

23rd Annual Gas Tax Honesty Report

Canadian Taxpayers Federation

MAY 20, 2021

Canadian
Taxpayers
Federation

Contents

About the Canadian Taxpayers Federation	1
Overview	2
Canadian Gas Taxes	3
Gas Price Ranking	3
Gas Tax Ranking	3
Tax Changes Since Last Year	4
Canadian Carbon Taxes	4
Tax-on-Tax	5
Tax Breakdown	6
Gasoline	6
Diesel	6
Tax per Fill-Up	7
Methodology Notes	7
Annex	8
Carbon tax dishonesty	8



About the Canadian Taxpayers Federation

The Canadian Taxpayers Federation is a federally incorporated, not-for-profit citizens' group 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 organization. At the end of 2020, the CTF had over 235,000 supporters nationwide.

The CTF maintains a federal office in Ottawa and regional offices in British Columbia, Alberta, Prairie (Saskatchewan and Manitoba), Ontario, Québec and Atlantic Canada. Regional 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, online postings and publications to advocate on behalf of CTF supporters. 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. Each week CTF offices send out Let's Talk Taxes commentaries to more than 800 media outlets and personalities across Canada.

Any Canadian taxpayer committed to the CTF's mission is welcome to join at no cost and receive emailed Action Updates. Financial supporters can additionally receive the CTF's flagship publication The Taxpayer magazine, published three times a year.

The CTF is independent of any institutional or partisan affiliations. All CTF staff, board members and representatives are prohibited from donating to or holding a membership in any political party. In 2019-20, the CTF raised \$4.8 million on the strength of 31,665 donations. Donations to the CTF are not tax deductible as a charitable contribution.



Canadian Taxpayers Federation

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Overview

Gas Tax Honesty Day highlights the hidden taxes Canadians pay every time they fill-up. Gas taxes include the sales taxes you see on your receipt, but also federal excise tax, provincial excise tax, and carbon taxes you don't see. In some cities, you also pay a hidden transit tax.

In Ontario, Alberta, Saskatchewan and Manitoba, the federal government has imposed its own carbon tax. In all other provinces, carbon taxes are a provincial matter.

Despite the ongoing pandemic, on April 1, 2021, the federal government raised the carbon tax by \$10 per tonne from \$30 per tonne to [\\$40 per tonne tax](#). Ottawa's [plan](#) is to increase it further to \$50 per tonne by 2022 and then it will rise \$15 per year until it hits \$170 per tonne in 2030.

According to the [Canada Revenue Agency](#), the carbon tax increase translates to 8.8 cents per litre of gasoline. In 2030, the increase in carbon tax will translate to a 39.6 cents per litre increase in the price of gasoline.

Quebec and Nova Scotia are using cap-and-trade carbon tax schemes, which both charge lower amounts per tonne than the federal backstop, but were approved by the federal government.

Newfoundland and Labrador increased its carbon tax on Nov. 7, 2020, from \$20 per tonne to \$30 tonne.

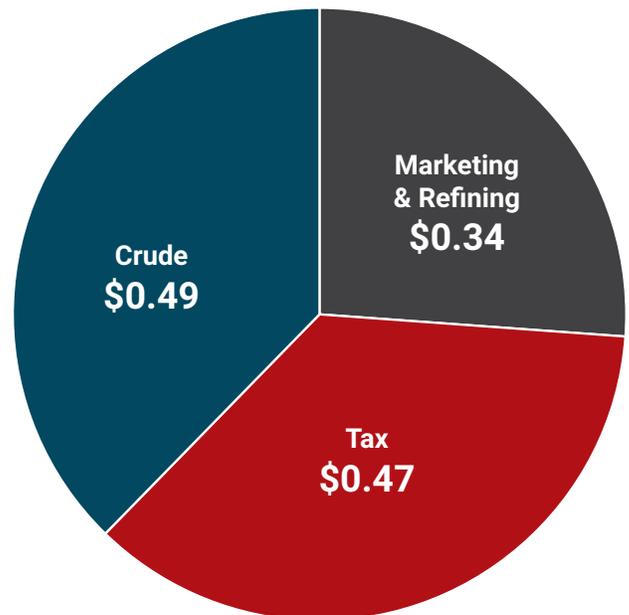
On April 1, 2021, [British Columbia](#) has raised its carbon tax from \$40 to \$45 per tonne and is scheduled to increase it to \$50 per tonne on April 1, 2022. New Brunswick increased its carbon tax on the same day to \$40 per tonne, from \$30 per tonne.

