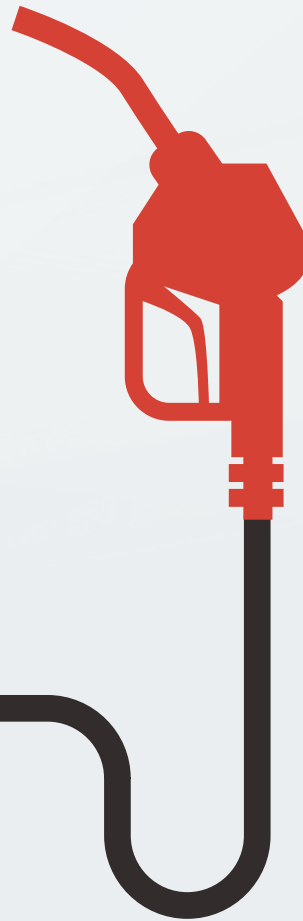


24th

Annual Gas Tax Honesty Report

Canadian Taxpayers Federation

MAY 2022



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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 39,792 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 we fill-up. Gas taxes include the sales taxes you see on your receipt, but also the 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, Manitoba, Saskatchewan and Alberta, the federal government has imposed its own carbon tax. In all other provinces, carbon taxes are required to be implemented by the provincial government. Despite the pandemic and [skyrocketing inflation](#), the federal government raised its carbon tax by \$10 per tonne to [\\$50 per tonne](#) on April 1, 2022. Ottawa's plan is to further increase the carbon tax by \$15 per year until it hits \$170 per tonne in 2030.

The carbon tax currently costs about 11.1 cents per litre of gasoline. By 2030, the carbon tax is expected to cost about 37.6 cents per litre of gasoline.

Quebec and Nova Scotia impose cap-and-trade carbon tax schemes, which charge lower amounts per tonne than the federal backstop.

On April 1, 2022, British Columbia raised its [carbon tax](#) from \$45 to \$50 per tonne. New Brunswick also increased its [carbon tax](#) to \$50 per tonne, from \$40 per tonne.

Newfoundland and Labrador increased its [carbon tax](#) on May 1, 2022, from \$40 per tonne to \$50 per tonne.

The government of Prince Edward Island increased its [carbon tax](#) from \$30 per tonne to \$50 per tonne on May 9, 2022.

All the gas and diesel [price information](#) in this report is from Kalibrate's price information for April 2022.

Canadian Gas Taxes
Based on \$1.76/L



Canadian Gas Taxes

Gas Price Ranking

Vancouver has the highest gas prices in the country at \$1.98 per litre (April 2022 average), with 75 cents of the total being tax. Victoria has the second highest pump prices at \$1.94 per litre. The rest of B.C. had gas prices that averaged \$1.88 per litre. The difference between those three regions of B.C. can be partly explained by the transit taxes that are applied in Vancouver (18.5 cents per litre) and Victoria (5.5 cents per litre). Newfoundland and Labrador had the third highest prices nationally with gas prices at \$1.92 per litre.

Gas Price Ranking					
	Province/ City	Pump Price	Pre-tax Price	Tax Bill	Tax Portion
1	Vancouver	\$1.98	\$1.24	\$0.75	38%
2	Victoria	\$1.94	\$1.27	\$0.67	35%
3	Newfoundland and Labrador	\$1.92	\$1.34	\$0.58	30%
4	BC outside of Vancouver and Victoria	\$1.88	\$1.27	\$0.61	33%
5	Montreal	\$1.81	\$1.16	\$0.65	36%
6	Quebec with regular rate	\$1.80	\$1.20	\$0.59	33%
7	Ontario	\$1.75	\$1.19	\$0.56	32%
8	New Brunswick	\$1.75	\$1.20	\$0.55	31%
9	Manitoba	\$1.71	\$1.28	\$0.43	25%
10	PEI	\$1.71	\$1.24	\$0.47	28%
11	Nova Scotia	\$1.70	\$1.20	\$0.50	29%
12	Saskatchewan	\$1.68	\$1.24	\$0.44	26%
13	Alberta	\$1.54	\$1.26	\$0.28	18%

