

Current Actions

Carbon Tax Campaign

"The carbon tax is here to stay." Now let's make it better!

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Political Outreach

We meet with our political representatives to express our concerns and urge them on in the fight to stop global warming.

[»read more](#)

I'm voting for REAL ACTION Election Lawn Signs

Time to get ready for the next election -- keep that spot reserved in your front lawn!

[»read more](#)

Past Actions

Send Ottawa a postcard and help save Canada's Clean Air and Climate Change Act!

Our MP's have worked hard over the last few months to hammer out a new piece of legislation in the fight against climate change. The Clean Air Act contains tough new provisions for the reduction of greenhouse gas emissions from industry and vehicles. Unfortunately, unless the Conservative government brings the bill back before the House for a vote, it will die on the order paper



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Climate Change Valentines

February 2007

VTACC developed a do-it-yourself Valentines



Current Actions

Taking Action in Support of Carbon Taxes.

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Where we're at in BC

We were relieved to hear NDP leader Carole James acknowledge recently that the carbon tax is here to stay. We welcome her pledge to work to make it better. VTACC has argued from the start that the carbon tax should start higher (\$30 per tonne) and increase faster if it is going to have a serious influence on emissions. We support the use of carbon tax revenue to pay for transit system improvements, to fund emission reduction programs for schools and hospitals, and to help low income British Columbians. Please take a minute to thank Ms. James and the new NDP environment critic for their turn around on this issue:

Carole.James.MLA@leg.bc.ca

Rob.Fleming.MLA@leg.bc.ca

What's happening federally

The Liberal defeat in the last election has caused that party to back away from support for carbon taxes (despite the fact that Michael Ignatieff supported them when he ran for the Liberal leadership). This leaves the Green Party as the only federal party to currently include carbon taxes as part of their platform. The NDP and Conservatives have come out in opposition to carbon taxes. The Green Party platform calls for a much steeper tax than that in place in BC, with the money spent on other tax reductions and infrastructure investment. See the party's policy on carbon taxes here:

<http://www.greenparty.ca/en/policy/carbontaxplan>

This policy would be a huge step forward if implemented. Here are some key questions to consider when talking to Green candidates about their policies:

- Which emission sources are covered, who pays the cost of carbon pricing?
- How is the revenue used? Does it offset impacts on low income Canadians, and/or is it used to provide resources for expansion of public transit, to fund building efficiency retrofits and to support development of other low emission infrastructure?
- How soon and how sharply will the policy reduce emissions?

Here is a key question to ask of Liberal, NDP and Conservative

Campaign kit in which we subtly modified classic Valentines to send a call for action on climate change. Each kit contained cards addressed to Prime Minister Stephen Harper, Environment Minister John Baird, and Liberal leader Stéphane Dion and, of course, a card that could be addressed to any MP, to ensure that everyone on Parliament Hill was included!

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Kits Beach Rally: "No Coal For Christmas!"

December 2006



This was VTACC's inaugural event, which we planned because of frustration over lack of government action on climate change. The BC government's decision to build two new coal fired power generating plants was the last straw, and provided the catalyst for us to form VTACC: Voters Taking Action Against Climate Change.

[»read more](#)

candidates:

1. If you are not willing to put a price on the pollution that cause global warming -- the solution that is supported by economists, environmental groups and energy and emission experts -- how do you plan on reducing emissions quickly and efficiently? Who will pay for this?

OK, that's two questions, really. Keep in mind, if their answer is "big polluters" will pay, that those polluters will pass their costs down to "little polluters" -- everyday Canadians. Regulations to reduce emissions impose hidden costs, and those costs are passed down to consumers. There is no free ride in the fight against climate change. Carbon taxes are an efficient and transparent way to get the job done.



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Carbon Taxes: Frequently Asked Questions

What is a carbon tax?

Won't carbon taxes hurt the poor?

Is the BC carbon tax an unfair burden on Interior and Northern Communities in BC?

Won't the carbon tax drive business out of the country?

Why can't government just use regulations to demand emission reductions from big industry?

What is a carbon tax?

A carbon tax is a tax added to the price of fossil fuels (e.g., oil, natural gas, coal) when they are first sold. When these fuels are burned, they release carbon dioxide. Carbon dioxide is very efficient at trapping heat in the atmosphere and is the main contributor to global warming. We need to reduce emissions of carbon dioxide if we are to avoid increasing global temperatures to dangerous and irreversible levels.

By increasing the price of fuels with major carbon content (and goods produced or transported with those fuels), a carbon tax encourages people to switch toward other, less carbon-intensive fuels and goods in their everyday life. It also encourages firms to find more environmentally friendly ways to produce.