Prince Edward Island has not announced any change to its carbon tax rate in 2021.

The federal government has increased its carbon for the second time since the pandemic started, to \$40 per tonne. This increased carbon taxes in Alberta, Saskatchewan, Manitoba and Ontario.

All the gas and diesel price information in this report is from Kent Marketing Services Limited's [price information](#) for April 2021.

Gas Price Composition
\$1.30 per litre



Canadian Gas Taxes

Gas Price Ranking

Vancouver has the highest gas prices in the country at \$1.52 per litre (April 2021 average), with 54 cents of the total being tax. Victoria has the second highest pump prices at \$1.48 per litre. The rest of the province comes in fourth at \$1.33 per litre. The difference between those three regions of the same province can be partly explained by the transit taxes that are being applied in Vancouver (18.5 cents per litre) and Victoria (5.5 cents per litre). Newfoundland and Labrador comes in third.

Gas Price Ranking					
	Province/ City	Pump Price	Pre-tax Price	Tax Bill	Tax Portion
1	Vancouver	\$1.52	\$0.98	\$0.54	36%
2	Victoria	\$1.48	\$1.01	\$0.47	32%
3	Newfoundland and Labrador	\$1.43	\$0.93	\$0.50	35%
4	BC outside of Vancouver and Victoria	\$1.33	\$0.92	\$0.41	31%
5	Montréal	\$1.28	\$0.74	\$0.54	42%
6	Saskatchewan	\$1.28	\$0.88	\$0.40	31%
7	Ontario	\$1.27	\$0.79	\$0.48	38%
8	Nova Scotia	\$1.26	\$0.83	\$0.43	34%
9	New Brunswick	\$1.26	\$0.80	\$0.46	37%
10	PEI	\$1.26	\$0.85	\$0.42	33%
11	Quebec with regular rate	\$1.25	\$0.77	\$0.48	39%
12	Manitoba	\$1.22	\$0.84	\$0.39	32%
13	Alberta	\$1.21	\$0.84	\$0.38	31%

*Dollars per litre

Gas Tax Ranking

Montreal and Vancouver pay the highest gas tax in the country in terms of dollar value, at 54 cents per litre. They are closely followed by Newfoundland and Labrador at 50 cents per litre. Both Vancouver and Montreal have transit taxes.

Gas Tax Ranking					
	Province/ City	Tax	Pre-Tax Price	Pump Price	Tax
1	Montreal	\$0.54	\$0.74	\$1.28	42%
2	Vancouver	\$0.54	\$0.98	\$1.52	36%
3	Newfoundland and Labrador	\$0.50	\$0.93	\$1.43	35%
4	Quebec with regular rate	\$0.48	\$0.77	\$1.25	39%
5	Ontario	\$0.48	\$0.79	\$1.27	38%
6	Victoria	\$0.47	\$1.01	\$1.48	32%
7	New Brunswick	\$0.46	\$0.80	\$1.26	37%
8	Nova Scotia	\$0.43	\$0.83	\$1.26	34%
9	PEI	\$0.42	\$0.85	\$1.26	33%
10	BC outside of Vancouver and Victoria	\$0.41	\$0.92	\$1.33	31%
11	Saskatchewan	\$0.40	\$0.88	\$1.28	31%
12	Manitoba	\$0.39	\$0.84	\$1.22	32%
13	Alberta	\$0.38	\$0.84	\$1.21	31%

*Dollars per litre

Tax Changes Since Last Year

New Brunswick has the highest increase in gas taxes compared to the prior year. Nova Scotia and Ontario are tied for the next largest increases.

