

British Columbia's Carbon Tax

A brief history

Matt Horne

Pembina Institute

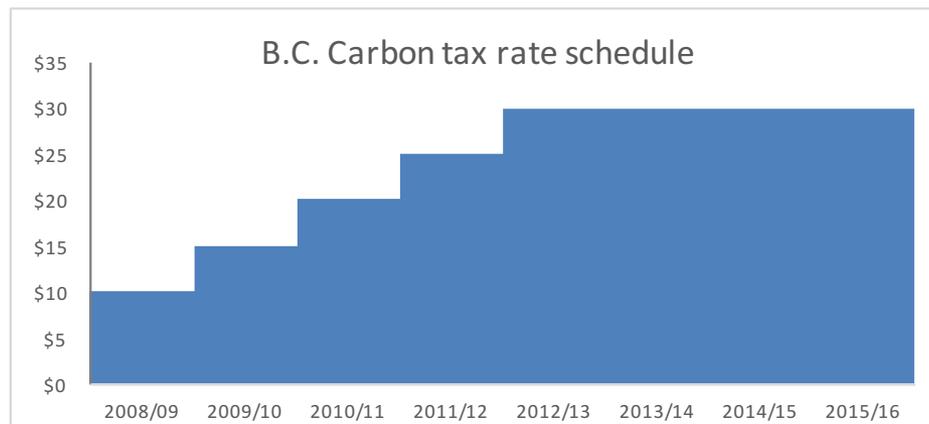
April 26, 2016

Eight years and counting



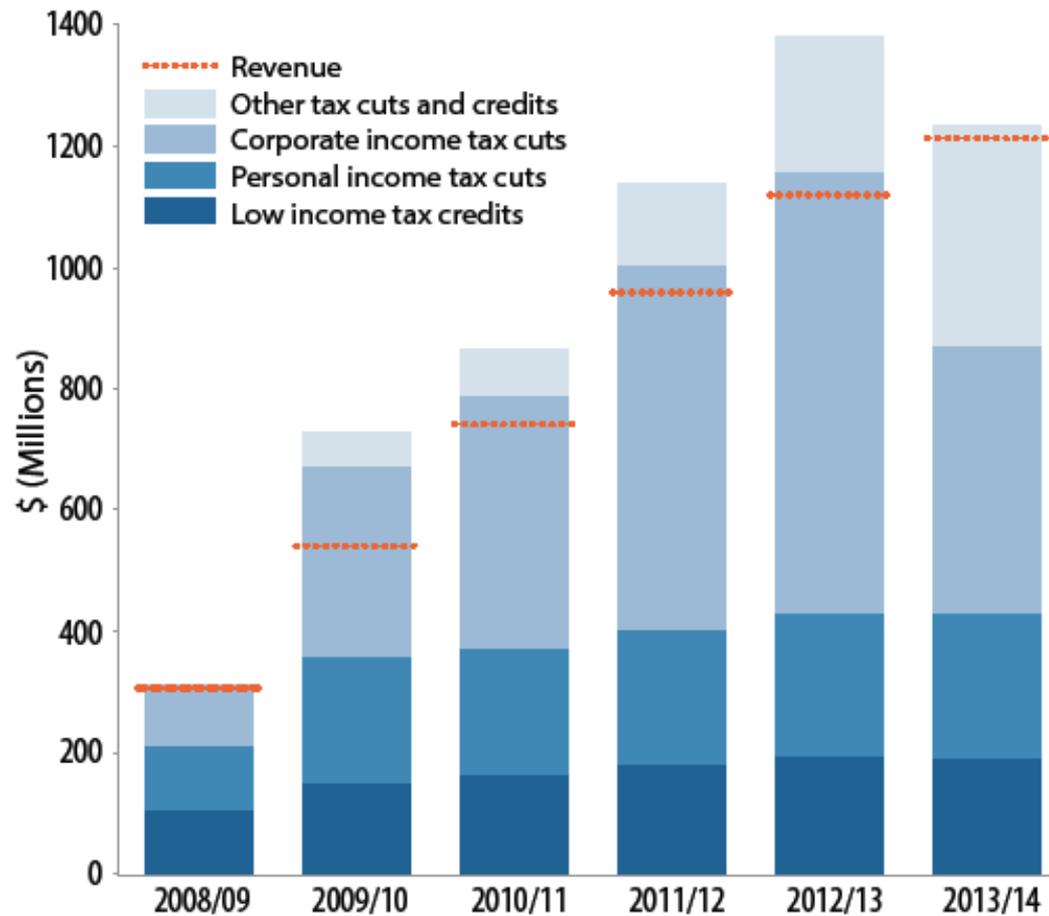
Tax rate and coverage

- Implemented in 2008 at \$10 per tonne of CO₂e with a schedule to reach \$30 per tonne in 2012 (equivalent to ~7 cents per litre of gasoline).
- Frozen at \$30 per tonne from 2013 until 2018.
- Applies to almost all fossil fuel combustion in B.C. (~70% of B.C.'s carbon pollution).



