

Canadian
Taxpayers
FEDERATION

Are we there *yet?*

11th Annual Gas Tax Honesty Report



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Readers Note

In previous reports, the CTF has used federal infrastructure spending figures based on subsections of budgets most focused on roadway spending; however this has made comparing spending on a year-to-year basis difficult. In this year's report, federal infrastructure spending between 1998 and 2005 has been calculated using a broader definition so as to include all funds potentially spent on roads.

Between 2006 and 2009, federal infrastructure spending has been calculated by including those sections of the "infrastructure" budget that may include roadway spending and excluding those that are explicitly meant for other initiatives (such as universities).

Despite this, both methods inevitably result in spending figures including monies that were not dedicated to roadways. Because a much broader definition is being used in determining how much is being spent, the figures used in this year's report are significantly larger than years previous.

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 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 over 60,000 supporters nationwide.

The CTF maintains a federal office in Ottawa and offices in the five provinces of British Columbia, Alberta, Saskatchewan, Manitoba and Ontario. 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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Section I: Introduction

Fact Summary

- **Since the beginning of 2009, the average pump price of gasoline has been \$0.85/litre, 37% of which is taxes.** In 2008, the average pump price was \$1.17/litre, 29% of which was taxes.
- **Taxes are a massive distortion of the real market price of gasoline and diesel.** The only consistent cost in the pump price is the cost of crude. Not surprisingly, provinces with higher taxes on gasoline and diesel have higher prices at the pump. Those with lower taxes see savings passed on to drivers.
- **Crude prices have declined by 36%, but federal revenues have declined by only 8.5%.** Even with the collapse in oil prices from an average of \$0.64/litre for crude in 2008 to \$0.28/litre in 2009, federal revenues have only declined from \$6.4 billion to \$5.9 billion.
- **Consumers are double-taxed.** GST is charged on the full pump price, federal and provincial gasoline and diesel taxes included. This is a tax-on-tax. In 2009, the federal government is estimated to collect \$1.3 billion in GST on gasoline and diesel sales, even after rebates.
- **The gap between what the federal government collects from gas taxes and what it spends on infrastructure has been largely closed.** When the CTF launched the Gas Tax Honesty Campaign in 1998, the federal government spent only 26% of what it collected from taxes on gasoline and diesel on infrastructure. In 2009, it is expected that the government will spend 146% of what it collects on infrastructure.¹
- **Figures provided for federal infrastructure spending do not accurately reflect the sum of money spent on roadways in a given year.** General figures provided are not detailed enough in most cases to accurately determine if motorists are seeing their taxes spent on roads or if their gas tax dollars are going to other projects such as: recreations centers, public transportation and Kyoto-inspired initiatives.

¹ "Federal Infrastructure" is a broad definition that includes many non-road related infrastructure projects.

CTF Gas Tax Principles

- Governments should treat federal, provincial and municipal gasoline taxes as a user fee.
- Governments should dedicate gasoline and diesel tax revenues to roads and road-related infrastructure and maintenance or else reduce taxes.

CTF Recommendations

- The federal government transfer and dedicate \$0.05/litre of federal gasoline tax revenues and \$0.02/litre of diesel tax revenues (equivalent to 50% of fuel tax revenues) to municipalities for roadway development and maintenance;
- That the federal government provide relief to consumers by cutting gasoline excise taxes by \$0.05/litre and follow through on the Conservative election promise to cut diesel taxes by \$0.02/litre; and
- That the federal government introduce the CTF's "Gas Tax Accountability Act" ensuring that:
 - The \$0.015/litre tax increase in 1995 for use in "deficit elimination" becomes a truly temporary measure, to be eliminated when the government eventually returns to surplus;
 - Consumers are not double-taxed by continuing to apply the GST on federal and provincial gas taxes; and
 - That the federal government be required to spend all revenue collected through gasoline and diesel taxes on roadway related infrastructure and maintenance, or else reduce taxes.

Overview

The Canadian Taxpayers Federation (CTF) has long been an advocate of honesty in gas taxes: that taxes collected from the purchase of gasoline and diesel be used *exclusively* for the building and maintaining of roadway infrastructure.

When the CTF launched its first Gas Tax Honesty Campaign in May 1998, taxpayers were being kicked to the curb by governments overtaxing their consumption and under-spending on their roads. The federal revenue collected through combined excise and sales taxes far surpassed the amount spent building and repairing roads, as the government of the day funnelled gas tax dollars into pet projects as it saw fit. Since then, enormous progress has been made, as governments – beginning with the Martin Liberals and accelerating under the Harper Conservatives – have moved to close the gap.

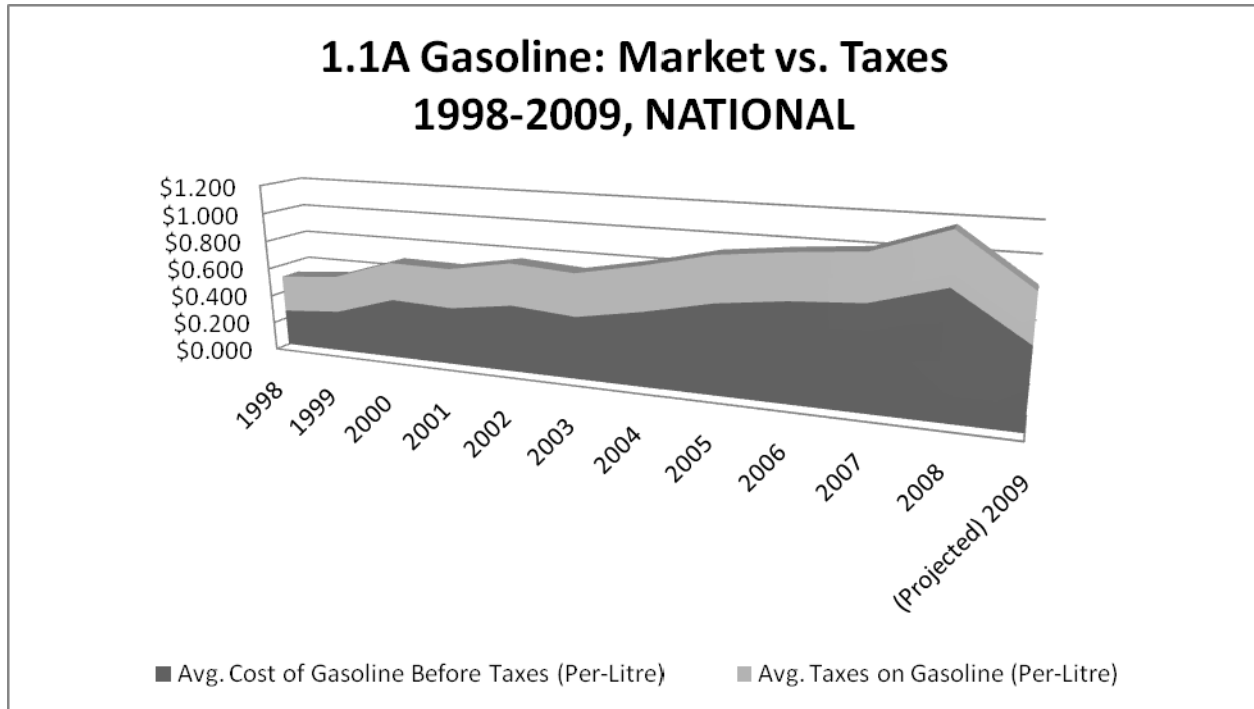
Despite the progress made, major accountability issues remain as governments seldom release data detailing what portion of “infrastructure” and “transportation” budget lines actually constitute roadway spending. This lack of transparency – while perhaps not intentional – prevents taxpayers from seeing how much of what they pay to government at the pump, is actually spent on roadways. It is for this reason among others that the CTF is presenting a “Gas Tax Accountability Act” with this year’s Gas Tax Honesty Report.

The intent of the Act is three pronged: 1) make the “deficit elimination” gas tax a truly temporary measure that will be repealed once the government again balances it’s books, 2) end double-taxation with the GST’s application to other taxes, and 3) require that government spend all revenues collected through gas taxes on roadway infrastructure or otherwise reduce taxes. The federal government has come a long way, but we are not there yet. Passing the *Gas Tax Accountability Act* would bring drivers to the end of a very long, tiresome drive.

Section II: Fluctuating Gas Prices and Unfair Taxes

Fluctuating Gas Prices

Average gas prices have dropped significantly in 2009 when compared with 2008. In 2008, the average pump price of gasoline was \$1.17/litre, while the average in 2009 to date has been \$0.85/litre.

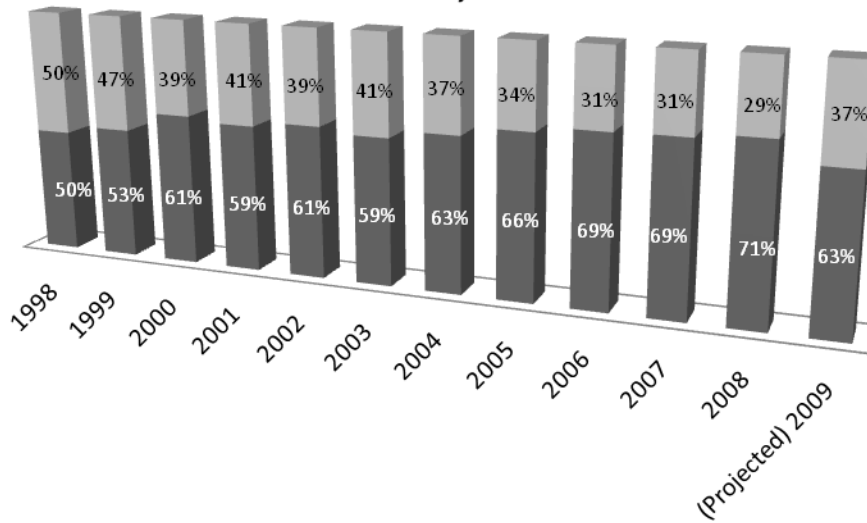


This is due overwhelmingly to the plummeting cost of crude, down nearly 44% to \$0.28/litre from \$0.65/litre in 2008. At the same time, the marketing margin remains relatively stable, dropping from \$0.085/litre in 2008 to \$0.081/litre in 2009. Slightly offsetting these gains for drivers was an increase in the refining margin from \$0.10/litre in 2008 to \$0.17/litre now.

Unfair Gas Taxes

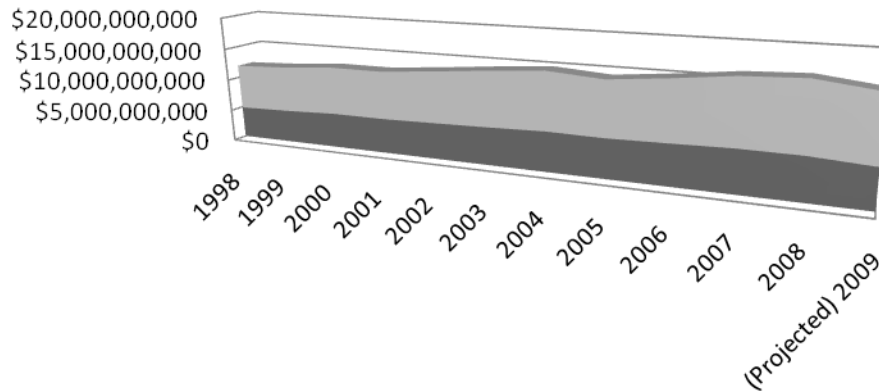
Despite massive drops in the market price of gasoline and diesel fuel, governments have not seen a significant drop in revenue. The small drop in government revenues can be attributed to the GST being a tax as a percentage, as opposed to the federal and provincial excise and consumption taxes, which collect a fixed sum per litre regardless of price. Therefore, gasoline would still cost consumers about \$0.27/litre between both levels of government, even if it were “free.” The only good news for reduced costs at the pump is the reduction in the GST from 7% to 6% in 2006 and from 6% to 5% in 2008.

1.1B Gasoline: Market vs. Taxes 1998-2009, NATIONAL



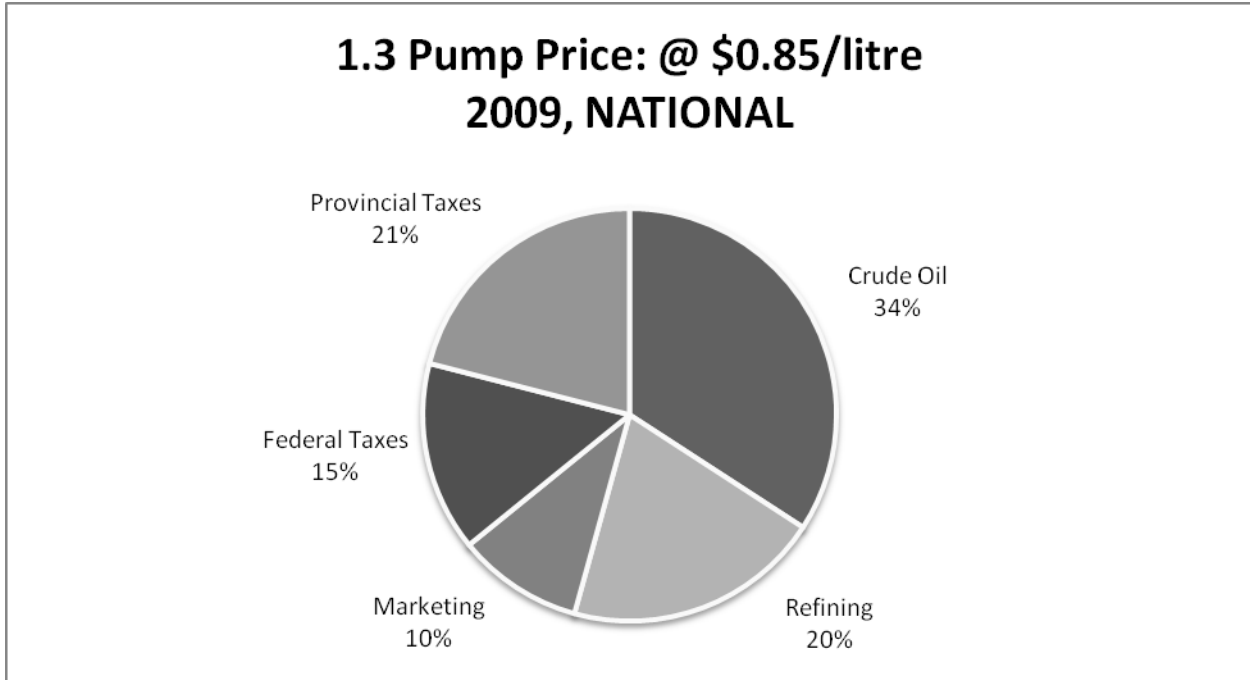
■ Avg. Market Cost of Gasoline as a Percentage (Per-Litre) ■ Avg. Taxes on Gasoline as a Percentage (Per-Litre)

1.2 Federal & Provincial Combined Revenues from Gasoline & Diesel 1998-2009, NATIONAL



■ Combined Total Taxes Collected Federally ■ Combined Total Taxes Collected by P/Ts

Provincial and local gas taxes make up the largest government share of the pump price at an average of 21% today. These range from highs of \$0.29/litre in British Columbia (BC) and \$0.17 in Quebec, to lows of \$0.09/litre in Alberta and \$0.11/litre in New Brunswick. Not surprisingly, BC and Quebec have higher pump prices at \$0.97/litre and \$0.85/litre respectively, while Alberta and New Brunswick have some of the lowest at \$0.77/litre and \$0.78/litre.