*Totals may not add up exactly due to rounding

**Data does not reflect Prince Edward Island and Newfoundland and Labrador's latest carbon tax increase

Gas Tax Ranking

Gas Tax Ranking					
	Province/ City	Tax	Pre-Tax Price	Pump Price	Tax
1	Vancouver	\$0.75	\$1.24	\$1.98	38%
2	Victoria	\$0.67	\$1.27	\$1.94	35%
3	Montreal	\$0.65	\$1.16	\$1.81	36%
4	BC outside of Vancouver and Victoria	\$0.61	\$1.27	\$1.88	33%
5	Quebec with regular rate	\$0.59	\$1.20	\$1.80	33%
6	Newfoundland and Labrador	\$0.58	\$1.34	\$1.92	30%
7	Ontario	\$0.56	\$1.19	\$1.75	32%
8	New Brunswick	\$0.55	\$1.20	\$1.75	31%
9	Nova Scotia	\$0.50	\$1.20	\$1.70	29%
10	PEI	\$0.47	\$1.24	\$1.71	28%
11	Saskatchewan	\$0.44	\$1.24	\$1.68	26%
12	Manitoba	\$0.43	\$1.28	\$1.71	25%
13	Alberta	\$0.28	\$1.26	\$1.54	18%

* Totals may not add up exactly due to rounding

**Data does not reflect Prince Edward Island and Newfoundland and Labrador's latest carbon tax increase

Tax Changes Since Last Year

Montreal and Quebec have the largest increase in gas taxes compared to last year. New Brunswick and Ontario are tied for the next largest increases.

Part of the annual tax increase is from higher sales tax revenues because of higher pre-tax gas prices. Western provinces either don't have a provincial sales tax (Alberta) or exempt gasoline from the PST (B.C., Saskatchewan and Manitoba). All other provinces charge PST on gas, which is why on average, their tax bills went up.

The federal carbon tax increased from 8.8 to 11.1 cents per litre of gasoline, raising taxes on drivers in Alberta, Saskatchewan, Manitoba and Ontario.

British Columbia's main carbon tax increased from 9.9 cents to 11.1 cents per litre of gasoline this year.

Quebec and Nova Scotia both have cap-and-trade carbon tax schemes. This means they don't have to pay the same federal minimum carbon tax that other provincial taxpayers pay. Quebec's carbon tax increased roughly 3.4 cents per litre of gasoline to 8.8 cents per litre. Nova Scotia's carbon tax increased 1 cent per litre to 2.3 cents per litre of gasoline.

Newfoundland and Labrador increased its carbon tax from 8.8 cents per litre to 11.1 cents per litre of gasoline. New Brunswick also increased its carbon tax from 8.8 cents per litre to 11.1 cents per litre of gasoline.

On May 9, 2022, Prince Edward Island's carbon tax increased from 6.6 cents per litre to 11.1 cents per litre of gasoline.

On April 1, 2022, the Alberta government announced it was temporarily [eliminating](#) the 13 cent per litre provincial fuel tax to ease the burden on taxpayers struggling with high gas prices. Ontario Premier Doug Ford [announced](#) he would reduce fuel taxes by 5.7 cents per litre of gasoline, but that tax relief won't take effect until July 1.

Changes Since Last Year

	Province/ City	Pump Price (\$/L)	Tax Bill (\$/L)
1	Montreal	\$0.44	\$0.09
2	Quebec with regular rate	\$0.43	\$0.09
3	New Brunswick	\$0.38	\$0.07
4	Ontario	\$0.41	\$0.07
5	Nova Scotia	\$0.31	\$0.05
6	Newfoundland and Labrador	\$0.37	\$0.05
7	Manitoba	\$0.39	\$0.04
8	Saskatchewan	\$0.36	\$0.04
9	BC outside of Vancouver and Victoria	\$0.39	\$0.04
10	PEI	\$0.31	\$0.04
11	Vancouver	\$0.34	\$0.04
12	Victoria	\$0.29	\$0.04
13	Alberta	\$0.19	-\$0.10

*Dollars per litre

**Data does not reflect Prince Edward Island and Newfoundland and Labrador's latest carbon tax increase

Canadian Carbon Taxes

The federal government imposes 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 the current system in Alberta, Saskatchewan, Manitoba and Ontario.

The federal carbon tax backstop has been increasing by \$10 per tonne per year. Despite the COVID-19 pandemic and [high inflation](#), the federal government increased its carbon tax to \$50 per tonne from \$40 on April 1, 2022. This is the third time the federal carbon tax has increased during the pandemic. The federal carbon tax currently costs 11.1 cents per litre of gasoline.

The federal carbon tax will further increase from the current \$50 per tonne to \$65 in 2023, and then by a further \$15 every year until it reaches \$170 per tonne in 2030. By 2030, the \$170 per tonne carbon tax will cost about 37.6 cents per litre of gasoline.