Revenue recycling

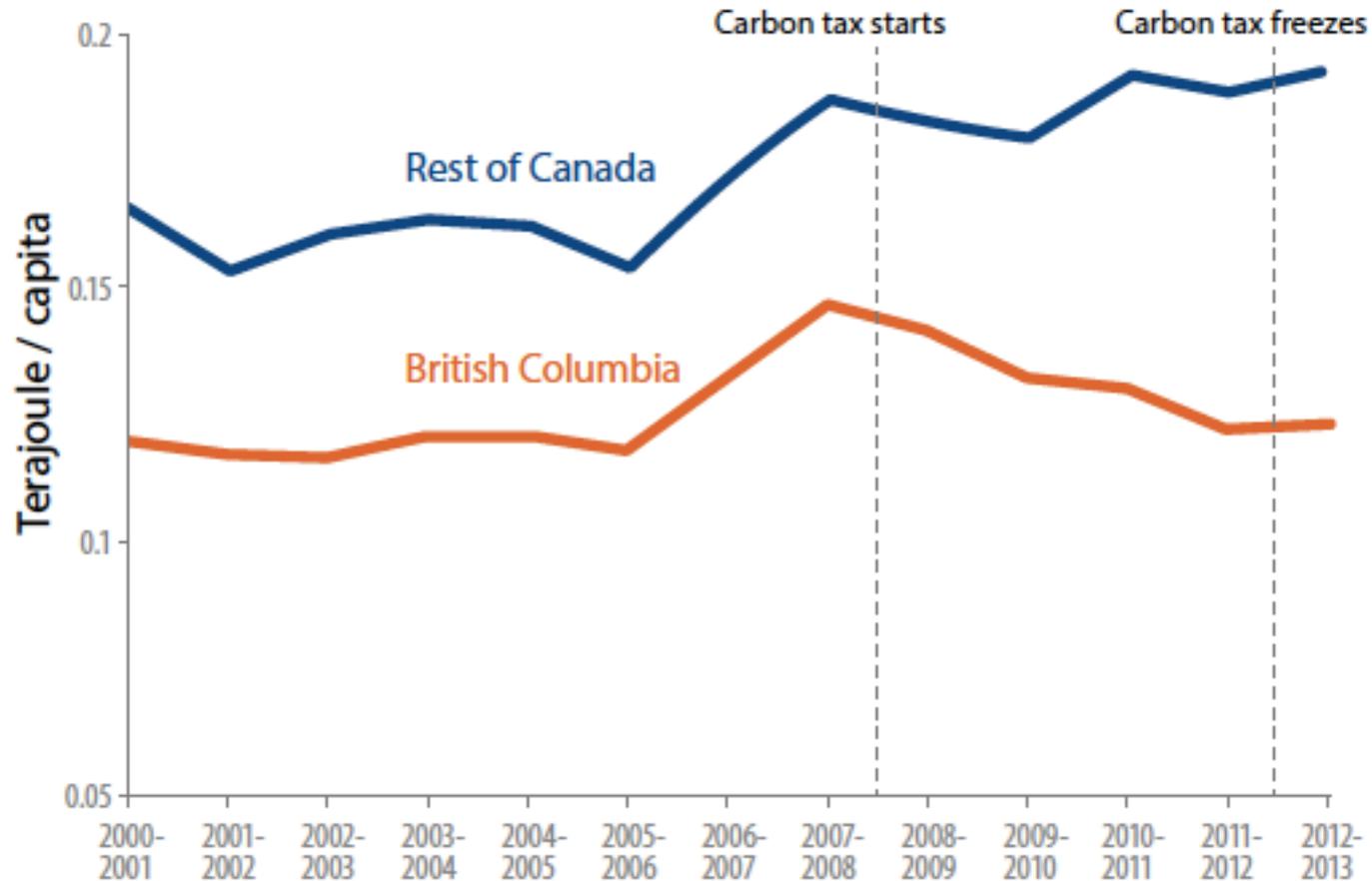
Carbon tax revenue and allocation



Source: Compiled from B.C. Fiscal Plans 2009/10 through 2014/15