Paul Martin’s “Temporary” Deficit Elimination Gas Tax

In 1995, then Finance Minister Paul Martin tabled a budget that included a \$0.015/litre increase in the gas excise tax, citing it as a “deficit elimination measure.” As this “measure” was tied to the federal deficit, taxpayers had every right to expect its abolition when the budget was balanced.

Unfortunately, the track record on rolling back taxes as quickly as they rose is not good. When the income tax was introduced during the First World War, it was to be temporary. When the GST was introduced in 1991, few thought that it would take 15 years to lower it to 6%, and 17 years to bring it to 5%. This is what Milton Friedman meant when he once said, “there is nothing so permanent as a temporary government program.”

Regardless, Canadians have a right to see the “deficit elimination measure” of the gas tax repealed when the government once again balances its budget. The CTF is calling on the government to adopt the *Gas Tax Accountability Act* -- which among other things -- will ensure that this is truly a temporary measure that will be eliminated when the federal budget will be brought into balance.

Double-Taxing Canadians

Canadians are also being “double-taxed” at the pump through the GST. To do this, government applies the GST to the full pump price, not just the actual market price of gasoline. This means that in addition

to the actual market value of gasoline, government taxes-the-tax added onto its price (consumption and excise). In 2009, the federal government is estimated to collect \$2.3 billion in GST on gasoline and diesel sales, or \$1.3 billion after rebate for low-income earners. Once again, the CTF's *Gas Tax Accountability Act* would address this creative-taxing if adopted.

What the HST Means for Ontario Drivers

With the McGuinty government's decision to implement the Harmonized Sales Tax (HST) in Ontario, drivers face a potential tax hike at the pump. As of the time this report, it is not yet known if gasoline and/or diesel will be exempted from the HST.

The HST's strength is that it is broad-based and cuts out loopholes, but its disadvantage is obvious (more taxes for Ontarians). The CTF urges the McGuinty government to offset the costs of the HST with personal income tax cuts as opposed to temporary cheques.

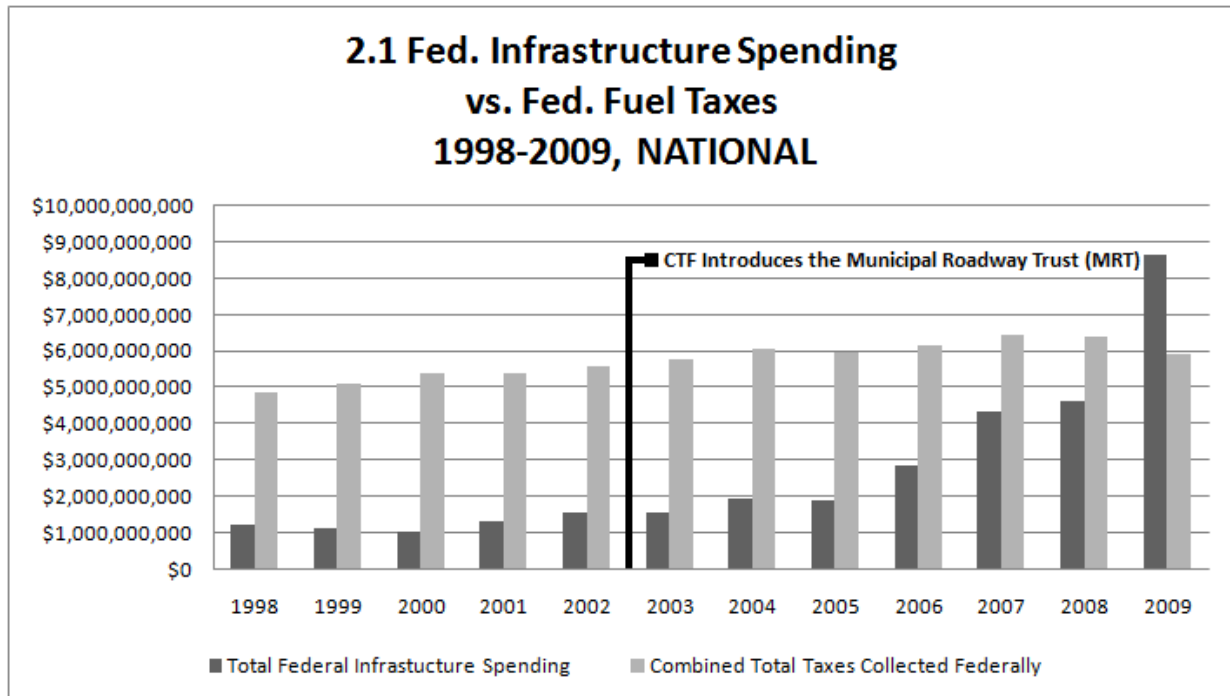
If this recommendation is taken or not, Ontarians will face a steeper price at the pump of an extra \$0.063/litre, using the average price in Ontario to date in 2009.

Ontarians are going to face a steeper price at the pump with an increase of 8%. At today's prices this amounts to an increase of \$0.063/litre.

Section III: Real Results on Roadway Spending

Closing the Gap

When the Gas Tax Honesty Campaign was launched in 1998, the federal government spent just 28% of what it collected in gasoline and diesel taxes on infrastructure at \$1.3 billion out of \$4.9 billion, with the difference flowing into general revenue. That number surged to 47% in 2006 and 67% in 2007. With the so-called “stimulus” spending in Budget 2009, infrastructure spending has soared to 146% of what is collected in gasoline and diesel taxes in 2009.



Despite the gap being closed on paper, taxpayers have little way of knowing if it is being closed in reality. The “infrastructure” figures provided by the federal government include a broad range of items including: recreation facilities, water treatment plants, so-called green initiatives and a host of other non-roadway spending items. This is not to say that some projects are not potentially worthy, but to ensure gas taxes are spent on roadways, more details are needed.

Despite the lack of detailed information available, the government should be commended for closing the gap between what is collected and what is spent. As discussed later in this report, the CTF has put forward a *Gas Tax Accountability Act* which among other things, ensures that government would be accountable for the way gas taxes are spent.

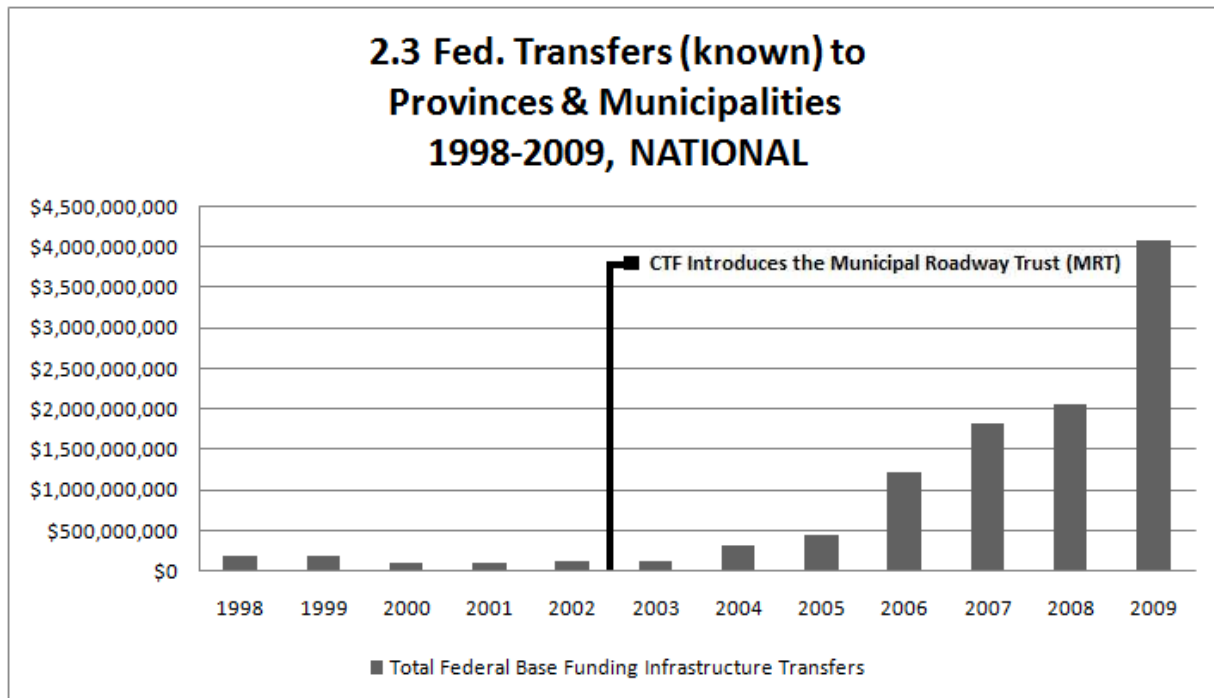
Transfers to Municipalities

As municipalities are responsible for more than 80% of the roads in Canada, the CTF has long been an advocate of transferring a portion of federal gas tax revenues directly to municipalities for use in roadway spending. In 2002, the CTF was joined by municipalities from coast-to-coast in pushing the federal and provincial governments for more, stable money to fund upgrades to crumbling roadway infrastructure in the form of a Municipal Roadway Trust (MRT).

In response to growing demands from municipalities to cover roadway construction and maintenance costs, Toronto's then Deputy-Mayor Case Ootes joined the CTF at a press conference to lend support to the MRT model.

Under the proposed MRT, federal gas tax revenues would be transferred directly to municipalities. Constitutionally, municipalities are provincial jurisdiction; however there is an established precedent for the federal government to directly transfer funds to municipalities 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. As towns and cities are responsible for maintaining over 80% of all Canadian roads, it is logical that federal funding flow directly to municipalities.

After being addressed by the CTF federal director on May 30, 2003, the *Federation of Canadian Municipalities* 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.

Since that time, federal transfers have increased by more than 900% from \$441.8 million in 2005 to a projected \$4.1 billion in 2009. These transfers include the:

- Gas Tax Fund;
- Increased GST rebate; and
- Equal per-jurisdiction funding.

The 2009 federal budget includes several unique “temporary” measures in addition including:

- Accelerated equal-per jurisdiction funding for 2011, 2012 and 2013; and
- A cost-share program

Problems with Ottawa’s Gas Tax Sharing Schemes

Ottawa’s history of transfers and infrastructure spending has been riddled with potholes. They have often been ineffective and at times highly political. Program definition of infrastructure was (and still is) far too broad, a problem referenced repeatedly prior. Resulting from this, it was reported by the auditor-general in 1996 that a mere 60% of the funding allocated to infrastructure found its way to the construction of roads, bridges, and water and sewer networks. Conversely, the remaining 40% went towards 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.

The Liberal government of the day learned little from its mistakes, sinking the Gas Tax Fund of more than \$5 billion into “environmentally sustainable infrastructure projects such as public transit, water and wastewater treatment, community energy systems and the handling of solid waste.” New roads, repaired bridges and filled potholes were scant to be found.

It remains to be seen if the current Conservative government will learn from its predecessor’s mistakes. Anecdotal evidence would suggest that the Kyoto-obsessed fantasy of the previous government has less traction now, but there is little way of verifying if this is the case unless more transparency is provided on what is spent on infrastructure.

CTF Policies Implemented

As referenced prior, accountability in what proportion of infrastructure spending is actually geared towards roadways has been lacking in successive governments; however we know the current government has made significant moves in the right direction. Municipalities are now allowed to spend their share of the Gas Tax Fund on actual roadway infrastructure, something that was bizarrely considered second tier or not eligible at all under the previous Liberal government. For this, the government should be commended; however there is still work to do.

In addition, Budget 2009 made the Gas Tax Fund a permanent measure, ensuring that municipalities have a steady source of funding for roadway infrastructure. This is an important step towards ensuring the sustainability of infrastructure spending in Canada, and stability in municipal finances. Further, the Conservative government has moved to phase out other, less serious infrastructure spending for items like bocce ball courts, water fountains and canoe museums.

Overall, the gap between what is collected in gas taxes and what is spent on roadways has closed remarkably since 2006. For these reasons, the CTF considers its efforts a huge victory, and so should taxpayers.

Section IV: Carbon Taxes Dead in the Cradle?

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 to reduce the amount of the household budget eaten up by fuel costs. Perhaps some will use public transit. Others will cycle. Or maybe the minivan will sit in the driveway and the kids will miss a few soccer practices. However, the facts suggest something quite different. When times are good, kids still go to soccer practices, but family budgets increasingly run on empty as government coffers swell.

When the economy grows, people move, work, save and invest. Families drive children to soccer practices, trucks move goods to market, and gasoline consumption tends to rise. When times are bad, people drive less for all sorts of reasons, reducing demand and reducing gasoline consumption.

According to *Statistics Canada*, gasoline consumption in Canada increased an average 1.7% per year between 2000 and 2008. It also reported that between March 2007 and March 2008, gasoline prices rose 7.9%, while Canadians consumed 11.3% more gasoline. In other words, higher prices and taxes did not reduce consumption.

Times have changed. Gasoline prices in January 2009 were 23.5% below the level in the same month in 2008. During the same period, gasoline consumption fell by 3.5%.

Families who have less money in their pockets and bank accounts do not drastically change their energy consumption habits when prices change. If, however, families are concerned about their economic well being, they will change their spending habits.

Of course, some believe that Canadians should pay double or more for a litre of gasoline than they do now, no matter what the state of family budgets. 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% or a 10 % increase in prices that will have any effect, but a 40% or 50% increase in gas prices that will," Marshall says.

By that logic, Canadians should pay \$2.00/litre – or \$7.50/gallon – which would see government windfalls soar and household budgets devastated.