A revenue neutral carbon tax such as the one recently introduced in BC is not a government tax grab, it is a tax shift. Other taxes (e.g., the income tax) can be lowered at the same time, leaving the average person with the same income they have now.

If people's incomes don't change, how does a carbon tax help? The average family's income hasn't changed but the prices of what they spend it on have, giving them an incentive to spend that income differently.

Right now the prices of the goods we buy don't fully reflect the costs to the environment of making those goods. A carbon tax will make the prices more accurately reflect all the costs of making a good.

A carbon tax encourages innovation because it provides an incentive for firms and individuals to reduce their carbon emissions in the way that's most efficient for them. Faced with a carbon tax, firms will also have an incentive to invent new ways to reduce emissions of carbon dioxide.

A carbon tax is better than regulation for reducing emissions from many sources. Government regulation imposes a one-size-fits-all approach, is always a step behind in terms of new technologies, and is costly to administer.

Will a carbon tax put companies out of business? There is more

than one way to produce any product. A carbon tax introduced in gradual steps will allow firms to adjust their methods of production, putting them ahead of other firms on a path that everyone must go down eventually.

Won't carbon taxes hurt the poor?

It is important we keep in mind that there will be a cost no matter how we decide to reduce emissions. If approached crudely, many emission reduction measures will disproportionately impact the poor and disadvantaged. As a society, we need to find ways to avoid that.

British Columbia has introduced a revenue-neutral carbon tax, one where taxes on income are reduced as increasing levels of taxation are applied to carbon emissions. Government has done this by reducing income taxes for families earning up to \$70,000 a year, and through enhanced GST credits to reduce costs for those with the lowest incomes of all.

The poorest households do not generally own cars and the combination of the GST credits, tax cuts and the one-time \$100 rebate means that the poorest families in BC are almost certainly better off with the carbon tax than without it.

It is true that the BC's carbon tax legislation does not commit to GST credits past year 2. This does not mean that there will not be such credits –only that the finance minister is not willing to commit to expenditures when the size of the designated matching revenue source (the carbon tax revenues) is uncertain. We should all keep pressure on the government to let them know that we want the plan to continue to help the poor.

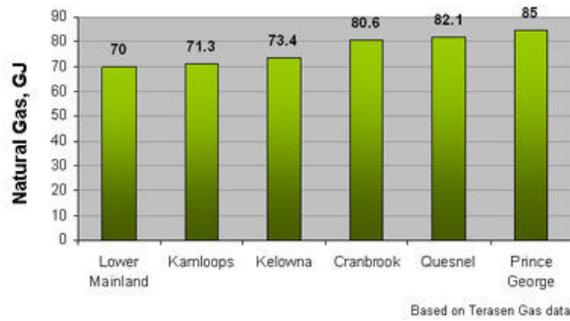
However, while BC's carbon tax plan is progressive in its treatment of the poor, that may be small consolation if the poor are facing hard times because of general gas price increases. We believe there is an opportunity to address this very real issue while at the same time fixing policy which currently encourages further oil and gas development in BC. The BC government could halt its subsidies for oil and gas exploration (which are hypocritical given its pledge to reduce emissions) and use the money saved to help the poor (and others) adapt to the new world of higher gas prices.

We simply can't fight climate change for free, no matter how we go about it. The benefit of a carbon tax is that the added costs are transparent, and that it provides revenue that government can use for other purposes – like reducing income taxes for low income citizens, as BC's revenue neutral carbon tax shift has done.

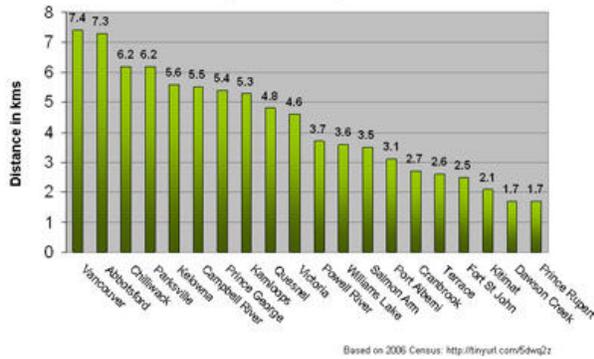
Is the carbon tax an unfair burden on Interior and Northern Communities in BC?

Some Interior and Northern municipalities have argued that because winters are colder and distances between communities are longer in their areas, their community members burn more fossil fuels and they will pay a disproportionate share of the carbon tax. However, a quick look at the charts below shows that while households use somewhat more energy for heating in the Interior, commuters travel farther distances to and from work on the Coast. In the end, the differences wash out – some costs are higher on the Coast, some are higher in the Interior/North.