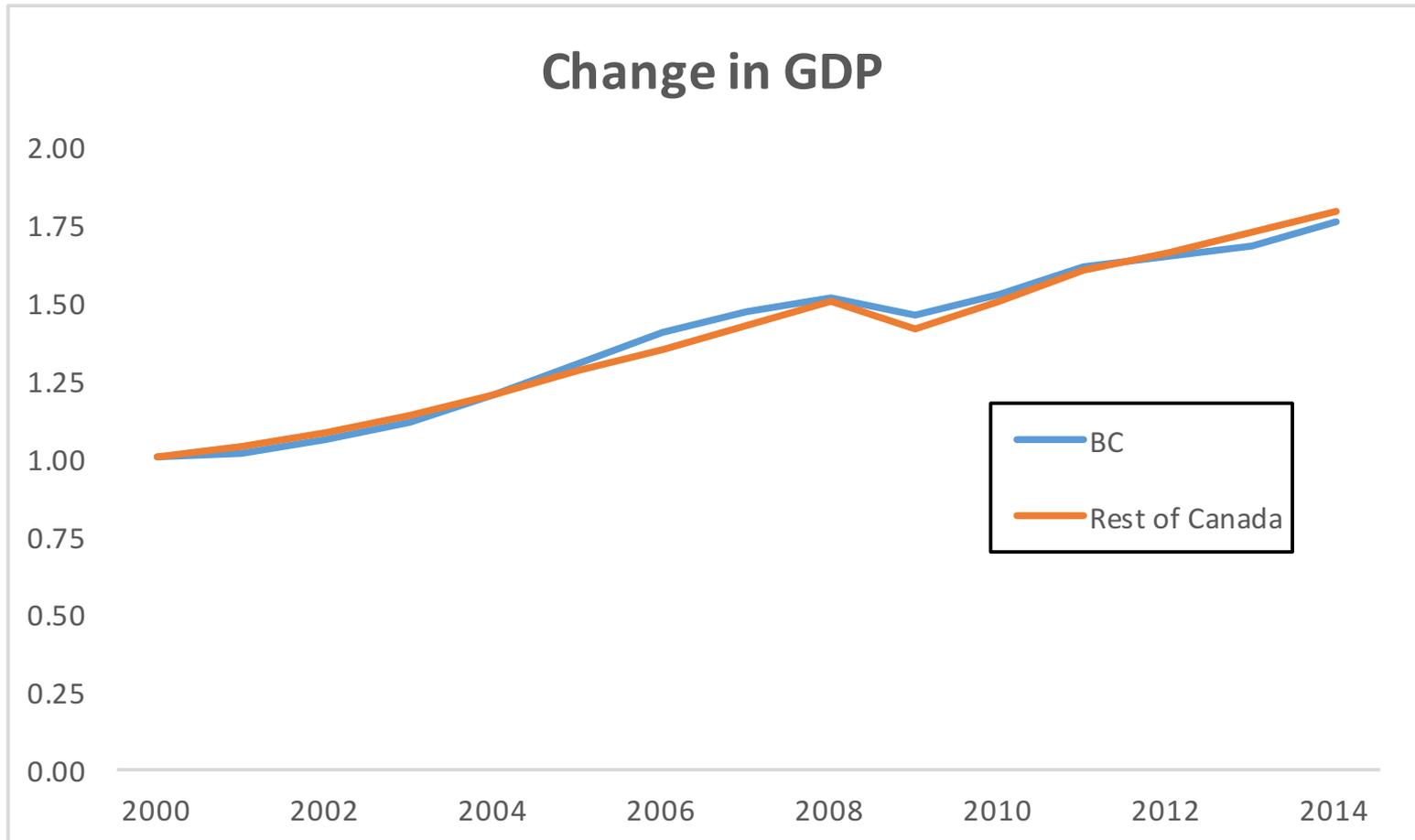
Environmental results

Sales of fuels subject to BC carbon tax

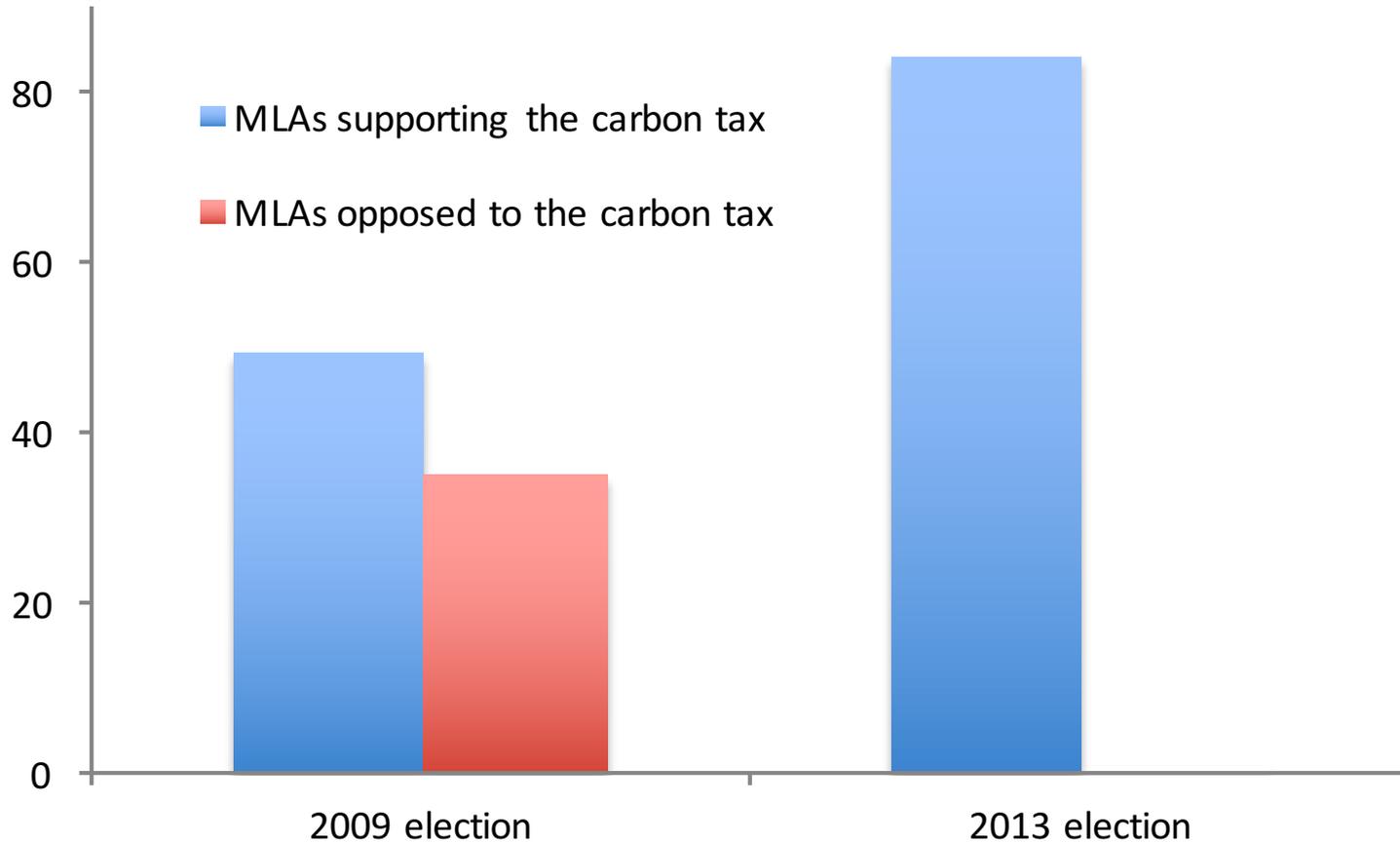


Adapted from: Stewart Elgie, "Just the Facts: What's behind B.C.'s whopping fuel use drop?," Sustainable Prosperity, July 9, 2014. www.sustainableprosperity.ca/blogpost97