Federal Carbon Taxes: Dead or Dormant?

In what has gone down as a historic example of disconnect from mainstream public opinion, Canadian voters overwhelmingly rejected the proposed carbon tax put forward by the Liberal Party of Canada in the 2008 General Election. The proposal was rightfully seen for what it was, a non-revenue-neutral tax grab designed to transfer money from consumers of products like gasoline to new social-engineering programs.

While an early supporter of the carbon tax scheme himself, Michael Ignatieff has dropped the proposal from his party's platform for reasons of electability after assuming the leadership of the Liberal Party. This development has left all "mainstream" parties - save the Green Party - rejecting this proposal. While there are still other damaging, anti-consumer proposals being put forward by all parties currently represented in the House of Commons – such as cap-and-trade – this is a hopeful sign that carbon taxes have gone the way of dinosaur and are now a fossil of public policy on the federal political scene.

Despite this, taxpayers know that no public policy victory is forever, nor that any defeat is everlasting. Once the memory of the carbon tax failure is swept from our collective memory, it may well return. Taxpayers must stay vigilant to ensure that its return is given similar treatment.

BC and Quebec Carbon Taxes: A Fossil of Public Policy

Carbon taxes attach a price to fossil fuels such as gasoline for the carbon dioxide (CO₂) they release into the atmosphere. 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% below 1990 levels by 2012. Oil companies are required to pay \$0.008/litre for gasoline distributed in Quebec and \$0.0094/litre for 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.

Table 1.1
B.C.'s Carbon Tax and Gasoline Tax Increase (with GST)

Date	Carbon Tax Per Tonne	Gas Tax with GST	Carbon Tax Per Litre
July 1st, 2008	\$10.00	\$0.0234	\$0.0248
July 1st, 2009	\$15.00	\$0.0351	\$0.0369
July 1st, 2010	\$20.00	\$0.0468	\$0.0491
July 1st, 2011	\$25.00	\$0.0585	\$0.0614
July 1st, 2012	\$30.00	\$0.0702	\$0.0737

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

The Quebec carbon tax directly taxes energy producers and importers. The Quebec government originally told the public that 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 imposed a carbon tax of \$10.00/tonne of CO₂ equivalent on July 1, 2008. This will rise by \$5.00 every year until it reaches \$30.00/tonne in 2012. The tax will be charged to end users of fossil fuels. The carbon tax resulted in a gasoline tax increase of \$0.0234/litre at the pump on July 1, 2008, and will continue rising to \$0.0723/litre 2012. In addition to this, the GST double-tax will increase as the BC government further drives up the pump price.

Reduced CO₂ Emissions or Tax Grab?

When Prime Minister Stephen Harper said a carbon tax was a tax grab, a tax on everything, and would screw everybody, he was right. Carbon taxes are unlikely to have any effect on CO₂ emissions in B.C. or Quebec, but they will raise the cost of energy for individuals directly through higher gasoline taxes, and indirectly as businesses pass their higher costs along to customers.

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, yet 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 3 million tonnes annually. 3 million tonnes is a mere 7.5% of B.C.'s greenhouse gas reduction goal of 33% from 2007 levels by 2020, or about 40 million tonnes. If the price of a 7.5% 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%. This appears to be nothing but a cynical tax-grab.

When the B.C. government introduced the carbon tax, it forecasted gasoline and diesel consumption to *increase* by 2% a year between 2008 and 2010. Not even the government expects the carbon tax to reduce gasoline consumption in B.C. Gasoline and diesel consumption did drop in 2008 but not as a result of 12% increase in the price of gasoline, rather because of the economic slowdown. Even though the volume of diesel sales fell by almost 6% in 2008/09, the B.C. government expects that volume to grow by 2% in each of the next three fiscal years.

Canadian taxpayers may recall that the previous federal Liberal government spent \$6 billion to reduce GHG emissions, and the country's GHGs grew by 33%.

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. 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.

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 \$0.015/litre “deficit elimination measure” could be removed since the federal books were in surplus, Liberals quickly changed the subject. When soaring gas prices began to hit 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 credit is due for initiating the transfer of gas tax revenues to municipalities, this too was bungled by making roads a secondary priority behind various Kyoto-inspired initiatives.

Conservatives and Gas Taxes

After the January 2006 federal election brought to power the first Conservative government in 13 years, many believed statements and commitments made by the Tories in opposition would finally become part of the government’s agenda.

During the 2004 federal election, then-Opposition Leader Stephen Harper promised to eliminate the GST on gasoline once it reached \$0.85/litre. The Conservative Opposition also pledged to stop GST double-taxing.

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.”

Prime Minister 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, the prime minister was quoted saying that gas taxes could be reduced by as much as \$0.05/litre. He also toured south-western Ontario in a minivan to highlight his commitment to reduce gas taxes and give motorists a break. The topic of 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 a petition with 35,000 signatures from the Canadian Taxpayers Federation calling on Ottawa to cut gas taxes. To date, the CTF has delivered 150,000 petitions to Parliament Hill calling 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 the 2008 federal election – which was based largely on the issue of raising gasoline and diesel prices via a carbon tax – the prime minister promised voters that he would cut diesel and aviation fuel taxes by half. To date, this commitment has gone unfulfilled.

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.

Section VI: Conclusion

Are We There Yet?

Canadians have been taken for a drive by governments for decades. Parties in power have turned left and nudged right, but the direction had remained relatively middle-of-the-road. Taxpayers have gone from being massively overtaxed for what was spent on roadways, to government narrowing the gap but instead spending it on Kyoto-inspired projects, to government finally taking action on a critical matter for motorists and the economy. Despite the closing gap, government still owes it to driving Canadians to be more transparent in how “infrastructure” dollars are spent federally, and how “transportation” dollars are spent provincially and municipally.

The long drive that taxpayers have been on has also included “creative taxation”: double-taxing with the GST, and continuing a deficit elimination tax while successive governments ran massive surpluses. In addition, high excise and consumption taxes have meant that when market prices have dropped, consumers have not seen a proportional share of the benefits.

It is for these reasons that the CTF is pressing the federal government to adopt the *Gas Tax Accountability Act*. Similar acts have already been passed in Saskatchewan and Manitoba, both provinces with NDP governments at the time, but both willing to take the issues of accountably seriously by tying gas taxes to roadway spending. The *Act* put forward by the CTF does this while ensuring that the \$0.015/litre “deficit elimination tax” will be eliminated when the deficit itself is, and that the GST is applied only to the market price, not additional taxes.

Governments have made progress on the long drive its taken taxpayers on, and the CTF is encouraged enough to confidently ask, “Are we there yet?”

Appendix

Appendix A – *Gas Tax Accountability Act*

**GASOLINE and DIESEL TAX ACCOUNTABILITY ACT:
An Act to Make Government Accountable for Revenue from Gasoline and Diesel Taxes**

SUMMARY

This enactment requires: the government to spend all revenue from gasoline and diesel fuel taxes on roadways and road-related infrastructure, while requiring that in the year following a surplus or shortfall in revenue, the government must present a plan for bringing expenditures and revenue into balance; that government will be required to end the application of the GST/HST to other federal and provincial taxes, and; that the government repeal the gasoline tax deficit elimination measure of 1995 with the introduction of the next budgetary surplus.

An Act to Make Government Accountable for Revenue from Gasoline and Diesel Taxes

Her Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:

SHORT TITLE

1. This Act may be cited as the *Gas Tax Accountability Act*.

DEFINITIONS

2. The following definitions apply in this Act:
 - a. 'federal transportation expenditures' means the total moneys appropriated by Parliament for a fiscal year for the department over which the minister responsible for Infrastructure Canada presides, and expended for the fiscal year by that department, less:
 - i. moneys expended by that department on constructing, operating, preserving or maintaining airports, seaports, rail, public transportation, recreational facilities, water and power facilities and any other non-road use infrastructure for the fiscal year; and
 - ii. moneys expended by that department on executive management for the fiscal year.
 - b. 'road-use fuel tax revenues' means the total revenue collected for a fiscal year through gasoline and diesel excise taxes.
 - c. 'deficit elimination gasoline tax measure' means the 1.5 cent per litre excise tax levied on gasoline in the 1995 Budget.
 - d. 'base gasoline excise tax level' means the excise tax on gasoline less the deficit elimination gasoline tax measure.
 - e. 'market price' means the cost of gasoline and diesel before federal, provincial and municipal excise, consumption or other taxes are applied.
 - f. 'pre-sale final price' means the cost of gasoline and diesel after federal, provincial and municipal excise, consumption or other taxes are applied, less sales taxes.
 - g. 'general sales tax and harmonized sales tax balance'; hereafter referred to as GST and HST balance, refers to the balance between what the federal government collects in GST and HST on the market price of gasoline and diesel, and what the federal government collects on the pre-sale final price of gasoline and diesel.

DEFICIT ELIMINATION GASOLINE TAX MEASURE

3. In the first year where the minister responsible for finance tables a budget projecting a surplus, the deficit elimination gasoline tax measure shall be eliminated and brought to the base gasoline excise tax level.
4. Clause (3) shall be repealed upon its successful application with the understanding that the elimination of the deficit elimination gasoline tax measure be made permanent.

GST and HST BALANCE

5. Commencing with the 2009-10 fiscal year, the minister responsible for finance shall prepare a report that indicates:
 - a. the GST and HST balance; and
 - b. measures that shall be taken to eliminate the GST and HST balance in the next fiscal year.

SPENDING ACCOUNTABILITY

6. Commencing with the 2009-10 fiscal year, the minister responsible for infrastructure shall prepare a report for each fiscal year that indicates:
 - a. the road-use fuel tax revenues for the previous fiscal year;
 - b. the amount spent on roadway expenditures for the previous fiscal year broken down by:
 - i. transfers to provinces;
 - ii. transfers to municipalities;
 - iii. cost-sharing projects; and
 - iv. direct expenditures;
7. If there is an excess or shortfall in the difference between the cumulative amounts mentioned in clause (6)(a) and (6)(b), the minister responsible for infrastructure shall submit a plan to manage federal transportation expenditures with the objective of bringing road-use fuel tax revenues and federal transportation expenditures into balance.
8. Any plan prepared pursuant to subsection (7) must be laid before Parliament at the same time as the estimates for the next fiscal year are laid before Parliament.

Appendix B: Gas Tax Honesty Mile Markers and Roadblocks

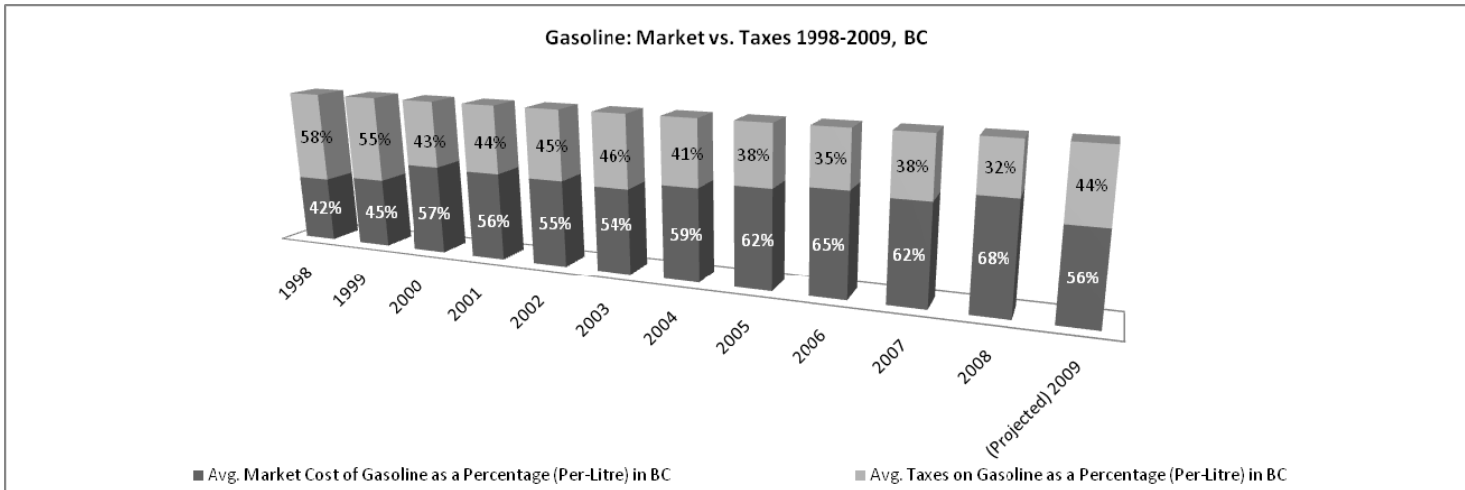
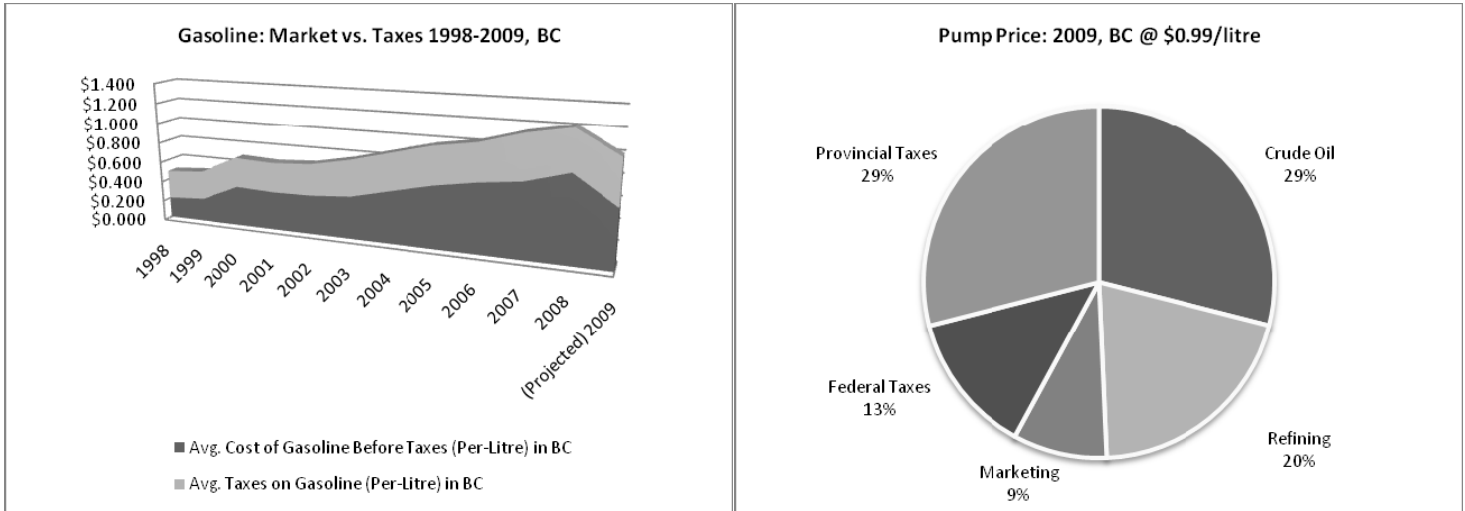
- In 1998, a report by the auditor-general states that the federal government spent \$3.5 billion over the past decade on roads and bridges, a total of just under 10% of the \$36 billion collected in gas taxes over the same period.
- On May 20th, 1999, the CTF holds its first Gas Tax Honesty Day calling 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 \$0.26/litre, which causes a small traffic jam at the pumps.
- 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 \$0.02/litre 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 \$0.01/litre 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/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 \$0.038/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 67% of revenues budgeted to be spent on “infrastructure” in 2007, 73% in 2008, and 146% 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/litre, one penny off record national average.
- In the 2008 federal election, Canadians overwhelmingly reject then-Opposition Leader Stephane Dion’s carbon tax proposal, re-electing Prime Minister Stephen Harper with a promise to cut diesel and aviation fuel taxes by in half.
- In February 2009, the federal government tables a budget projecting massive deficits. Included in the budgetary measures are so-call “stimulus” spending items, some of which temporarily close the gap between what is collected in gas taxes and what is spent on roads.

