

NEWS LOCAL

Carbon levy

By Yasmin Mayne, Spruce Grove Examiner/Stony Plain Reporter
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In T-minus three months the province's carbon tax will be in effect, costing the average Alberta family — a couple with two kids — an additional \$338 in 2017.

Last week, the Canadian Taxpayers Federation's (CTF) Alberta director, Paige MacPherson, was in Stony Plain to talk about CTF's concern with the new tax.

"We went to Stony Plain to raise awareness about the fact that the carbon tax is going to cost taxpayers, industries and businesses alike bitime, but it's not going to make a dent in global climate change," explained MacPherson.

According to the Alberta Government, the money collected from the levy will be reinvested in the economy to diversify the energy industry and create new jobs.

Over a five-year period the levy should generate \$9.6 billion, out of which \$3.4 billion will be for large-scale renewable energy, bio-energy and technology, \$2.2 billion for green infrastructure such as transit and \$645 million for Energy Efficiency Alberta, a new provincial agency that will support energy efficiency programs and services for homes and businesses.

According to information provided by the province, since B.C. implemented a carbon levy in 2008, fuel use in that province dropped by 16 per cent, where as over the same time period in the rest of Canada, it rose by three per cent.

Additionally, energy-related greenhouse gas emissions in B.C. dropped by six per cent overall — and nine per cent per capita — between 2007 and 2011.

Rebates

The remaining \$3.4 billion in carbon levy revenue will be used for rebates and small business tax cuts.

Another concern MacPherson raised was the possibility of the levy increasing every year.

“The carbon tax is designed to increase every year indefinitely with inflation. So anytime that the government decides to offer taxpayers some much-needed relief in another area ... there will always be that offsetting tax hike, thanks to the carbon tax, to accompany it,” said MacPherson.

However, as spokesperson for the province said, “The current schedule of \$20 per tonne in January of 2017 will rise to \$30 per tonne in January 2018 ... there are no further increases scheduled, as we are waiting to see how the federal government chooses to proceed with national carbon pricing efforts.”

According to the Alberta Government, in 2018, the average couple with two kids will have to pay an additional \$508 because of the levy.

However, the province does have rebates for low to middle income Albertans.

A single person making less than \$47,500 will receive the full rebate of \$200 in 2017, increasing to \$300 in 2018.

The rebate decreases as income rises, with an income of \$51,250 as the cut-off point for a single person.

A couple with two children with family income less than \$95,000 will receive the full rebate of \$360 in 2017 and \$540 in 2018. The cut-off point for this group is \$101,500.

According to the province, six in 10 Albertan households will be eligible for the full rebate, with an additional six per cent of households receiving a partial rebate.

As well, the small business corporate income tax rate will be reduced by one-third, from three to two per cent.

MacPherson said the rebates are a positive step, but that some Albertans who need a rebate will not receive one.

“If you’re making more than \$52,000 per year in Alberta, you get no rebate at all. While \$52,000 per year is a good salary, it’s \$8,000 under the average salary in Alberta,” MacPherson said.

“The carbon tax is going to have a very large impact on families where parents are making that amount of money ... they’ll be paying the carbon tax in full.”

According to Statistics Canada, in August the average hourly wage for Albertans between the ages of 25 and 54 was \$31.60 — working 40 hours a week would result in an annual salary of \$65,728.

Cost-benefit analysis

MacPherson believes that industry and business are already making strides to become more environmentally friendly and reducing their carbon footprint.

“We need to weigh the impact of the carbon tax ... how much is this hurting families versus how much of a difference are we making when comes to global climate change?”

A spokesperson for the province said “ (the) government is currently developing the details of the implementation for oil and gas, coal, methane and all heavy emitters. Once the details of these regulations are complete, we will be able to undertake a full economic analysis.

“Preliminary analysis shows that Alberta’s economy will continue to grow under the Climate Leadership Plan as emissions are reduced.”

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