Economic results

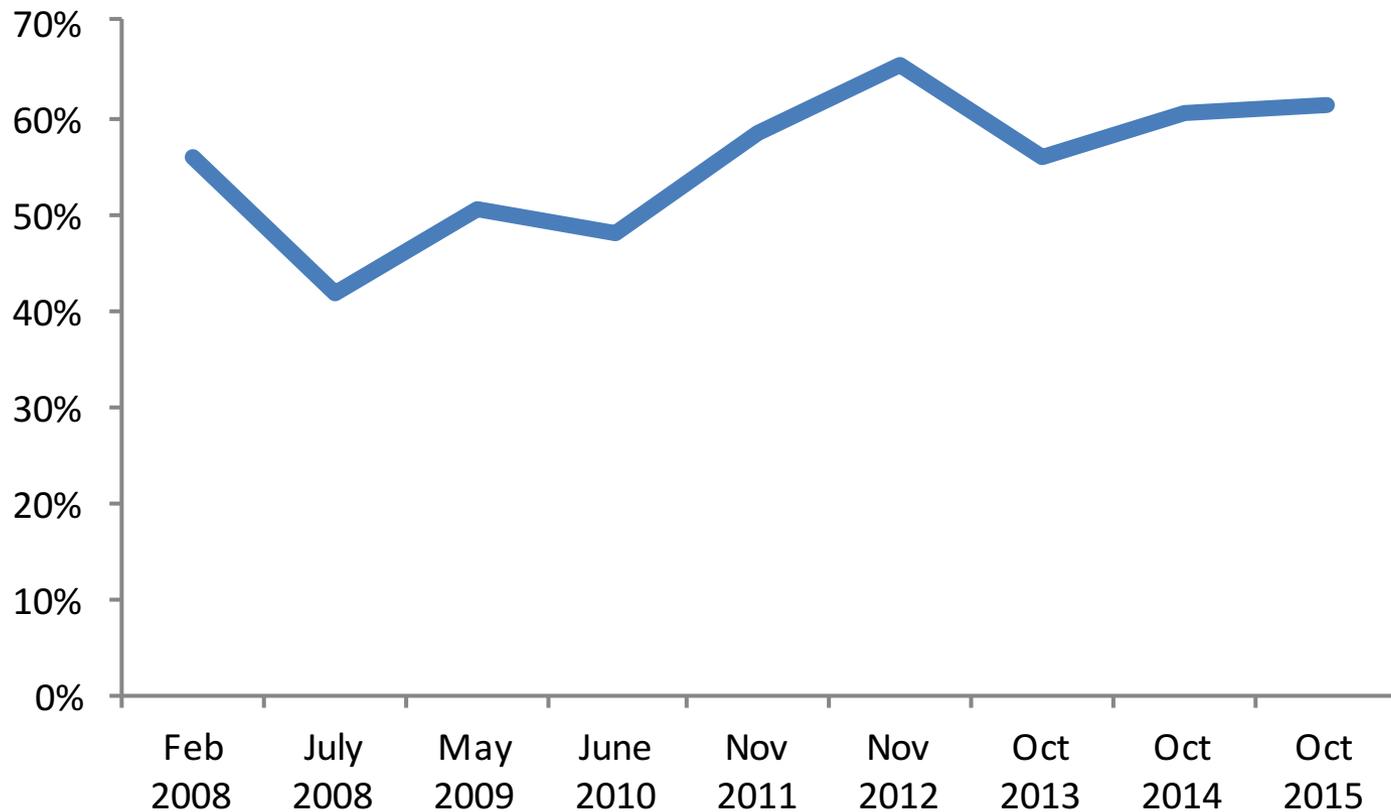


Political perspectives



Public perspectives

Support for B.C.'s carbon tax



(Source: Environics Institute, 2008-2015)

Next steps?

- In 2015, B.C. started a process to determine the next steps in its climate plan.
- A multi-sector advisory panel recommended increasing and expanding the carbon tax.
- B.C. is planning to release its new climate plan this spring.

Affordability and competitiveness

- Affordability
 - Reduce sales tax, increase low-income tax credit, and increase northern/rural tax credit
- Competitiveness
 - Implement measures to protect competitiveness of emissions-intensive, trade-exposed sectors



Support for next steps

TV RADIO NEWS SPORTS MUSIC ARTS LOCAL MORE WATCH LISTEN LOG IN SEARCH CBC.ca...

CBCnews | British Columbia

[Home](#) [World](#) [Canada](#) [Politics](#) [Business](#) [Health](#) [Arts & Entertainment](#) [Technology & Science](#) [Trending](#) [Video](#)

[Canada](#) [BC](#) Photo Galleries

Carbon tax should be higher, say 130 B.C. businesses in letter to Christy Clark

Signatories include Mountain Equipment Co-op and a microbrewery but also companies that 'burn'

By Lisa Johnson, CBC News Posted: Mar 30, 2016 6:47 PM PT | Last Updated: Mar 30, 2016 6:59 PM PT