Appendix C: Provincial Fact Sheets

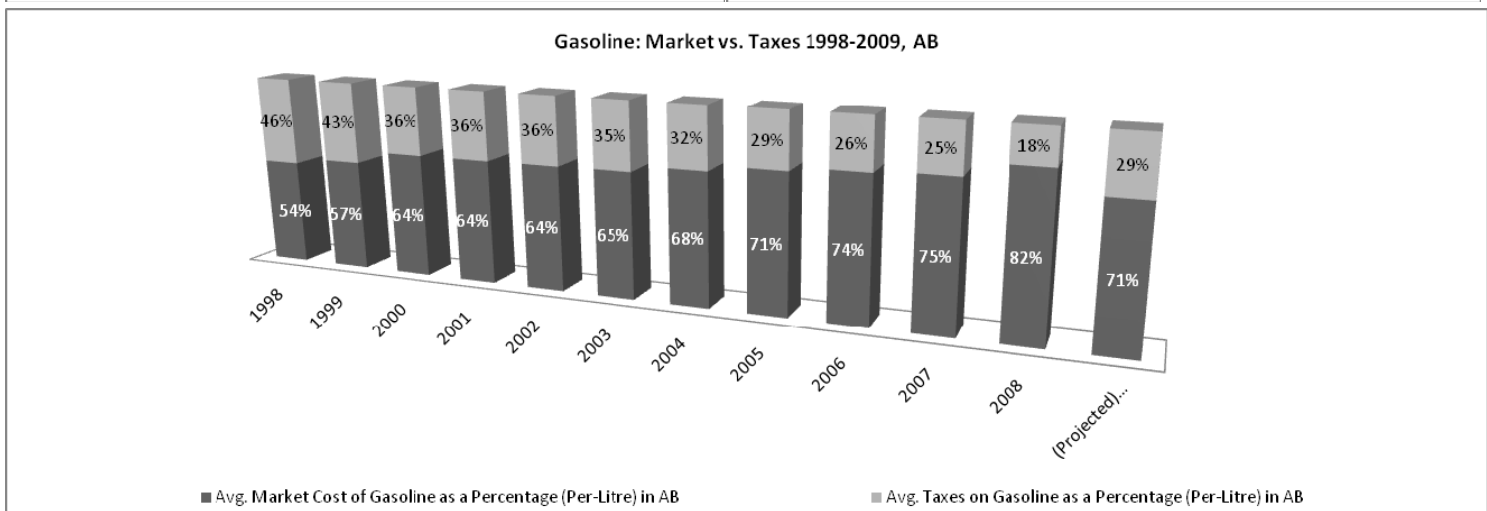
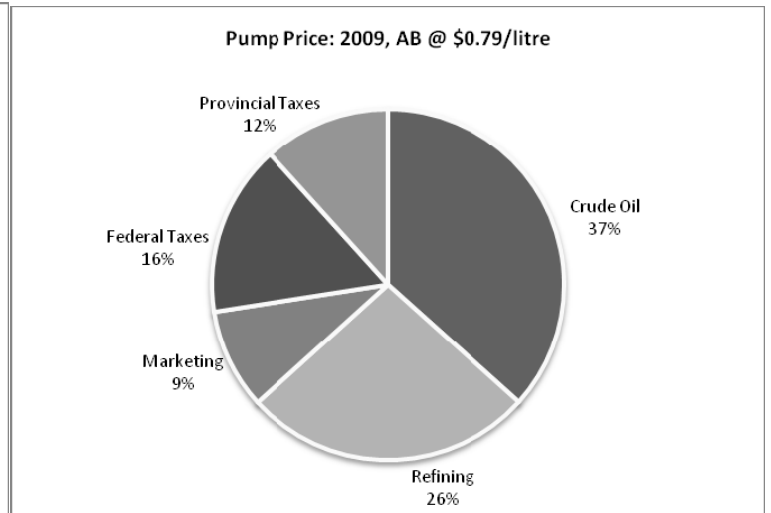
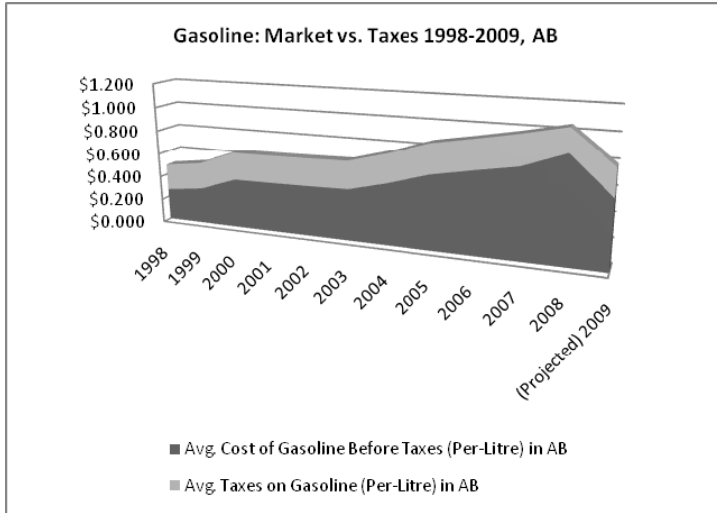
BRITISH COLUMBIA: Gas Tax Facts



Are We There Yet?: 11th Annual Gas Tax Honesty Report

Year	Crude Costs	Refiner Operating Margin	Marketing Operating Margin	Avg. Cost of Gasoline Without Taxes (Per - Litre)	Provincial Consumption Tax (Per-Litre)	Federal Excise Tax (Per-Litre)	Net Additional Taxes (Per-Litre)	Avg. Cost of Gasoline With "Quantity" Taxes Only (Per - Litre)	QST	GST / HST (Provincial Share)	GST / HST (Federal Share)	Avg. Cost of Gasoline With Taxes (Per - Litre)	Net Litres Sold - (Figures Not Available for 2008 & 2009)
2009	\$0.282	\$0.198	\$0.084	\$0.564	\$0.168	\$0.100	\$0.120	\$0.952			5.0%	\$1.000	4,554,406,000
2008	\$0.645	\$0.113	\$0.073	\$0.831	\$0.168	\$0.100	\$0.120	\$1.219			5.0%	\$1.280	4,554,406,000
2007	\$0.484	\$0.166	\$0.066	\$0.716	\$0.145	\$0.100	\$0.120	\$1.081			6.0%	\$1.146	4,554,406,000
2006	\$0.460	\$0.167	\$0.042	\$0.669	\$0.145	\$0.100	\$0.060	\$0.974			6.0%	\$1.032	4,524,469,000
2005	\$0.435	\$0.128	\$0.039	\$0.602	\$0.145	\$0.100	\$0.060	\$0.907			7.0%	\$0.970	4,507,834,000
2004	\$0.332	\$0.129	\$0.050	\$0.511	\$0.145	\$0.100	\$0.060	\$0.816			7.0%	\$0.873	4,543,450,000
2003	\$0.273	\$0.117	\$0.027	\$0.417	\$0.145	\$0.100	\$0.060	\$0.722			7.0%	\$0.773	4,512,548,000
2002	\$0.252	\$0.105	\$0.029	\$0.386	\$0.110	\$0.100	\$0.055	\$0.651			7.0%	\$0.697	4,532,446,000
2001	\$0.246	\$0.114	\$0.019	\$0.379	\$0.110	\$0.100	\$0.040	\$0.629			7.0%	\$0.673	4,460,565,000
2000	\$0.279	\$0.096	\$0.020	\$0.395	\$0.110	\$0.100	\$0.040	\$0.645			7.0%	\$0.690	4,406,399,000
1999	\$0.172	\$0.077	-\$0.018	\$0.231	\$0.110	\$0.100	\$0.040	\$0.481			7.0%	\$0.515	4,489,276,000
1998	\$0.127	\$0.080	-\$0.002	\$0.205	\$0.110	\$0.100	\$0.040	\$0.455			7.0%	\$0.487	4,400,672,000

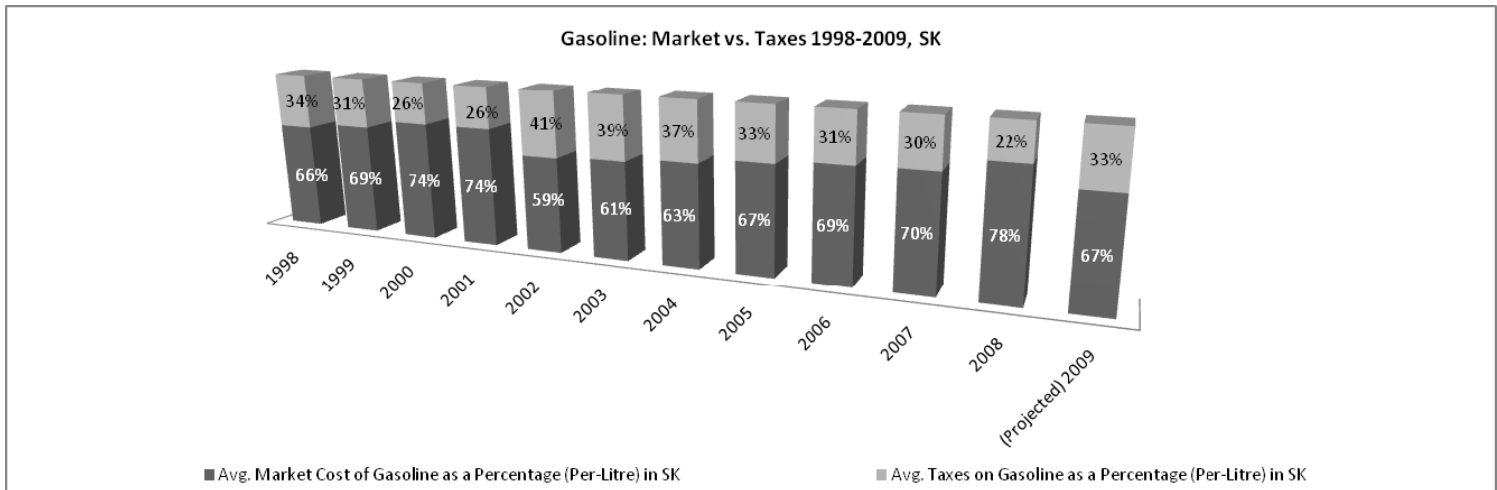
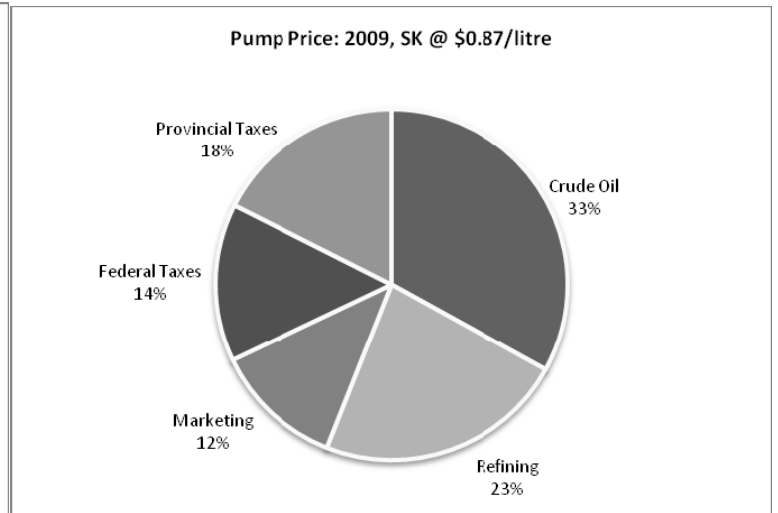
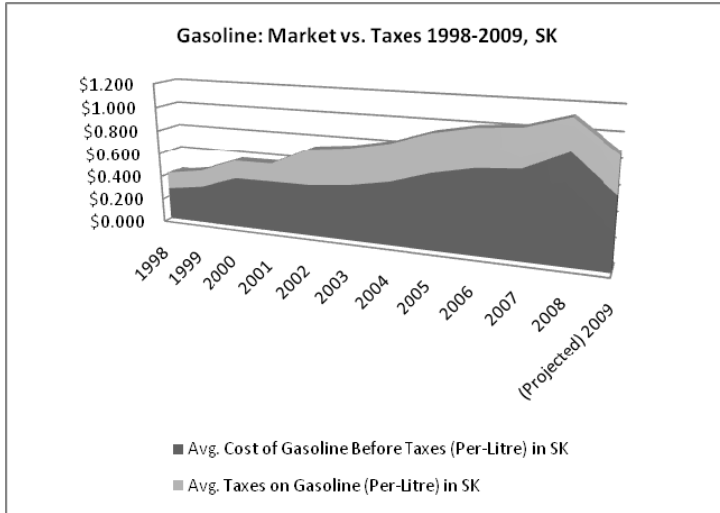
ALBERTA: Gas Tax Facts