The federal government is also planning to impose a second carbon tax through [fuel regulations](#) that will add an additional 11 cents per litre of gasoline in 2030. All together, Canadians will pay 48.6 cents per litre of gasoline in carbon taxes alone by 2030.

Drivers in B.C. already pay a second carbon tax through fuel regulations, which increases the price of gasoline by about 17 cents per litre.

Current Carbon Taxes		
Province/ City	Per Tonne	Per Litre of Gas
British Columbia	\$50	\$0.1105
Quebec*	\$38	\$0.0888
New Brunswick	\$50	\$0.1105
Prince Edward Island	\$50	\$0.1105
Nova Scotia**	\$49	\$0.0231
Newfoundland and Labrador	\$50	\$0.1105
Federal Minimum	\$50	\$0.1105

*Final sale price in primary auctions

**Nova Scotia's tax only applies to 20 per cent of emissions of gasoline

Federal Minimum Carbon Tax		
Year	Carbon Tax Per Tonne	Carbon Tax on Gasoline
2019	\$20	\$0.044
2020	\$30	\$0.066
2021	\$40	\$0.088
2022	\$50	\$0.111
2023	\$65	\$0.144
2030	\$170	\$0.376

Tax On Tax

Every time you buy gasoline you are charged a tax-on-tax. That's because governments calculate 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. The tax-on-tax costs the average Canadian driver an extra 4.1 cents per litre of gasoline, on average.

Tax-on-Tax			
Province/ City	Federal Tax-on-Tax	Provincial Tax-on-Tax	Total Tax-on-Tax
Vancouver	\$0.033	\$0.000	\$0.033
Victoria	\$0.029	\$0.000	\$0.029
BC outside of Vancouver and Victoria	\$0.026	\$0.000	\$0.026
Alberta	\$0.011	\$0.000	\$0.011
Saskatchewan	\$0.018	\$0.000	\$0.018
Manitoba	\$0.018	\$0.000	\$0.018
Ontario	\$0.018	\$0.029	\$0.046
Montreal	\$0.021	\$0.041	\$0.062
Quebec with regular rate	\$0.019	\$0.038	\$0.057
New Brunswick	\$0.016	\$0.032	\$0.048
PEI	\$0.015	\$0.030	\$0.044
Nova Scotia	\$0.014	\$0.028	\$0.042
Newfoundland and Labrador	\$0.018	\$0.036	\$0.053
Canada	\$0.019	\$0.022	\$0.041

Tax Breakdown

Gas taxes account for up to 38 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	\$0.281	\$0.000	\$0.000	\$0.100	\$0.090	\$0.615	\$0.026
Vancouver	\$0.085	\$0.281	\$0.185	\$0.000	\$0.100	\$0.094	\$0.745	\$0.033
Victoria	\$0.145	\$0.281	\$0.055	\$0.000	\$0.100	\$0.092	\$0.673	\$0.029
Alberta	\$0.000	\$0.111	\$0.000	\$0.000	\$0.100	\$0.074	\$0.284	\$0.011
Saskatchewan	\$0.150	\$0.111	\$0.000	\$0.000	\$0.100	\$0.080	\$0.440	\$0.018
Manitoba	\$0.140	\$0.111	\$0.000	\$0.000	\$0.100	\$0.082	\$0.432	\$0.018
Ontario	\$0.147	\$0.111	\$0.000	\$0.124	\$0.100	\$0.078	\$0.559	\$0.046
Quebec with regular rate	\$0.192	\$0.089	\$0.000	\$0.156	\$0.100	\$0.078	\$0.615	\$0.057
Montreal	\$0.192	\$0.089	\$0.030	\$0.157	\$0.100	\$0.079	\$0.646	\$0.062
New Brunswick	\$0.109	\$0.111	\$0.000	\$0.152	\$0.100	\$0.076	\$0.548	\$0.048
PEI	\$0.085	\$0.111	\$0.000	\$0.149	\$0.100	\$0.074	\$0.519	\$0.044
Nova Scotia	\$0.155	\$0.023	\$0.000	\$0.148	\$0.100	\$0.074	\$0.500	\$0.042
Newfoundland and Labrador	\$0.145	\$0.111	\$0.000	\$0.167	\$0.100	\$0.084	\$0.607	\$0.053
Canada	\$0.135	\$0.127	\$0.017	\$0.093	\$0.100	\$0.079	\$0.551	\$0.041