The B.C. government is currently taking public input to develop a new climate policy, which may or may not include an increase to the carbon tax.

246 shares

More than 130 B.C. businesses have signed a letter to Premier Christy Clark asking her government to raise the carbon tax, including companies



BC LOCAL NEWS



HOME NEWS SPORTS BUSINESS ENTERTAINMENT LIFESTYLES OPINION DRIVEWAY

CLASSIFIEDS TRAVEL BC JOBS

[CLICK HERE TO LEARN MORE.](#)
4GOOD
 RAISE MONEY NOW

Connect with Us

NEWS

B.C. mayors push for steady carbon tax hikes



EXPERIENCE THE NEW BUICK
 2016 BUICK ENCORE FWD 1SB
 LEASE STARTING FROM \$130 BI-WEEKLY, THAT'S LIKE
\$65 FOR 48 @ 0%
 WEEKLY MONTHS LEASE RATE
BASED ON A LEASE PURCHASE PRICE OF \$28,412 WITH \$2,500 DOWN PAYMENT. INCLUDES \$900 GM CARD APPLICATION BONUS, \$500 BUICK CASH AND \$1,000 LEASE CASH.

Lessons learned

- The carbon tax has been an economic and environmental success.
- That success also depends on the other policies in B.C.'s climate plan.
- The success has led to broad support for carbon tax's first phase.
- Everyone has an opinion on how to best use carbon tax revenue.
- Next steps are still uncertain.

Thank you

Matt Horne

phone: 778.235.1476

email: matth@pembina.org

twitter: [@HorneMatt](https://twitter.com/HorneMatt)