Are We There Yet?: 11th Annual Gas Tax Honesty Report

Year	Crude Costs	Refiner Operating Margin	Marketing Operating Margin	Avg. Cost of Gasoline Without Taxes (Per - Litre)	Provincial Consumption Tax (Per-Litre)	Federal Excise Tax (Per-Litre)	Net Additional Taxes (Per-Litre)	Avg. Cost of Gasoline With "Quantity" Taxes Only (Per - Litre)	QST	GST / HST (Provincial Share)	GST / HST (Federal Share)	Avg. Cost of Gasoline With Taxes (Per - Litre)	Net Litres Sold - (Figures Not Available for 2008 & 2009)
2009	\$0.282	\$0.205	\$0.071	\$0.558	\$0.090	\$0.100		\$0.748			5.0%	\$0.785	5,298,000,000
2008	\$0.645	\$0.136	\$0.078	\$0.859	\$0.090	\$0.100		\$1.049			5.0%	\$1.101	5,298,000,000
2007	\$0.484	\$0.156	\$0.092	\$0.732	\$0.090	\$0.100		\$0.922			6.0%	\$0.977	5,298,000,000
2006	\$0.460	\$0.156	\$0.057	\$0.673	\$0.090	\$0.100		\$0.863			6.0%	\$0.915	5,139,600,000
2005	\$0.435	\$0.118	\$0.057	\$0.610	\$0.090	\$0.100		\$0.800			7.0%	\$0.856	4,884,300,000
2004	\$0.332	\$0.123	\$0.056	\$0.511	\$0.090	\$0.100		\$0.701			7.0%	\$0.750	4,831,900,000
2003	\$0.273	\$0.117	\$0.038	\$0.428	\$0.090	\$0.100		\$0.618			7.0%	\$0.661	4,770,900,000
2002	\$0.252	\$0.105	\$0.064	\$0.421	\$0.090	\$0.100		\$0.611			7.0%	\$0.654	4,778,900,000
2001	\$0.246	\$0.114	\$0.056	\$0.416	\$0.090	\$0.100		\$0.606			7.0%	\$0.648	4,646,200,000
2000	\$0.279	\$0.077	\$0.057	\$0.413	\$0.090	\$0.100		\$0.603			7.0%	\$0.645	4,548,300,000
1999	\$0.172	\$0.066	\$0.065	\$0.303	\$0.090	\$0.100		\$0.493			7.0%	\$0.528	4,491,300,000
1998	\$0.127	\$0.073	\$0.064	\$0.264	\$0.090	\$0.100		\$0.454			7.0%	\$0.486	4,406,400,000

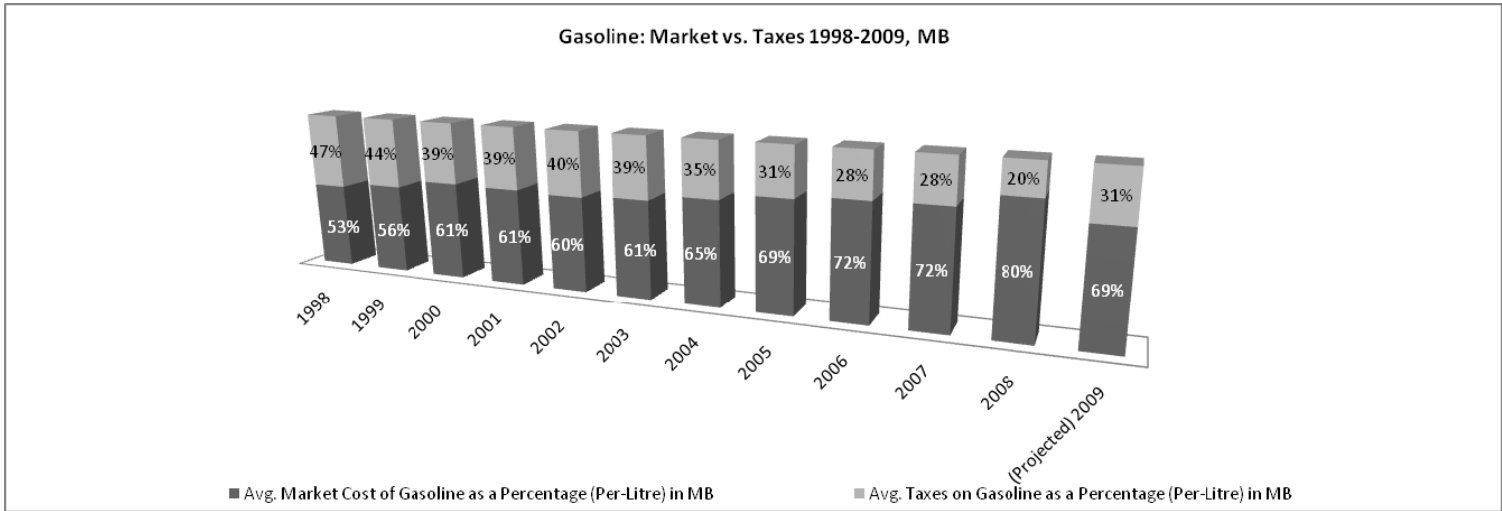
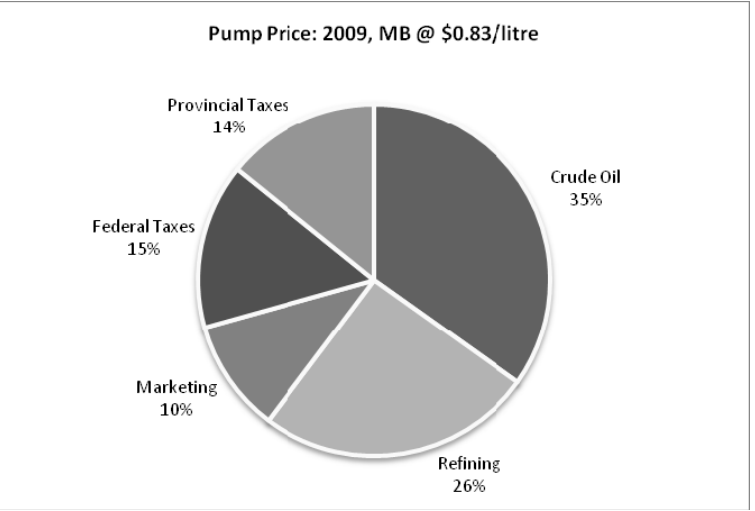
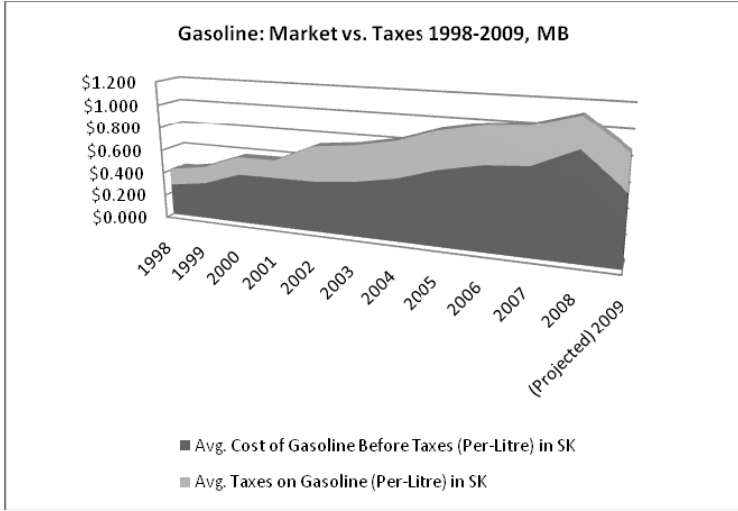
SASKATCHEWAN: Gas Tax Facts



Are We There Yet?: 11th Annual Gas Tax Honesty Report

Year	Crude Costs	Refiner Operating Margin	Marketing Operating Margin	Avg. Cost of Gasoline Without Taxes (Per - Litre)	Provincial Consumption Tax (Per-Litre)	Federal Excise Tax (Per-Litre)	Net Additional Taxes (Per-Litre)	Avg. Cost of Gasoline With "Quantity" Taxes Only (Per - Litre)	QST	GST / HST (Provincial Share)	GST / HST (Federal Share)	Avg. Cost of Gasoline With Taxes (Per - Litre)	Net Litres Sold - (Figures Not Available for 2008 & 2009)
2009	\$0.282	\$0.196	\$0.102	\$0.580	\$0.150	\$0.100		\$0.830			5.0%	\$0.872	1,219,892,000
2008	\$0.645	\$0.124	\$0.101	\$0.870	\$0.150	\$0.100		\$1.120			5.0%	\$1.176	1,219,892,000
2007	\$0.484	\$0.151	\$0.080	\$0.715	\$0.150	\$0.100		\$0.965			6.0%	\$1.023	1,219,892,000
2006	\$0.460	\$0.151	\$0.080	\$0.691	\$0.150	\$0.100		\$0.941			6.0%	\$0.997	1,160,399,000
2005	\$0.435	\$0.115	\$0.072	\$0.622	\$0.150	\$0.100		\$0.872			7.0%	\$0.933	1,176,858,000
2004	\$0.332	\$0.068	\$0.121	\$0.521	\$0.150	\$0.100		\$0.771			7.0%	\$0.825	1,227,099,000
2003	\$0.273	\$0.115	\$0.073	\$0.461	\$0.150	\$0.100		\$0.711			7.0%	\$0.761	1,271,865,000
2002	\$0.252	\$0.104	\$0.073	\$0.429	\$0.150	\$0.100		\$0.679			7.0%	\$0.727	1,269,309,000
2001	\$0.246	\$0.114	\$0.067	\$0.427	\$0.015	\$0.100		\$0.542			7.0%	\$0.580	1,054,694,000
2000	\$0.279	\$0.079	\$0.066	\$0.424	\$0.015	\$0.100		\$0.539			7.0%	\$0.577	1,292,393,000
1999	\$0.172	\$0.068	\$0.076	\$0.316	\$0.015	\$0.100		\$0.431			7.0%	\$0.461	1,366,647,000
1998	\$0.127	\$0.075	\$0.068	\$0.270	\$0.015	\$0.100		\$0.385			7.0%	\$0.412	1,316,353,000

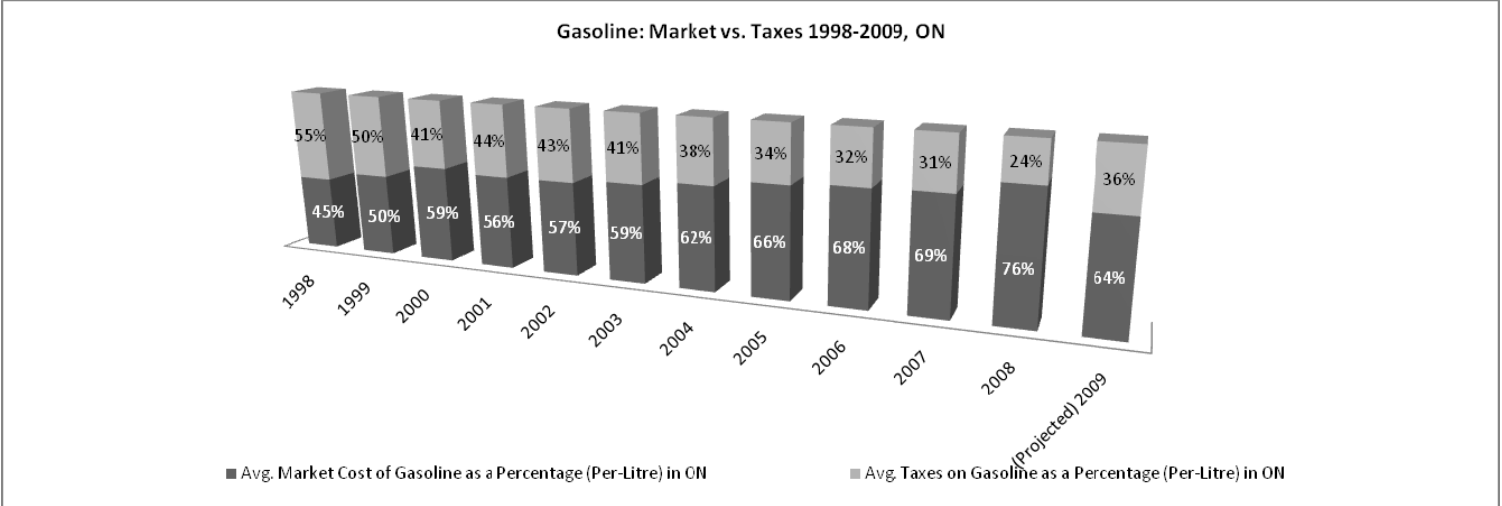
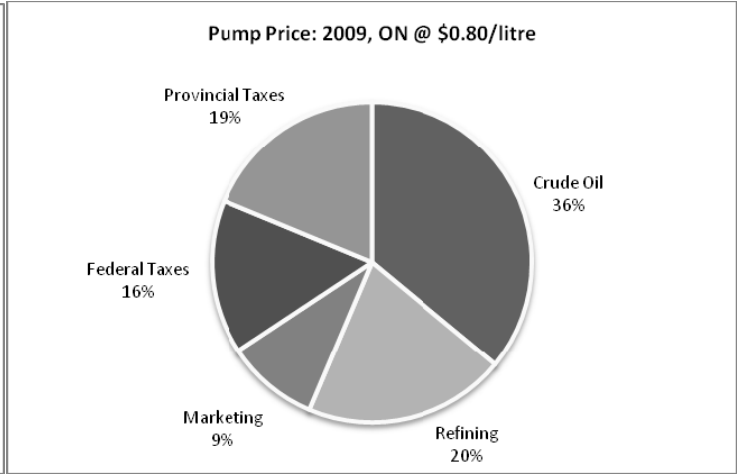
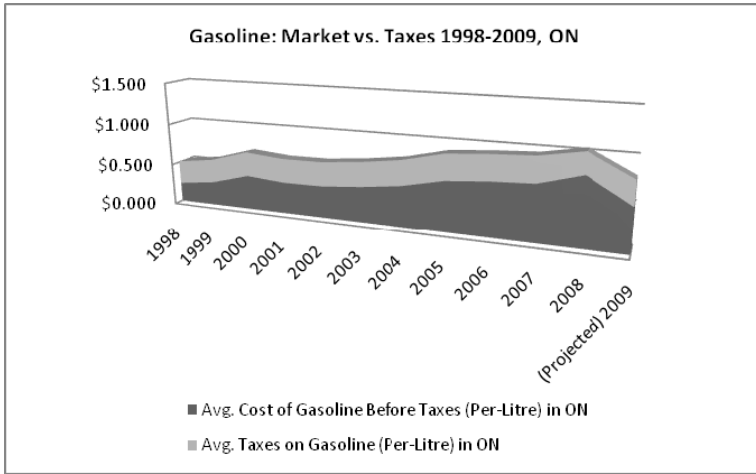
MANITOBA: Gas Tax Facts



