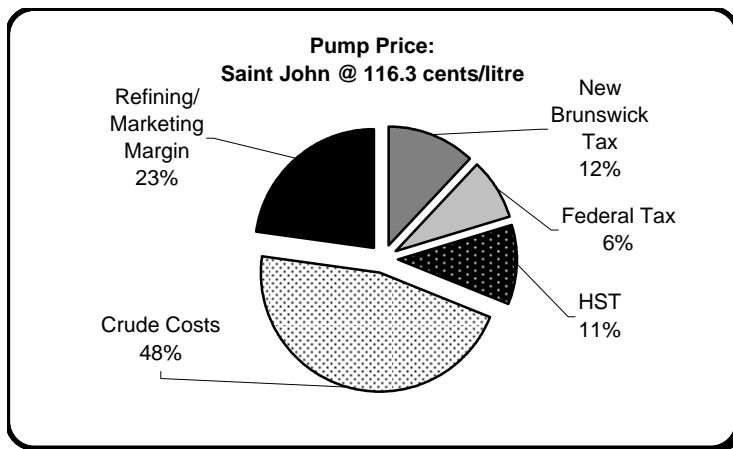
Year	Gas Tax Revenue	Fees	Federal Transfers	Total Revenue	Transport Spending	Transport Capital	Total Spending	Spending % of Revenue
1998-1999	1,559.0	664.0	20.7	2,243.7	1,507.0	n/a	1,527.7	68.1%
1999-2000	1,560.0	667.0	35.7	2,262.7	1,578.0	n/a	1,613.7	71.3%
2000-2001	1,536.0	646.0	1.9	2,183.9	1,501.0	n/a	1,502.9	68.8%
2001-2002	1,536.0	662.0	7.3	2,205.3	1,443.0	n/a	1,450.3	65.8%
2002-2003	1,645.0	690.0	2.3	2,337.3	1,465.0	n/a	1,467.3	62.8%
2003-2004	1,685.0	707.0	-	2,392.0	1,550.0	n/a	1,550.0	64.8%
2004-2005	1,711.0	713.0	-	2,424.0	1,673.0	n/a	1,673.0	69.0%
2005-2006	1,657.0	725.0	-	2,382.0	1,813.0	n/a	1,813.0	76.1%
2006-2007	1,678.0	745.0	-	2,423.0	1,963.0	n/a	1,963.0	81.0%
2007-2008	1,690.0	758.0	-	2,448.0	2,213.0	n/a	2,213.0	90.4%
2008-2009	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a



New Brunswick -- Gas Tax Facts



Pump Price Breakdown:



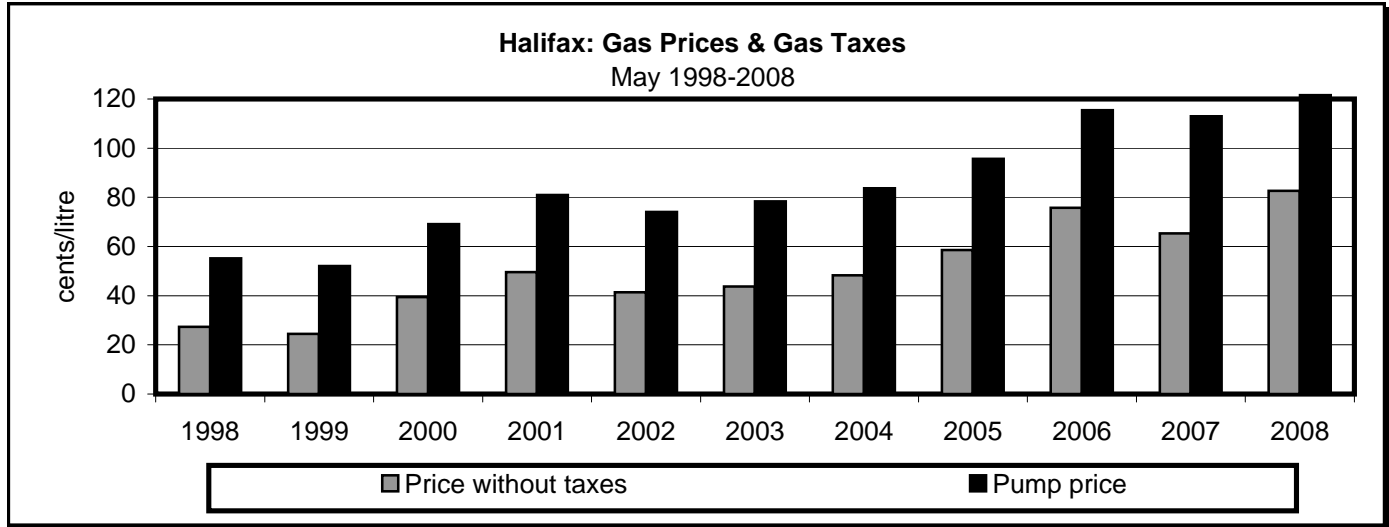
Fill-up		116.3 cents/litre
Capacity		50.0 litres
Total Sale	\$	58.15
New Brunswick Tax	\$	7.25
Federal Tax	\$	5.00
HST	\$	6.40
Crude Costs	\$	27.75
Refining/Marketing Margin	\$	13.65
		29% Tax
		71% Costs