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	\$0.324	\$0.000	\$0.000	\$0.040	\$0.079	\$0.593	\$0.026
Vancouver	\$0.090	\$0.324	\$0.185	\$0.000	\$0.040	\$0.078	\$0.717	\$0.032
Victoria	\$0.150	\$0.324	\$0.055	\$0.000	\$0.040	\$0.079	\$0.648	\$0.028
Alberta	\$0.000	\$0.134	\$0.000	\$0.000	\$0.040	\$0.074	\$0.248	\$0.009
Saskatchewan	\$0.150	\$0.134	\$0.000	\$0.000	\$0.040	\$0.073	\$0.397	\$0.016
Manitoba	\$0.140	\$0.134	\$0.000	\$0.000	\$0.040	\$0.076	\$0.390	\$0.016
Ontario	\$0.143	\$0.134	\$0.000	\$0.116	\$0.040	\$0.072	\$0.505	\$0.041
Quebec with regular rate	\$0.202	\$0.113	\$0.000	\$0.156	\$0.040	\$0.078	\$0.589	\$0.053
Montreal	\$0.202	\$0.113	\$0.000	\$0.156	\$0.040	\$0.078	\$0.590	\$0.053
New Brunswick	\$0.155	\$0.134	\$0.000	\$0.153	\$0.040	\$0.076	\$0.558	\$0.049
PEI	\$0.142	\$0.134	\$0.000	\$0.159	\$0.040	\$0.079	\$0.554	\$0.047
Nova Scotia	\$0.154	\$0.029	\$0.000	\$0.160	\$0.040	\$0.080	\$0.464	\$0.034
Newfoundland	\$0.165	\$0.134	\$0.000	\$0.185	\$0.040	\$0.092	\$0.616	\$0.051
Canada	\$0.137	\$0.153	\$0.013	\$0.091	\$0.040	\$0.075	\$0.509	\$0.037

Tax Per Fill-Up

The average tax on a 64-litre fill-up in Canada is \$35.25, with \$2.62 of the bill being tax-on-tax.

Tax on a 64 Litre Fill-Up							
Province/City	Before Tax	Provincial Taxes	Federal Taxes	Carbon Taxes	Tax-on-Tax	Total Tax	Total
BC outside of Vancouver and Victoria	\$80.99	\$9.28	\$12.13	\$17.95	\$1.68	\$39.36	\$120.35
Vancouver	\$79.30	\$17.28	\$12.45	\$17.95	\$2.08	\$47.68	\$126.97
Victoria	\$81.02	\$12.80	\$12.31	\$17.95	\$1.86	\$43.06	\$124.09
Alberta	\$80.68	\$0.00	\$11.11	\$7.07	\$0.67	\$18.18	\$98.86
Saskatchewan	\$79.28	\$9.60	\$11.52	\$7.07	\$1.15	\$28.19	\$107.47
Manitoba	\$81.95	\$8.96	\$11.62	\$7.07	\$1.12	\$27.65	\$109.60
Ontario	\$76.45	\$17.35	\$11.37	\$7.07	\$2.97	\$35.79	\$112.24
Quebec with regular rate	\$77.11	\$22.26	\$11.40	\$5.68	\$3.65	\$39.34	\$116.45
Montreal	\$74.45	\$24.25	\$11.43	\$5.68	\$3.94	\$41.37	\$115.82
New Brunswick	\$77.04	\$16.73	\$11.27	\$7.07	\$3.07	\$35.07	\$112.11
PEI	\$79.04	\$14.95	\$11.16	\$7.10	\$2.84	\$33.21	\$112.25
Nova Scotia	\$76.81	\$19.38	\$11.13	\$1.48	\$2.67	\$31.99	\$108.80
Newfoundland and Labrador	\$85.63	\$19.98	\$11.75	\$7.10	\$3.42	\$38.83	\$124.46
Canada	\$77.74	\$15.66	\$11.49	\$8.11	\$2.62	\$35.25	\$112.99

Taxes in 2030

The Trudeau government is planning on increasing the federal carbon tax by \$15 per tonne every year until 2030. By then it will reach \$170 per tonne, or 37.6 cents per litre of gasoline. There will also be a second carbon tax through fuel regulations, which will add another 11 cents per litre, according to the federal government's [own projections](#). Altogether, Canadians will pay 48.6 cents per litre of gasoline in carbon taxes alone. Drivers in B.C. already pay a second carbon tax through fuel regulations, which adds about 17 cents per litre to the price of gasoline.