Are We There Yet?: 11th Annual Gas Tax Honesty Report

Year	Crude Costs	Refiner Operating Margin	Marketing Operating Margin	Avg. Cost of Gasoline Without Taxes (Per - Litre)	Provincial Consumption Tax (Per-Litre)	Federal Excise Tax (Per-Litre)	Net Additional Taxes (Per-Litre)	Avg. Cost of Gasoline With "Quantity" Taxes Only (Per - Litre)	QST	GST / HST (Provincial Share)	GST / HST (Federal Share)	Avg. Cost of Gasoline With Taxes (Per - Litre)	Net Litres Sold - (Figures Not Available for 2008 & 2009)
2009	\$0.282	\$0.206	\$0.084	\$0.572	\$0.115	\$0.100		\$0.787			5.0%	\$0.826	1,364,554,000
2008	\$0.645	\$0.131	\$0.100	\$0.876	\$0.115	\$0.100		\$1.091			5.0%	\$1.146	1,364,554,000
2007	\$0.484	\$0.155	\$0.070	\$0.709	\$0.115	\$0.100		\$0.924			6.0%	\$0.979	1,364,554,000
2006	\$0.460	\$0.155	\$0.070	\$0.685	\$0.115	\$0.100		\$0.900			6.0%	\$0.954	1,331,046,000
2005	\$0.435	\$0.119	\$0.065	\$0.619	\$0.115	\$0.100		\$0.834			7.0%	\$0.892	1,328,805,000
2004	\$0.332	\$0.125	\$0.040	\$0.497	\$0.115	\$0.100		\$0.712			7.0%	\$0.762	1,347,594,000
2003	\$0.273	\$0.119	\$0.019	\$0.411	\$0.115	\$0.100		\$0.626			7.0%	\$0.670	1,363,185,000
2002	\$0.252	\$0.108	\$0.019	\$0.379	\$0.115	\$0.100		\$0.594			7.0%	\$0.636	1,360,651,000
2001	\$0.246	\$0.119	\$0.035	\$0.400	\$0.115	\$0.100		\$0.615			7.0%	\$0.658	1,322,522,000
2000	\$0.279	\$0.084	\$0.047	\$0.410	\$0.115	\$0.100		\$0.625			7.0%	\$0.669	1,304,807,000
1999	\$0.172	\$0.072	\$0.078	\$0.322	\$0.115	\$0.100		\$0.537			7.0%	\$0.575	1,296,423,000
1998	\$0.127	\$0.081	\$0.075	\$0.283	\$0.115	\$0.100		\$0.498			7.0%	\$0.533	1,261,374,000

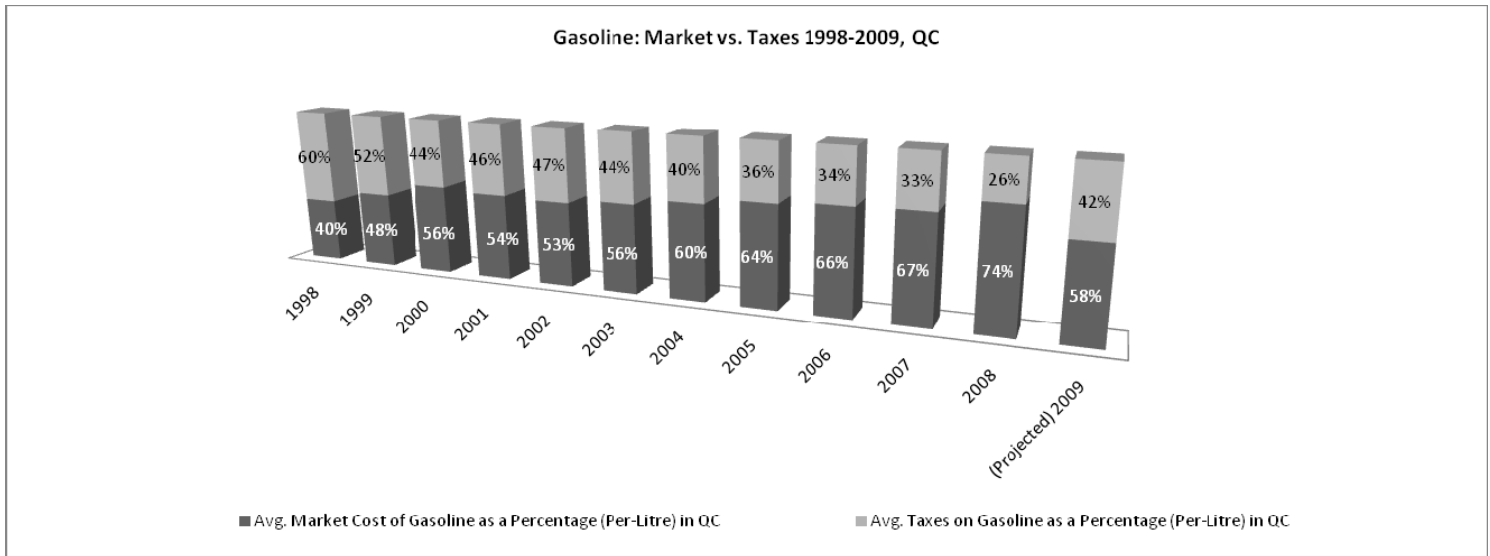
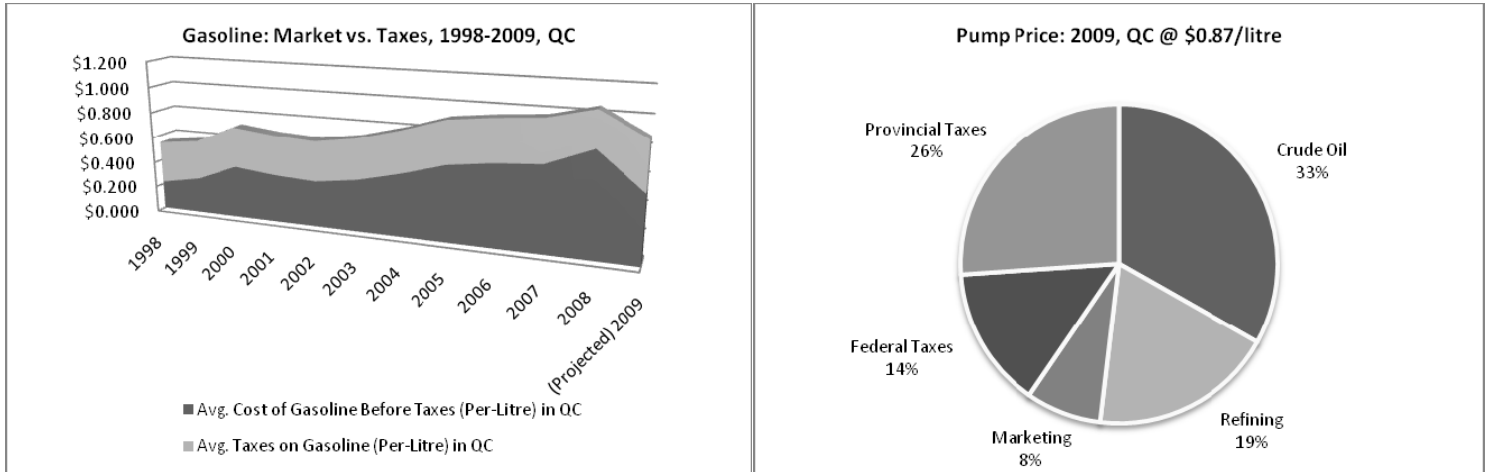
ONTARIO: Gas Tax Facts



Are We There Yet?: 11th Annual Gas Tax Honesty Report

Year	Crude Costs	Refiner Operating Margin	Marketing Operating Margin	Avg. Cost of Gasoline Without Taxes (Per - Litre)	Provincial Consumption Tax (Per-Litre)	Federal Excise Tax (Per-Litre)	Net Additional Taxes (Per-Litre)	Avg. Cost of Gasoline With "Quantity" Taxes Only (Per - Litre)	QST	GST / HST (Provincial Share)	GST / HST (Federal Share)	Avg. Cost of Gasoline With Taxes (Per - Litre)	Net Litres Sold - (Figures Not Available for 2008 & 2009)
2009	\$0.282	\$0.160	\$0.073	\$0.515	\$0.147	\$0.100		\$0.762			5.0%	\$0.800	15,707,150,000
2008	\$0.645	\$0.095	\$0.061	\$0.801	\$0.147	\$0.100		\$1.048			5.0%	\$1.100	15,707,150,000
2007	\$0.484	\$0.131	\$0.045	\$0.660	\$0.147	\$0.100		\$0.907			6.0%	\$0.961	15,707,150,000
2006	\$0.460	\$0.155	\$0.070	\$0.685	\$0.115	\$0.100		\$0.900			6.0%	\$0.954	1,331,046,000
2005	\$0.435	\$0.109	\$0.049	\$0.593	\$0.147	\$0.100		\$0.840			7.0%	\$0.899	15,338,069,000
2004	\$0.332	\$0.116	\$0.038	\$0.486	\$0.147	\$0.100		\$0.733			7.0%	\$0.784	15,505,570,000
2003	\$0.273	\$0.119	\$0.019	\$0.411	\$0.115	\$0.100		\$0.626			7.0%	\$0.670	1,363,185,000
2002	\$0.252	\$0.084	\$0.046	\$0.382	\$0.147	\$0.100		\$0.629			7.0%	\$0.673	14,943,145,000
2001	\$0.246	\$0.095	\$0.036	\$0.377	\$0.147	\$0.100		\$0.624			7.0%	\$0.668	14,342,128,000
2000	\$0.279	\$0.092	\$0.043	\$0.414	\$0.147	\$0.100		\$0.661			7.0%	\$0.707	13,868,131,000
1999	\$0.172	\$0.068	\$0.047	\$0.287	\$0.147	\$0.100		\$0.534			7.0%	\$0.571	13,734,980,000
1998	\$0.127	\$0.067	\$0.036	\$0.230	\$0.147	\$0.100		\$0.477			7.0%	\$0.510	13,060,801,000

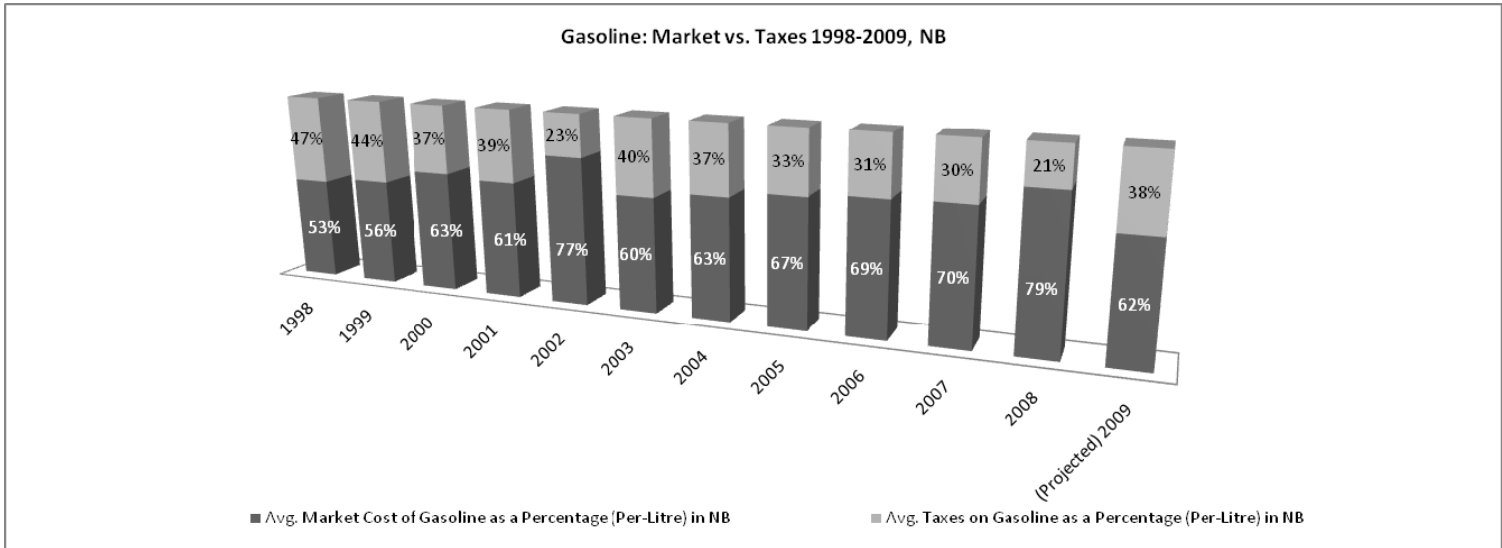
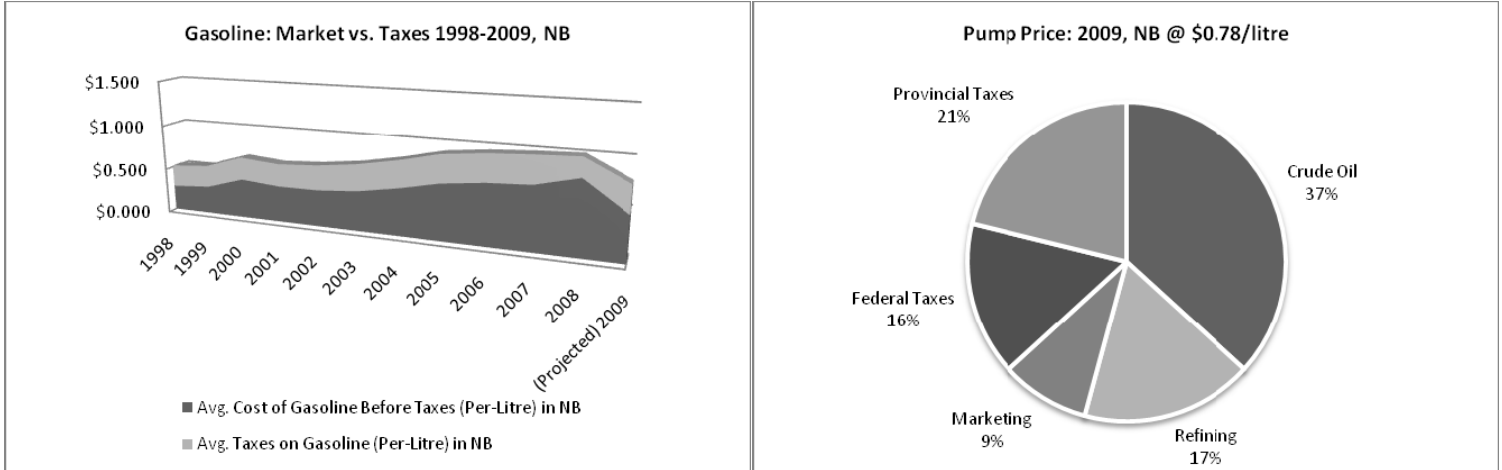
QUEBEC: Gas Tax Facts