Comparative Provincial Motoring Revenues and Expenditures 1998-2008 (\$ million)

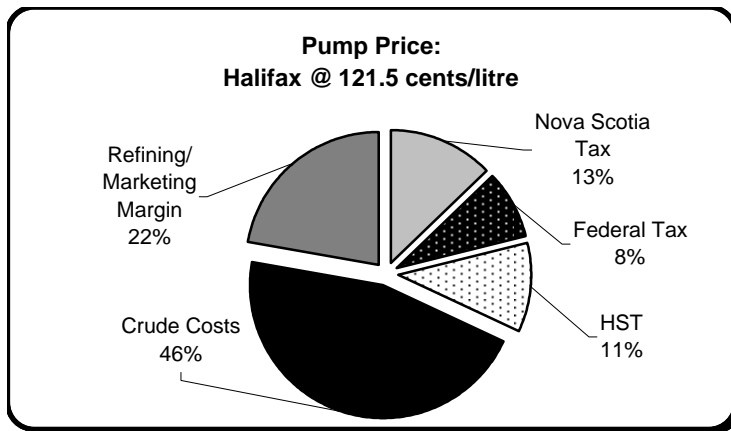
Year	Gas Tax Revenue	Fees	Federal Transfers	Total Revenue	Transport Spending	Transport Capital	Total Spending	Spending % of Revenue
1998-1999	171.0	71.1	29.5	271.6	357.0	196.2	386.5	142.3%
1999-2000	185.5	78.8	35.0	299.3	356.0	198.9	391.0	130.6%
2000-2001	186.5	80.6	9.5	276.6	239.0	81.0	248.5	89.8%
2001-2002	188.0	77.4	14.9	280.3	286.0	107.0	300.9	107.4%
2002-2003	217.1	79.1	38.4	334.6	315.0	149.0	353.4	105.6%
2003-2004	235.0	78.0	-	313.0	349.0	181.0	349.0	111.5%
2004-2005	239.0	82.0	-	321.0	405.0	204.0	405.0	126.2%
2005-2006	234.0	89.0	-	323.0	402.0	249.0	402.0	124.5%
2006-2007	210.6	90.0	-	300.6	164.8	248.5	413.3	137.5%
2007-2008	199.0	87.5	-	286.5	184.5	720.0	895.2	312.5%
2008-2009	199.0	87.5	-	286.5	179.0	49.4	228.4	79.7%



Nova Scotia -- Gas Tax Facts



Pump Price Breakdown:



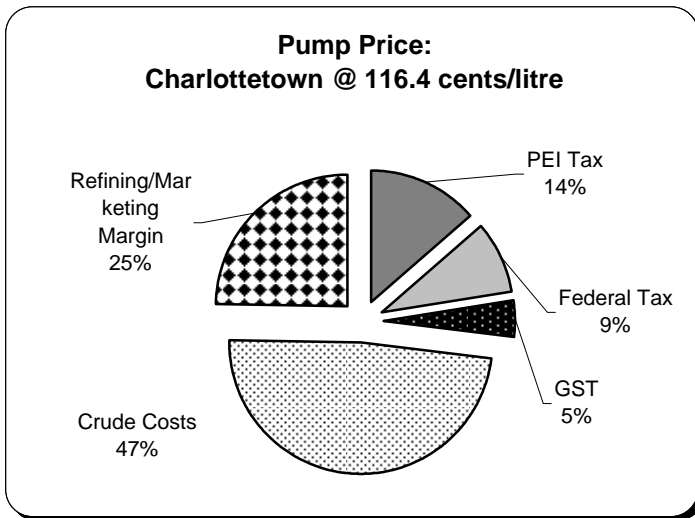
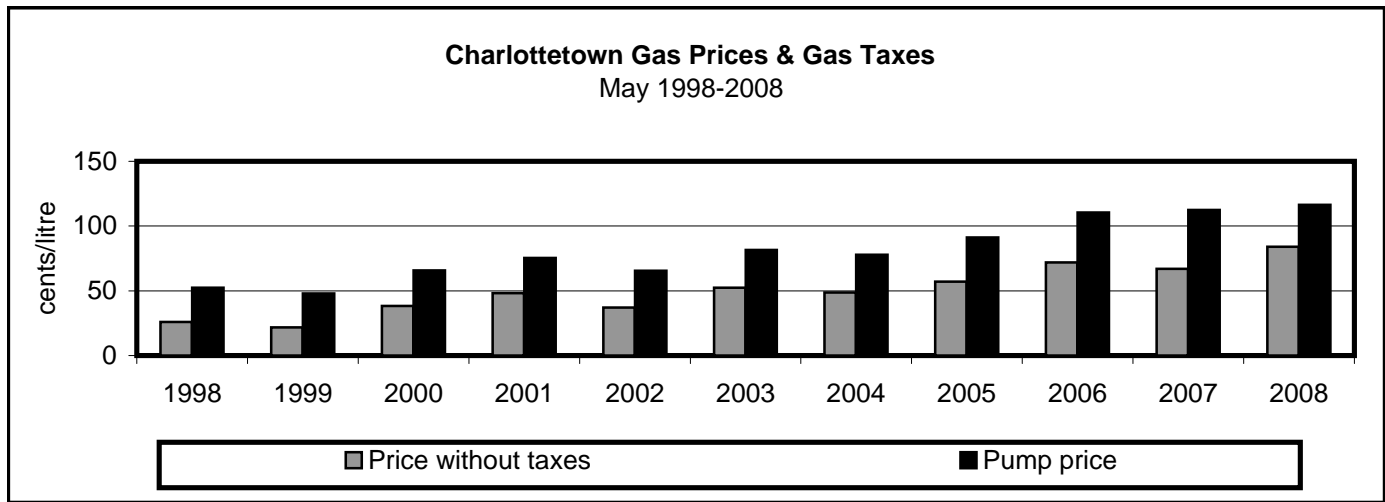
Fill-up		121.5 cents/litre
Capacity	50.0 litres	
Total Sale	60.8	
Nova Scotia Tax	7.8	32% Tax
Federal Tax	5.0	
HST	6.7	
Crude Costs	27.8	68% Costs
Refining/Marketing Margin	13.6	

Comparative Provincial Motoring Revenues and Expenditures 1998 -2008 (\$ million)