Energy use for home heating in BC



Median trip to work length in BC



Keep in mind that we can all reduce our carbon taxes by making smart, low emission choices, right now and over the long term. These choices vary from community to community: in terms of transportation emissions, in dense urban neighbourhoods the carbon tax may prompt some people to start taking transit to work; in suburbs and smaller Interior communities, the tax may make some decide to replace their existing vehicle with a smaller and more fuel efficient one, to carpool, or to combine several trips into one. Other long term choices include replacing older natural gas furnaces with more efficient models, choosing home locations nearer to work, and so on.

By putting a price on the pollution which causes global warming, the carbon tax gives us all an incentive to reduce the amount we pollute. That's a good thing, because global warming isn't going to go away by itself, and we all need to do our share to stop it.

Government should take steps to provide resources so that all British Columbians can reduce emissions and reduce costs. However, it should not remove the incentive to reduce emissions provided by the carbon tax

Won't the carbon tax drive business out of the country?

A firm's decision to invest is driven by a number of factors, relative tax rates being only one. There are many progressive companies that are attracted to forward thinking jurisdictions as a good place to do business and for employees to live. In fact, there are numerous examples of industry support for carbon taxes. Many companies recognize we are in a crisis that requires immediate action and are pleading for effective measures that are applied across the board. Certainty and a level playing field are key. Over 80 BC businesses signed a joint letter in support of

carbon taxes this spring, and many national business organisations have also expressed support for putting a price on the pollution that causes global warming.

Second, a recent report by the CD Howe Institute on Canada's tax competitiveness showed that there is a huge range in marginal tax rates between countries. Canada's effective marginal rate in the manufacturing sector is 23.1, whereas in the US it is 34.7, the OECD average is 30.9, and Japan is 35.2. There is also room below us -- Portugal's rate is 14.8 and Botswana's is 11.4 -- but business isn't necessarily leaving BC and heading to those countries as a result. You can see the report at http://www.cdhowe.org/pdf/commentary_254.pdf

Finally, BC (and Canada) is committed to reducing emissions, and government will have to take steps to make this happen. Education, voluntary action and subsidies have been shown not to work. That leaves command and control measures (i.e. regulations), or market based measures. Of these, market based measures are more economically efficient because they provide decision makers with the flexibility to reduce emissions in the ways that best suit their operations. In some cases where emissions are hard to price regulations will also be needed.

Of course it would be ideal if carbon taxes were applied uniformly by all jurisdictions around the world. We can't wait for that to happen. Someone has to take the first step, and BC is showing real leadership in this area. Recently, some economists have suggested that jurisdictions which introduce carbon taxes should also introduce carbon tariffs -- essentially duties applied to goods coming from jurisdictions where carbon taxes have not been implemented. This would reduce the local competitive disadvantage that the carbon tax places on businesses, while also encouraging other jurisdictions to introduce carbon taxes in their regions.

You can read an introduction to the concept of carbon tariffs by CIBC economist Jeffery Rubin here: http://research.cibcwm.com/economic_public/download/feature1.pdf

Why can't government just use regulations to demand emission reductions from big industry?

Government should use whichever measures, including regulations and taxes, are most effective at reducing emissions from particular sources. It's not surprising that the carbon tax was introduced first in British Columbia, because changes to the tax system are relatively easy to implement. In addition, 75 percent of all emissions produced in BC -- from individuals, families and industry -- are covered by the carbon tax.

However, we have to keep a close watch on government to ensure that it does introduce measures as soon as possible to achieve emission reductions from other sources, such as agriculture, landfills, and industrial processes that don't involve the burning of fossil fuels. We also need to make sure that regulations on industry are firm and transparent and applied without exemptions.

While regulating emission reductions makes sense in some areas, it isn't an efficient way to reduce emissions resulting from the many different choices made by consumers, institutions and businesses. In these cases, one-size-fits-all regulations do not provide decision makers with flexibility in deciding how to best reduce their emissions, and they do not encourage innovation and problem solving. By putting a gradually increasing price on the pollution which causes global warming, the carbon tax encourages fossil fuel consumers to find innovative ways to reduce costs --

and emissions.

Carbon Taxes in BC: Myths and Realities

Misconceptions about the BC carbon tax have grabbed many of the headlines. A number of BC environmental groups have developed a "reality check" fact sheet to help ensure that the debate over carbon taxes is based on sound information. You can read the fact sheet here:

http://www.wildernesscommittee.org/webImages/frontPage/BC_Carbon_Tax_Reality_Check.pdf

Where to go for further information.

Hungry for more? The Carbon Tax Centre in the United States keeps track of the carbon tax progress around the world. Their site provides a wealth of information on where taxes have been introduced, responses to common arguments against carbon taxes, comparison of carbon taxes and cap and trade programs, and so on. The site is well worth a look:

<http://www.carbontax.org/>

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