Are We There Yet?: 11th Annual Gas Tax Honesty Report

Year	Crude Costs	Refiner Operating Margin	Marketing Operating Margin	Avg. Cost of Gasoline Without Taxes (Per - Litre)	Provincial Consumption Tax (Per-Litre)	Federal Excise Tax (Per-Litre)	Net Additional Taxes (Per-Litre)	Avg. Cost of Gasoline With "Quantity" Taxes Only (Per - Litre)	QST	GST / HST (Provincial Share)	GST / HST (Federal Share)	Avg. Cost of Gasoline With Taxes (Per - Litre)	Net Litres Sold - (Figures Not Available for 2008 & 2009)
2009	\$0.282	\$0.159	\$0.065	\$0.506	\$0.152	\$0.100	\$0.015	\$0.773	7.5%		5.0%	\$0.870	8,361,886,000
2008	\$0.645	\$0.090	\$0.045	\$0.780	\$0.152	\$0.100	\$0.015	\$1.047	7.5%		5.0%	\$1.178	8,361,886,000
2007	\$0.484	\$0.123	\$0.037	\$0.644	\$0.152	\$0.100	\$0.015	\$0.911	7.5%		6.0%	\$0.966	8,361,886,000
2006	\$0.460	\$0.123	\$0.037	\$0.620	\$0.152	\$0.100	\$0.015	\$0.887	7.5%		6.0%	\$0.940	8,159,065,000
2005	\$0.435	\$0.102	\$0.039	\$0.576	\$0.152	\$0.100	\$0.015	\$0.843	7.5%		7.0%	\$0.902	8,186,886,000
2004	\$0.332	\$0.110	\$0.038	\$0.480	\$0.152	\$0.100	\$0.015	\$0.747	7.5%		7.0%	\$0.799	8,309,692,000
2003	\$0.273	\$0.090	\$0.037	\$0.400	\$0.152	\$0.100	\$0.015	\$0.667	7.5%		7.0%	\$0.714	7,958,452,000
2002	\$0.252	\$0.072	\$0.030	\$0.354	\$0.152	\$0.100	\$0.015	\$0.621	7.5%		7.0%	\$0.664	7,885,344,000
2001	\$0.246	\$0.080	\$0.044	\$0.370	\$0.152	\$0.100	\$0.015	\$0.637	7.5%		7.0%	\$0.682	7,621,810,000
2000	\$0.279	\$0.079	\$0.046	\$0.404	\$0.152	\$0.100	\$0.015	\$0.671	7.5%		7.0%	\$0.718	7,858,795,000
1999	\$0.172	\$0.055	\$0.050	\$0.277	\$0.152	\$0.100	\$0.015	\$0.544	7.5%		7.0%	\$0.582	7,717,499,000
1998	\$0.127	\$0.056	\$0.035	\$0.218	\$0.152	\$0.100	\$0.039	\$0.509	7.5%		7.0%	\$0.545	7,811,707,000

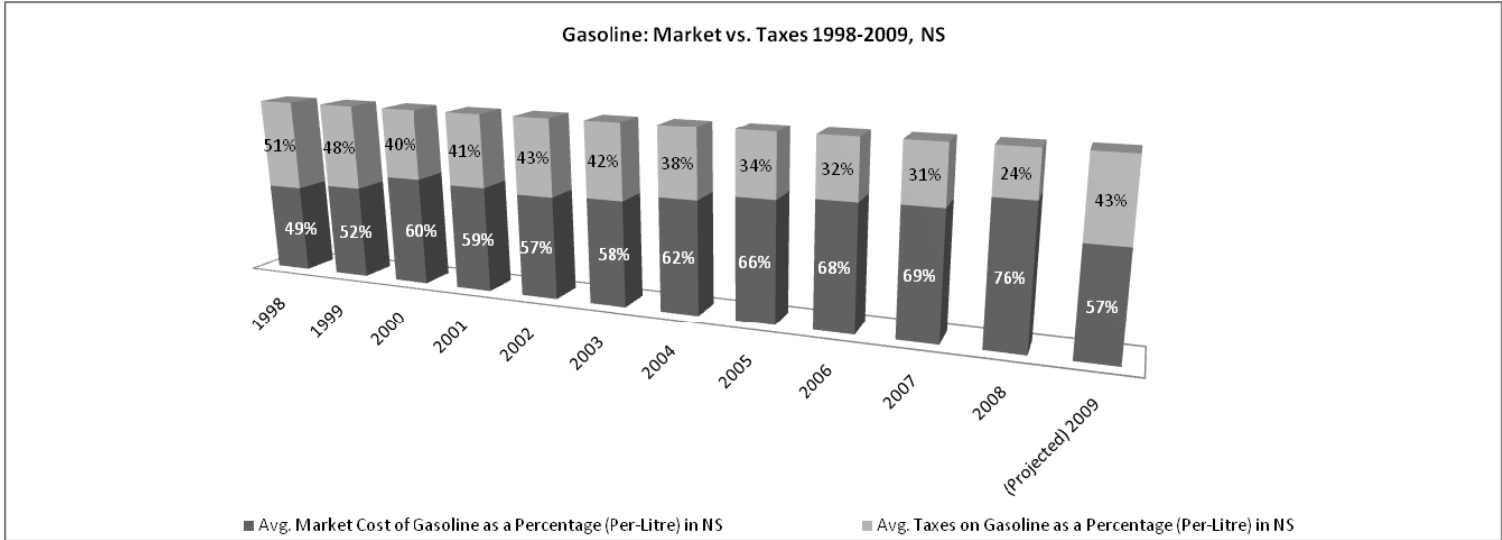
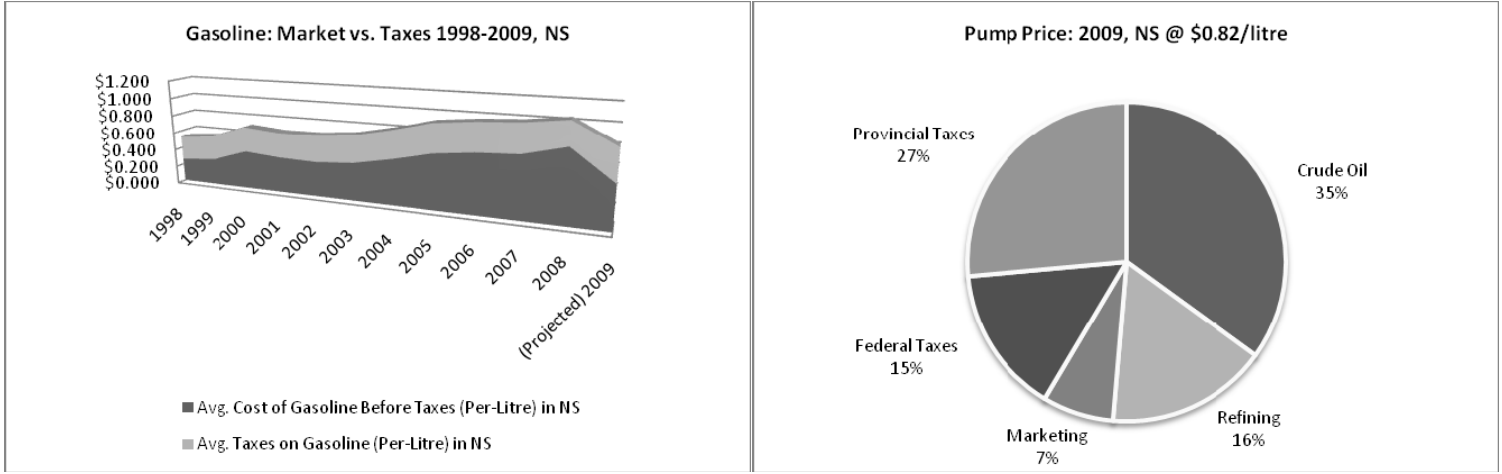
NEW BRUNSWICK: Gas Tax Facts



Are We There Yet?: 11th Annual Gas Tax Honesty Report

Year	Crude Costs	Refiner Operating Margin	Marketing Operating Margin	Avg. Cost of Gasoline Without Taxes (Per - Litre)	Provincial Consumption Tax (Per-Litre)	Federal Excise Tax (Per-Litre)	Net Additional Taxes (Per-Litre)	Avg. Cost of Gasoline With "Quantity" Taxes Only (Per - Litre)	QST	GST / HST (Provincial Share)	GST / HST (Federal Share)	Avg. Cost of Gasoline With Taxes (Per - Litre)	Net Litres Sold - (Figures Not Available for 2008 & 2009)
2009	\$0.282	\$0.134	\$0.069	\$0.485	\$0.107	\$0.100		\$0.692		8.0%	5.0%	\$0.782	1,033,704,000
2008	\$0.645	\$0.068	\$0.086	\$0.799	\$0.107	\$0.100		\$1.006		8.0%	5.0%	\$1.137	1,033,704,000
2007	\$0.484	\$0.116	\$0.087	\$0.687	\$0.145	\$0.100		\$0.932		8.0%	6.0%	\$0.988	1,033,704,000
2006	\$0.460	\$0.116	\$0.087	\$0.663	\$0.145	\$0.100		\$0.908		8.0%	6.0%	\$0.962	983,830,000
2005	\$0.435	\$0.094	\$0.082	\$0.611	\$0.145	\$0.100		\$0.856		8.0%	7.0%	\$0.916	956,802,000
2004	\$0.332	\$0.106	\$0.078	\$0.516	\$0.145	\$0.100		\$0.761		8.0%	7.0%	\$0.814	956,802,000
2003	\$0.273	\$0.087	\$0.078	\$0.438	\$0.145	\$0.100		\$0.683		8.0%	7.0%	\$0.731	1,027,076,000
2002	\$0.252	\$0.072	\$0.780	\$1.104	\$0.131	\$0.100		\$1.335		8.0%	7.0%	\$1.428	1,065,779,000
2001	\$0.246	\$0.083	\$0.070	\$0.399	\$0.109	\$0.100		\$0.608		8.0%	7.0%	\$0.651	1,041,519,000
2000	\$0.279	\$0.087	\$0.068	\$0.434	\$0.107	\$0.100		\$0.641		8.0%	7.0%	\$0.686	1,019,441,000
1999	\$0.172	\$0.068	\$0.067	\$0.307	\$0.107	\$0.100		\$0.514		8.0%	7.0%	\$0.550	1,053,862,000
1998	\$0.127	\$0.067	\$0.080	\$0.274	\$0.107	\$0.100		\$0.481		8.0%	7.0%	\$0.515	1,019,099,000

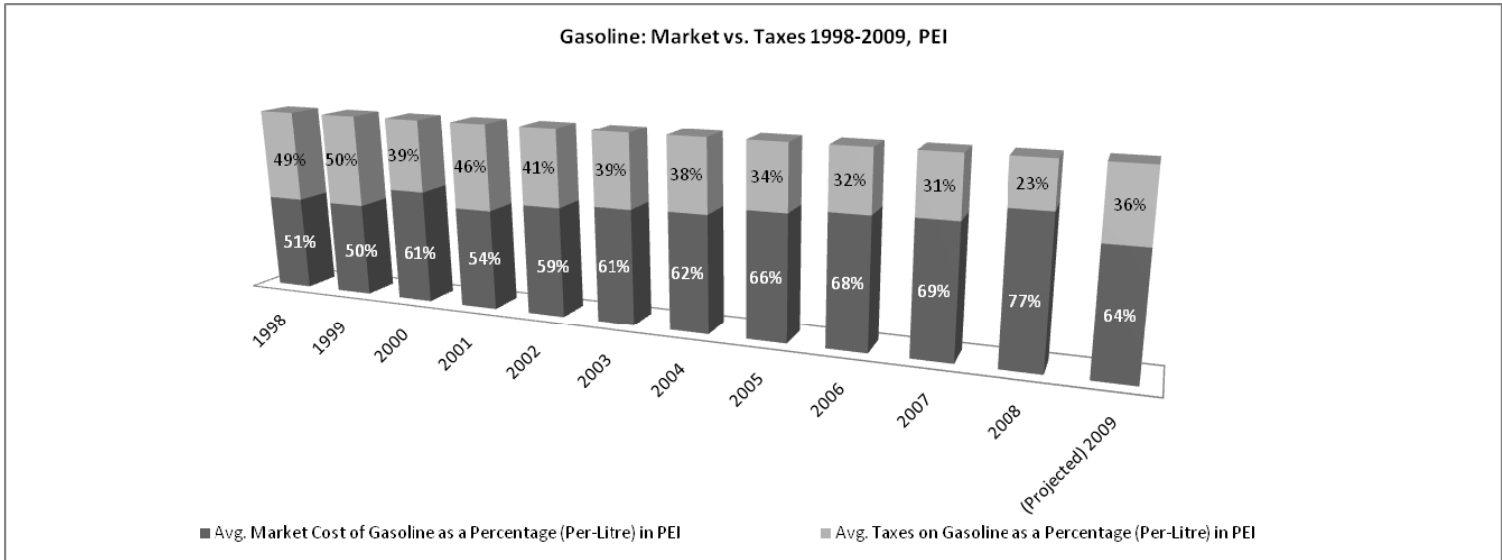
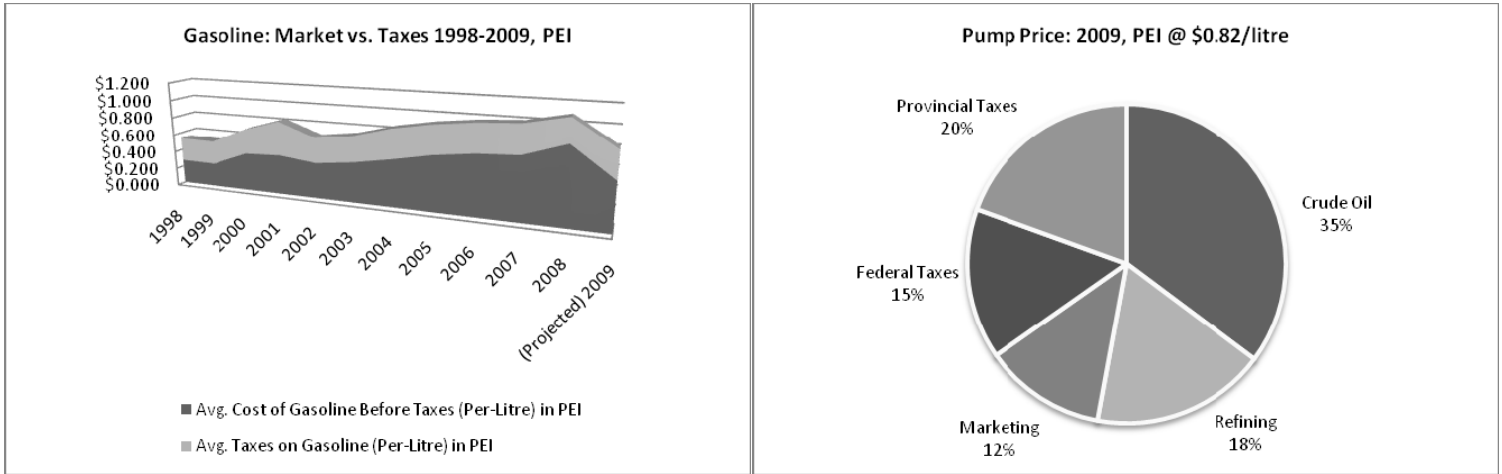
NOVA SCOTIA: Gas Tax Facts