Part of the tax increase can be attributed to increased sales tax revenues as a result of higher pre-tax gas prices. This is the case in Nova Scotia, which saw a large increase as a result of its 15 per cent HST. Some provinces have seen individual fuel taxes go up as well.

New Brunswick and Ontario's tax bills increased due to the increase in carbon taxes in those provinces from 6.6 per litre to 8.8 cents per litre.

Newfoundland and Labrador decreased its provincial gas tax by 2 cents per litre to offset the 2 cents per litre increase in carbon taxes in that province, but its total gas tax bill still increased by 6 cents per litre compared to the prior year.

All the remaining provinces' fuel tax rates have not changed in the past year.

Changes Since Last Year			
	Province/ City	Pump Price (\$/L)	Tax Bill (\$/L)
1	New Brunswick	\$0.52	\$0.09
2	Nova Scotia	\$0.57	\$0.08
3	Ontario	\$0.48	\$0.08
4	Manitoba	\$0.54	\$0.07
5	PEI	\$0.52	\$0.07
6	Newfoundland	\$0.61	\$0.06
7	Montreal	\$0.42	\$0.05
8	Saskatchewan	\$0.59	\$0.05
9	Alberta	\$0.56	\$0.05
10	Quebec with regular rate	\$0.43	\$0.03
11	Vancouver	\$0.55	\$0.03
12	Victoria	\$0.48	\$0.03
13	BC outside of Vancouver and Victoria	\$0.47	\$0.03

*Dollars per litre

Canadian Carbon Taxes

Since 2018, the federal government is imposing a minimum carbon tax on the provinces. Should provincial governments have carbon taxes lower than the federal minimum, it will step in and impose its own carbon tax. This is what has been done in Alberta, Saskatchewan, Manitoba, and Ontario.

Between 2018 and 2022, the federal carbon tax backstop is increasing by \$10 per tonne per year, reaching \$50 per tonne in 2022. Despite the COVID-19 pandemic, the federal government chose to keep going with its planned carbon tax hike, raising its backstop to \$40 per tonne on April 1, 2021. This is expected to translate into a 8.8 cents per litre of gasoline.

The federal carbon tax will further increase from the current \$40 per tonne to \$50 in 2022, and then by \$15 per year until it reaches \$170 per tonne in 2030. By 2030, the \$170 per tonne carbon tax will translate to an estimated 39.6 cents tax per litre of gasoline.

Current Carbon Taxes		
Province/ City	Per Tonne	Per Litre of Gas
British Columbia	\$45	\$0.0996
Quebec*	\$23	\$0.0537
New Brunswick	\$40	\$0.0884
Prince Edward Island	\$30	\$0.0663
Nova Scotia*	\$27	\$0.0126
Newfoundland and Labrador	\$30	\$0.0663
Federal Minimum	\$40	\$0.0889

*Final sale price in primary auctions

Federal Minimum Carbon Tax		
Year	Carbon Price per Tonne	Carbon Tax on Gasoline
2018	\$10	\$0.02
2019	\$20	\$0.04
2020	\$30	\$0.07
2021	\$40	\$0.09
2022	\$50	\$0.11
2030	\$170	\$0.40

Tax-on-Tax

Every time you buy gasoline you are charged tax-on-tax. The government calculates the sales taxes after all the per-litre taxes are added. That means you pay taxes on all the per-litre taxes the government just added to the price. That costs the average Canadian driver an extra 3.3 cents per litre.

Tax-on-Tax			
Province/ City	Federal Tax-on-Tax	Provincial Tax-on-Tax	Total Tax-on-Tax
Vancouver	\$0.023	\$0.000	\$0.023
Victoria	\$0.020	\$0.000	\$0.020
BC outside of Vancouver and Victoria	\$0.017	\$0.000	\$0.017
Alberta	\$0.016	\$0.000	\$0.016
Saskatchewan	\$0.017	\$0.000	\$0.017
Manitoba	\$0.016	\$0.000	\$0.016
Ontario	\$0.017	\$0.027	\$0.044
Montreal	\$0.019	\$0.037	\$0.056
Quebec with regular rate	\$0.016	\$0.032	\$0.048
New Brunswick	\$0.015	\$0.030	\$0.045
PEI	\$0.013	\$0.025	\$0.038
Nova Scotia	\$0.013	\$0.027	\$0.040
Newfoundland and Labrador	\$0.016	\$0.031	\$0.047
Canada	\$0.017	\$0.016	\$0.033

Tax Breakdown

Gasoline

Taxes can account for up to 42 per cent of the pump price. You won't see all the taxes on your receipt, but you may be paying up to six different taxes. This is the tax breakdown you won't see on your receipt.