The breakdown below shows the total tax bill Canadians can expect to pay in 2030. This assumes that the pre-tax gas price remains the same as it was in April 2022, and that no other taxes change from where they are today. In 2030, Canadians will pay 96 cents per litre of gasoline in taxes alone, on average.

Gasoline Tax Breakdown 2030 (\$/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	\$0.546	\$0.000	\$0.000	\$0.100	\$0.103	\$0.894	\$0.040
Vancouver	\$0.085	\$0.546	\$0.185	\$0.000	\$0.100	\$0.108	\$1.024	\$0.046
Victoria	\$0.145	\$0.546	\$0.055	\$0.000	\$0.100	\$0.106	\$0.952	\$0.042
Alberta	\$0.000	\$0.486	\$0.000	\$0.000	\$0.100	\$0.092	\$0.678	\$0.029
Saskatchewan	\$0.150	\$0.486	\$0.000	\$0.000	\$0.100	\$0.099	\$0.835	\$0.037
Manitoba	\$0.140	\$0.486	\$0.000	\$0.000	\$0.100	\$0.100	\$0.826	\$0.036
Ontario	\$0.147	\$0.486	\$0.000	\$0.154	\$0.100	\$0.096	\$0.984	\$0.095
Quebec with regular rate	\$0.192	\$0.486	\$0.000	\$0.195	\$0.100	\$0.098	\$1.071	\$0.117
Montreal	\$0.192	\$0.486	\$0.030	\$0.197	\$0.100	\$0.099	\$1.103	\$0.121
New Brunswick	\$0.109	\$0.486	\$0.000	\$0.190	\$0.100	\$0.095	\$0.980	\$0.104
PEI	\$0.085	\$0.486	\$0.000	\$0.186	\$0.100	\$0.093	\$0.950	\$0.101
Nova Scotia	\$0.155	\$0.486	\$0.000	\$0.194	\$0.100	\$0.097	\$1.032	\$0.111
Newfoundland and Labrador	\$0.145	\$0.486	\$0.000	\$0.205	\$0.100	\$0.102	\$1.038	\$0.110
Canada	\$0.135	\$0.494	\$0.017	\$0.117	\$0.100	\$0.098	\$0.960	\$0.083

In 2030, the average tax paid on a 64-litre fill-up will be \$61.44, with \$5.28 of the bill being tax-on-tax.

Tax on a 64 Litre Fill-Up 2030

Province/City	Before Tax	Provincial Taxes	Federal Taxes	Carbon Taxes	Tax-on-Tax	Total Tax	Total
BC outside of Vancouver and Victoria	\$80.99	\$9.28	\$12.98	\$34.94	\$2.53	\$57.20	\$138.19
Vancouver	\$79.30	\$17.28	\$13.30	\$34.94	\$2.93	\$65.52	\$144.82
Victoria	\$81.02	\$12.80	\$13.16	\$34.94	\$2.71	\$60.90	\$141.93
Alberta	\$80.68	\$0.00	\$12.31	\$31.10	\$1.88	\$43.41	\$124.10
Saskatchewan	\$79.28	\$9.60	\$12.72	\$31.10	\$2.36	\$53.42	\$132.70
Manitoba	\$81.95	\$8.96	\$12.82	\$31.10	\$2.32	\$52.88	\$134.84
Ontario	\$76.45	\$19.28	\$12.57	\$31.10	\$6.10	\$62.95	\$139.39
Quebec with regular rate	\$77.11	\$24.79	\$12.67	\$31.10	\$7.46	\$68.57	\$145.68
Montreal	\$74.45	\$26.79	\$12.71	\$31.10	\$7.74	\$70.60	\$145.05
New Brunswick	\$77.04	\$19.13	\$12.48	\$31.10	\$6.67	\$62.71	\$139.75
PEI	\$79.04	\$17.35	\$12.36	\$31.10	\$6.44	\$60.81	\$139.85
Nova Scotia	\$76.81	\$22.34	\$12.61	\$31.10	\$7.11	\$66.06	\$142.87
Newfoundland and Labrador	\$85.63	\$22.38	\$12.95	\$31.10	\$7.02	\$66.43	\$152.06
Canada	\$77.74	\$17.15	\$12.66	\$31.63	\$5.28	\$61.44	\$139.18

Methodology Notes

Prices are based on Kalibrate's data for April 2022.

<http://charting.kentgrouppltd.com>