Year	Gas Tax Revenue	Fees	Federal Transfers	Total Revenue	Transport Spending	Transport Capital	Total Spending	Spending % of Revenue
1998-1999	211.6	61.0	42.5	315.1	226.0	n/a	268.5	85.2%
1999-2000	219.4	61.4	7.1	287.9	236.0	n/a	243.1	84.4%
2000-2001	201.7	62.0	2.6	266.2	221.0	n/a	223.6	84.0%
2001-2002	208.0	65.1	-	273.0	234.0	n/a	234.0	85.7%
2002-2003	246.3	75.9	-	322.2	211.0	n/a	211.0	65.5%
2003-2004	250.0	76.0	-	326.0	191.0	n/a	191.0	58.6%
2004-2005	249.0	87.0	-	336.0	202.0	n/a	202.0	60.1%
2005-2006	248.3	86.0	-	334.3	277.0	n/a	277.0	82.9%
2006-2007	245.6	89.0	-	334.6	297.2	n/a	297.2	88.8%
2007-2008	250.0	90.0	-	340.0	361.1	n/a	361.1	106.2%
2008-2009	247.0	92.0	-	339.0	350.9	n/a	350.9	103.5%



PEI -- Gas Tax Facts



Pump Price Breakdown:

Fill-up		116.4 cents/litre
Capacity		50.0 litres
Total Sale	\$	58.20
PEI Tax	\$	7.90
Federal Tax	\$	5.00
GST	\$	2.62
Crude Costs	\$	27.75
Refining/Marketing Margin	\$	14.30
		28% Tax
		72% Costs

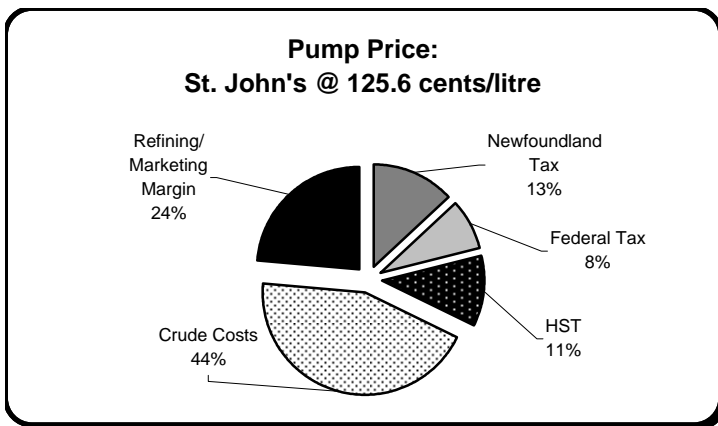
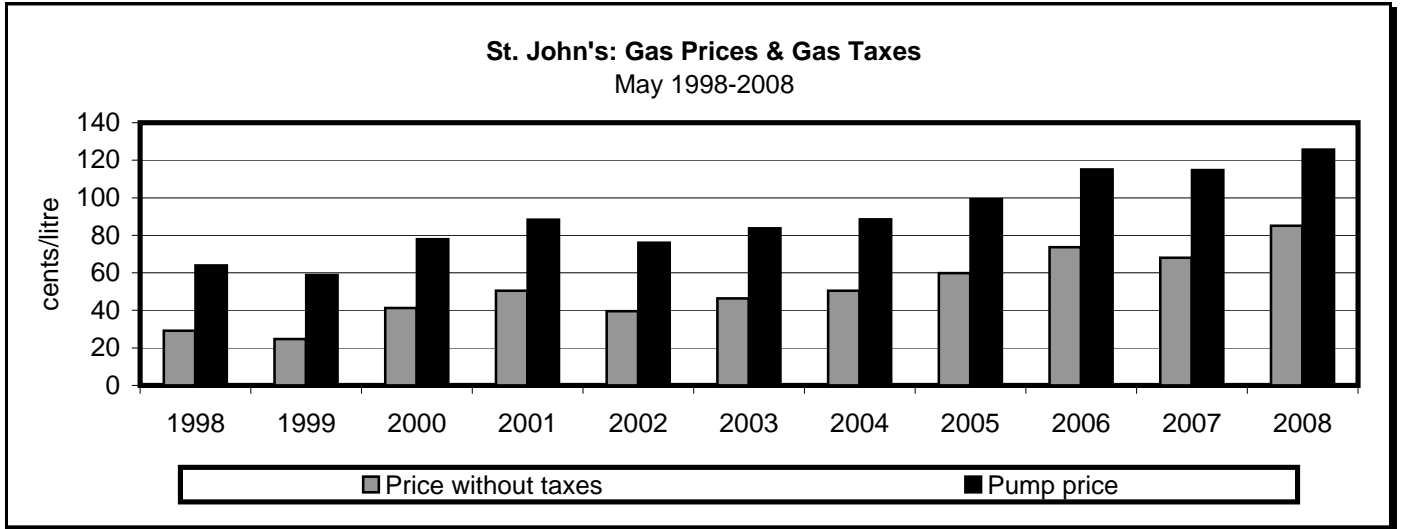
Comparative Provincial Motoring Revenues and Expenditures 1998-2008 (\$ million)