Gasoline Tax Breakdown (\$/L)								
Province/ City	Provincial Excise Tax	Carbon Tax	Transit Tax	Provincial Sales Tax	Federal Excise Tax	Federal Sales Tax	Total Tax	Tax-On-Tax
BC outside of Vancouver and Victoria	\$0.145	\$0.100	\$0.000	\$0.000	\$0.100	\$0.063	\$0.408	\$0.017
Vancouver	\$0.085	\$0.100	\$0.185	\$0.000	\$0.100	\$0.072	\$0.542	\$0.023
Victoria	\$0.145	\$0.100	\$0.055	\$0.000	\$0.100	\$0.071	\$0.470	\$0.020
Alberta	\$0.130	\$0.088	\$0.000	\$0.000	\$0.100	\$0.058	\$0.376	\$0.016
Saskatchewan	\$0.150	\$0.088	\$0.000	\$0.000	\$0.100	\$0.061	\$0.399	\$0.017
Manitoba	\$0.140	\$0.088	\$0.000	\$0.000	\$0.100	\$0.058	\$0.386	\$0.016
Ontario	\$0.147	\$0.088	\$0.000	\$0.090	\$0.100	\$0.056	\$0.481	\$0.044
Quebec with regular rate	\$0.192	\$0.054	\$0.000	\$0.109	\$0.100	\$0.054	\$0.509	\$0.048
Montreal	\$0.192	\$0.054	\$0.030	\$0.111	\$0.100	\$0.056	\$0.543	\$0.056
New Brunswick	\$0.109	\$0.088	\$0.000	\$0.110	\$0.100	\$0.055	\$0.462	\$0.045
PEI	\$0.085	\$0.066	\$0.000	\$0.110	\$0.100	\$0.055	\$0.415	\$0.038
Nova Scotia	\$0.155	\$0.013	\$0.000	\$0.110	\$0.100	\$0.055	\$0.432	\$0.040
Newfoundland	\$0.145	\$0.066	\$0.000	\$0.124	\$0.100	\$0.062	\$0.498	\$0.047
Canada	\$0.140	\$0.076	\$0.021	\$0.059	\$0.100	\$0.060	\$0.455	\$0.033

Diesel Tax Breakdown (\$/L)								
Province/ City	Provincial Excise Tax	Carbon Tax	Transit Tax	Provincial Sales Tax	Federal Excise Tax	Federal Sales Tax	Total Tax	Tax-On-Tax
British Columbia	\$0.150	\$0.117	\$0.000	\$0.000	\$0.040	\$0.046	\$0.353	\$0.015
Vancouver	\$0.090	\$0.117	\$0.185	\$0.000	\$0.040	\$0.044	\$0.476	\$0.022
Victoria	\$0.150	\$0.117	\$0.055	\$0.000	\$0.040	\$0.045	\$0.407	\$0.018
Alberta	\$0.130	\$0.107	\$0.000	\$0.000	\$0.040	\$0.043	\$0.320	\$0.014
Saskatchewan	\$0.150	\$0.107	\$0.000	\$0.000	\$0.040	\$0.043	\$0.340	\$0.015
Manitoba	\$0.140	\$0.107	\$0.000	\$0.000	\$0.040	\$0.045	\$0.332	\$0.014
Ontario	\$0.143	\$0.107	\$0.000	\$0.062	\$0.040	\$0.039	\$0.391	\$0.038
Quebec with regular rate	\$0.202	\$0.068	\$0.000	\$0.081	\$0.040	\$0.040	\$0.432	\$0.046
Montreal	\$0.202	\$0.068	\$0.000	\$0.079	\$0.040	\$0.040	\$0.429	\$0.046
New Brunswick	\$0.155	\$0.107	\$0.000	\$0.006	\$0.040	\$0.039	\$0.347	\$0.045
PEI	\$0.142	\$0.081	\$0.000	\$0.081	\$0.040	\$0.040	\$0.384	\$0.039
Nova Scotia	\$0.154	\$0.016	\$0.000	\$0.080	\$0.040	\$0.040	\$0.330	\$0.032
Newfoundland	\$0.165	\$0.081	\$0.000	\$0.090	\$0.040	\$0.045	\$0.420	\$0.043
Canada	\$0.152	\$0.092	\$0.018	\$0.037	\$0.040	\$0.042	\$0.382	\$0.030