Are We There Yet?: 11th Annual Gas Tax Honesty Report

Year	Crude Costs	Refiner Operating Margin	Marketing Operating Margin	Avg. Cost of Gasoline Without Taxes (Per - Litre)	Provincial Consumption Tax (Per-Litre)	Federal Excise Tax (Per-Litre)	Net Additional Taxes (Per-Litre)	Avg. Cost of Gasoline With "Quantity" Taxes Only (Per - Litre)	QST	GST / HST (Provincial Share)	GST / HST (Federal Share)	Avg. Cost of Gasoline With Taxes (Per - Litre)	Net Litres Sold - (Figures Not Available for 2008 & 2009)
2009	\$0.282	\$0.132	\$0.058	\$0.472	\$0.155	\$0.100		\$0.727		8.0%	5.0%	\$0.822	1,182,790,000
2008	\$0.645	\$0.065	\$0.077	\$0.787	\$0.155	\$0.100		\$1.042		8.0%	5.0%	\$1.177	1,182,790,000
2007	\$0.484	\$0.115	\$0.077	\$0.676	\$0.155	\$0.100		\$0.931		8.0%	6.0%	\$0.987	1,182,790,000
2006	\$0.460	\$0.115	\$0.077	\$0.652	\$0.155	\$0.100		\$0.907		8.0%	6.0%	\$0.961	1,192,608,000
2005	\$0.435	\$0.092	\$0.076	\$0.603	\$0.155	\$0.100		\$0.858		8.0%	7.0%	\$0.918	1,188,259,000
2004	\$0.332	\$0.104	\$0.068	\$0.504	\$0.155	\$0.100		\$0.759		8.0%	7.0%	\$0.812	1,188,259,000
2003	\$0.273	\$0.085	\$0.062	\$0.420	\$0.155	\$0.100		\$0.675		8.0%	7.0%	\$0.722	1,214,712,000
2002	\$0.252	\$0.070	\$0.066	\$0.388	\$0.150	\$0.100		\$0.638		8.0%	7.0%	\$0.683	1,202,711,000
2001	\$0.246	\$0.082	\$0.070	\$0.398	\$0.135	\$0.100		\$0.633		8.0%	7.0%	\$0.677	1,179,199,000
2000	\$0.279	\$0.083	\$0.066	\$0.428	\$0.135	\$0.100		\$0.663		8.0%	7.0%	\$0.709	1,191,306,000
1999	\$0.172	\$0.062	\$0.062	\$0.296	\$0.135	\$0.100		\$0.531		8.0%	7.0%	\$0.568	1,157,551,000
1998	\$0.127	\$0.060	\$0.074	\$0.261	\$0.135	\$0.100		\$0.496		8.0%	7.0%	\$0.531	1,169,653,000

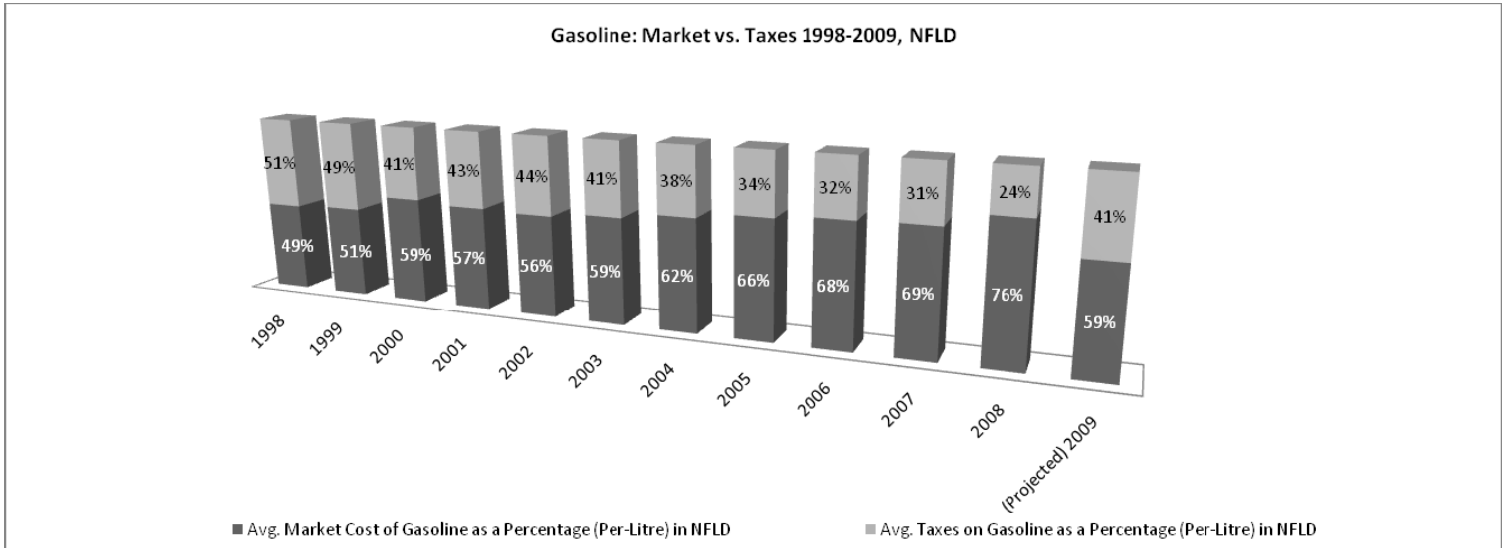
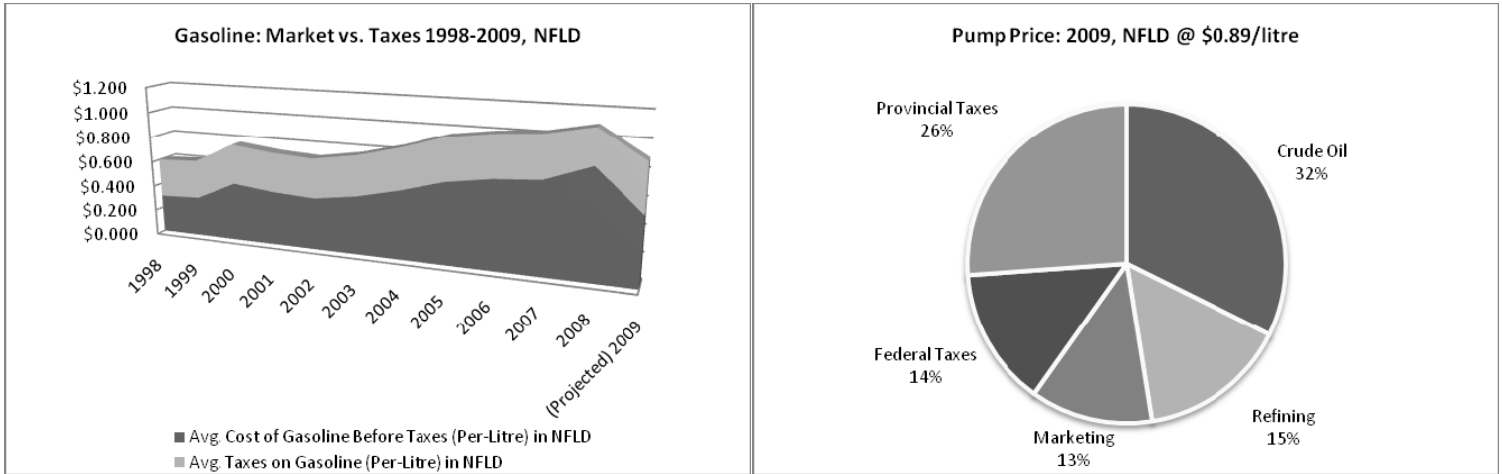
PRINCE EDWARD ISLAND: Gas Tax Facts



Are We There Yet?: 11th Annual Gas Tax Honesty Report

Year	Crude Costs	Refiner Operating Margin	Marketing Operating Margin	Avg. Cost of Gasoline Without Taxes (Per - Litre)	Provincial Consumption Tax (Per-Litre)	Federal Excise Tax (Per-Litre)	Net Additional Taxes (Per-Litre)	Avg. Cost of Gasoline With "Quantity" Taxes Only (Per - Litre)	QST	GST / HST (Provincial Share)	GST / HST (Federal Share)	Avg. Cost of Gasoline With Taxes (Per - Litre)	Net Litres Sold - (Figures Not Available for 2008 & 2009)
2009	\$0.282	\$0.142	\$0.099	\$0.523	\$0.156	\$0.100		\$0.779			5.0%	\$0.818	196,120,000
2008	\$0.645	\$0.075	\$0.114	\$0.834	\$0.156	\$0.100		\$1.090			5.0%	\$1.145	196,120,000
2007	\$0.484	\$0.124	\$0.078	\$0.686	\$0.156	\$0.100		\$0.942			6.0%	\$0.999	196,120,000
2006	\$0.460	\$0.124	\$0.078	\$0.662	\$0.156	\$0.100		\$0.918			6.0%	\$0.973	194,312,000
2005	\$0.435	\$0.092	\$0.080	\$0.607	\$0.156	\$0.100		\$0.863			7.0%	\$0.923	207,675,000
2004	\$0.332	\$0.104	\$0.088	\$0.524	\$0.170	\$0.100		\$0.794			7.0%	\$0.850	207,675,000
2003	\$0.273	\$0.085	\$0.091	\$0.449	\$0.140	\$0.100		\$0.689			7.0%	\$0.737	206,374,000
2002	\$0.252	\$0.070	\$0.077	\$0.399	\$0.138	\$0.100		\$0.637			7.0%	\$0.682	210,701,000
2001	\$0.246	\$0.082	\$0.117	\$0.445	\$0.230	\$0.100		\$0.775			7.0%	\$0.829	200,192,000
2000	\$0.279	\$0.083	\$0.065	\$0.427	\$0.130	\$0.100		\$0.657			7.0%	\$0.703	205,235,000
1999	\$0.172	\$0.062	\$0.033	\$0.267	\$0.130	\$0.100		\$0.497			7.0%	\$0.532	209,466,000
1998	\$0.127	\$0.060	\$0.085	\$0.272	\$0.130	\$0.100		\$0.502			7.0%	\$0.537	196,093,000

NEWFOUNDLAND AND LABRADOR: Gas Tax Facts



Are We There Yet?: 11th Annual Gas Tax Honesty Report

Year	Crude Costs	Refiner Operating Margin	Marketing Operating Margin	Avg. Cost of Gasoline Without Taxes (Per - Litre)	Provincial Consumption Tax (Per-Litre)	Federal Excise Tax (Per-Litre)	Net Additional Taxes (Per-Litre)	Avg. Cost of Gasoline With "Quantity" Taxes Only (Per - Litre)	QST	GST / HST (Provincial Share)	GST / HST (Federal Share)	Avg. Cost of Gasoline With Taxes (Per - Litre)	Net Litres Sold - (Figures Not Available for 2008 & 2009)
2009	\$0.282	\$0.132	\$0.108	\$0.522	\$0.165	\$0.100		\$0.787		8.0%	5.0%	\$0.889	604,949,000
2008	\$0.645	\$0.067	\$0.117	\$0.829	\$0.165	\$0.100		\$1.094		8.0%	5.0%	\$1.236	604,949,000
2007	\$0.484	\$0.121	\$0.098	\$0.703	\$0.165	\$0.100		\$0.968		8.0%	6.0%	\$1.026	604,949,000
2006	\$0.460	\$0.121	\$0.098	\$0.679	\$0.165	\$0.100		\$0.944		8.0%	6.0%	\$1.001	589,155,000
2005	\$0.435	\$0.103	\$0.089	\$0.627	\$0.165	\$0.100		\$0.892		8.0%	7.0%	\$0.954	587,439,000
2004	\$0.332	\$0.116	\$0.084	\$0.532	\$0.165	\$0.100		\$0.797		8.0%	7.0%	\$0.853	587,439,000
2003	\$0.273	\$0.097	\$0.084	\$0.454	\$0.165	\$0.100		\$0.719		8.0%	7.0%	\$0.769	600,614,000
2002	\$0.252	\$0.083	\$0.070	\$0.405	\$0.165	\$0.100		\$0.670		8.0%	7.0%	\$0.717	587,295,000
2001	\$0.246	\$0.098	\$0.079	\$0.423	\$0.165	\$0.100		\$0.688		8.0%	7.0%	\$0.736	580,576,000
2000	\$0.279	\$0.109	\$0.071	\$0.459	\$0.165	\$0.100		\$0.724		8.0%	7.0%	\$0.775	574,110,000
1999	\$0.172	\$0.090	\$0.050	\$0.312	\$0.165	\$0.100		\$0.577		8.0%	7.0%	\$0.617	587,784,000
1998	\$0.127	\$0.087	\$0.083	\$0.297	\$0.165	\$0.100		\$0.562		8.0%	7.0%	\$0.601	560,892,000