Year	Gas Tax	Fees	Federal	Total	Transport	Transport	Total	Spending
1991-1992	24.1	6.1	6.1	36.3	98.3	47.4	98.3	270.9%
1992-1993	23.4	7.1	2.9	33.4	93.7	42.7	93.7	280.6%
1998-1999	31.0	10.7	10.1	51.8	97.0	30.1	107.1	206.9%
1999-2000	33.0	11.1	49.1	93.2	114.0	32.1	163.1	175.1%
2000-2001	33.0	11.1	47.3	91.3	107.0	26.9	154.3	168.9%
2001-2002	32.0	11.9	48.6	92.5	102.0	28.9	150.6	162.8%
2002-2003	36.0	11.8	50.3	98.1	78.0	21.4	128.3	130.8%
2003-2004	36.0	11.3	-	47.3	86.0	20.0	86.0	181.7%
2004-2005	43.0	11.3	-	54.3	79.0	32.0	79.0	145.5%
2005-2006	51.0	12.0	-	63.0	80.0	23.0	80.0	127.0%
2006-2007	51.9	11.5	-	63.4	84.7	33.0	84.7	133.6%
2007-2008	42.5	11.5	-	54.0	89.0	-	89.0	164.8%
2008-2009	43.0	11.5	-	54.5	89.6	-	89.6	164.4%

PEI: Transportation & Public Works



Newfoundland and Labrador-- Gas Tax Facts



Pump Price Breakdown:

Fill-up		125.6 cents/litre
Capacity		50.0 litres
Total Sale	\$	62.80
Newfoundland Tax	\$	8.25
Federal Tax	\$	5.00
HST	\$	6.91
Crude Costs	\$	27.75
Refining/Marketing Margin	\$	14.80
		32% Tax
		68% Costs

Comparative Provincial Motoring Revenues and Expenditures 1998-2008 (\$ million)

Year	Gas Tax Revenue	Fees	Federal Transfers	Total Revenue	Transport Spending	Transport Capital	Total Spending	Spending % of Revenue
1998-1999	121.5	49.5	67.4	238.4	145.0	26.8	212.4	89.1%
1999-2000	129.2	52.0	63.7	244.9	152.0	31.3	215.7	88.1%
2000-2001	130.4	53.0	52.0	235.3	171.0	36.8	223.0	94.7%
2001-2002	132.0	54.5	47.9	234.4	177.0	41.3	224.9	95.9%
2002-2003	136.0	56.3	-	192.3	167.0	41.1	167.0	86.8%
2003-2004	136.0	56.5	-	192.5	197.0	19.1	197.0	102.3%
2004-2005	142.0	68.6	-	210.6	227.0	15.0	227.0	107.8%
2005-2006	142.0	68.0	-	210.0	223.0	30.0	223.0	106.2%
2006-2007	145.0	70.0	-	215.0	297.3	88.0	297.3	138.3%
2007-2008	148.6	74.0	-	222.6	384.5	-	384.5	172.7%
2008-2009	151.4	63.5	-	214.9	470.0	-	470.0	218.7%