Tax per Fill-Up

The average tax for a 64-litre fill-up in Canada is a bit over \$29, including over \$2 in tax on tax.

Tax on a 64 Litre Fill-Up						
Province/City	Before Tax	Provincial Taxes	Federal Taxes	Tax-on-Tax	Total Tax	Total Price
BC outside of Vancouver and Victoria	\$58.73	\$15.65	\$10.44	\$1.50	\$26.09	\$84.82
Vancouver	\$62.66	\$23.65	\$11.04	\$1.50	\$34.69	\$97.35
Victoria	\$64.83	\$19.17	\$10.92	\$1.50	\$30.09	\$94.93
Alberta	\$53.44	\$13.95	\$10.09	\$1.02	\$24.04	\$77.48
Saskatchewan	\$59.62	\$15.23	\$10.29	\$1.08	\$25.52	\$85.14
Manitoba	\$53.54	\$14.59	\$10.13	\$1.05	\$24.72	\$78.26
Ontario	\$50.31	\$20.78	\$9.99	\$2.79	\$30.77	\$81.09
Quebec with regular rate	\$49.15	\$22.68	\$9.89	\$3.08	\$32.57	\$81.72
Montreal	\$47.44	\$24.78	\$9.97	\$3.08	\$34.75	\$82.19
New Brunswick	\$51.30	\$19.64	\$9.92	\$2.85	\$29.56	\$80.86
PEI	\$54.08	\$16.68	\$9.91	\$2.41	\$26.59	\$80.67
Nova Scotia	\$52.93	\$17.74	\$9.90	\$2.57	\$27.64	\$80.57
Newfoundland	\$59.61	\$21.48	\$10.38	\$2.99	\$31.85	\$91.46
Canada	\$55.20	\$18.93	\$10.22	\$2.11	\$29.15	\$84.35

Methodology Notes

Prices are based on Kent Marketing Services Limited's data for April 2021. <http://charting.kentgrouppltd.com/>

Annex

Carbon tax dishonesty

Both the Liberal and Conservative Party hid their true carbon tax intentions from taxpayers.

In the lead up to the last federal election, former environment minister Catherine McKenna tried to assure Canadians that the Liberal government wasn't going to increase the carbon tax beyond \$50 per tonne.

"The commitment was to go up to [\$50 per tonne in] 2022," said McKenna prior to the election. "There was no intention to go up beyond that, there's no secret agenda."

In August, 2020, and Prime Minister Justin Trudeau told reporters that he would not raise taxes.

"The last thing Canadians need is to see a rise in taxes right now," said Trudeau. "We are not going to be saddling Canadians with extra costs."

Despite these commitments, in December, 2020, Trudeau announced he would be increasing the carbon tax to \$170 per tonne by 2030.

Conservative Leader Erin O'Toole announced plans to break his promise to Canadians if he becomes prime minister. When O'Toole was running for leader, he stood beside the Canadian Taxpayers Federation and signed our pledge to fight carbon taxes. The pledge said:

"I, Erin O'Toole promise that, if elected Prime Minister of Canada, I will: Immediately repeal the Trudeau carbon tax; and, reject any future national carbon tax or cap-and-trade scheme."

But on April 15, O'Toole released plans to introduce a carbon tax of his own that will rise to \$50 per tonne.