

June 6, Clean Air Day Canada, to also be declared Gas Subsidy Honesty Day

It's time to refine the full costs of fuel and transportation out of our income and property taxes.

Ottawa June 6, 2001: Group calls on government to be honest about the subsidy already received by fossil fuel users, and rather than lower the gas taxes to instead transfer the full costs of energy and transportation off of income and property taxes.

Last month the Canadian Taxpayers Federation released a study entitled "Refining Tax from Gas" where they calculated the federal and provincial fuel tax revenues, as well as fees and fines and tried to offset this with federal and provincial road construction and maintenance costs. While this is an interesting first step, the fact that they did not continue to calculate the related costs drew them to an incorrect conclusion: that gas taxes should be reduced rather than the reality where they should be increased.

"As an example the \$7.376 billion total gas taxes collected by the Ontario provincial and Canadian federal governments in 1998, assuming all money collected federally were to be spent in Ontario, does not even offset the \$9.1 billion cost estimate from the Ontario Association of Chiefs of Police for traffic collisions for the same year", indicated Russell McOrmond, concerned taxpayer and activist. "It is not that the numbers from the CTF are wrong, but that they aren't including all relevant costs that motorists should be expected to pay. The alternative is for these real costs, as well as the additional costs due to the increased usage that lower prices would bring, to be subsidized out of an increase in income and property taxes. This increase in taxes is something that the CTF should be lobbying against, not supporting".

There is one area in common between the CTF campaign and the new campaign, and that is the recommendation to "Treat federal, provincial and municipal gasoline tax as a user fee". The Gas Subsidy Honesty campaign makes the following additional recommendations:

- ! That the full costs of transportation be transferred off of income and property taxes and onto licensing fees, fines, fuel taxes and/or user fees
- ! That the cost analysis of transportation not simply take into consideration obvious infrastructure costs such as roads, but include the full costs
- ! That the costs of fuel should include all fuel related costs -- beginning with the research and extraction of fuels, all the way up to the environmental, health, and social costs of that fuel

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- ! That the total cost for a mode of transportation should also include costs such as policing, infrastructure construction and maintenance, and other associated costs
- ! That transfer payments between levels of governments be set up such that the level of government that is paying a cost must be receiving the appropriate revenue to pay for it. This will, as a minimum, require transfer payments from provinces who collect many of these taxes, fees and fines to municipalities who have a considerable cost burden relating to transportation
- ! That some additional tax on motorists be levied to compensate for the deficit that property and income tax payers have been paying to date. Property and income taxes should be able to be quickly reduced with this additional tax also used to help current taxpayers to transfer to more efficient and less costly alternatives.

June 6 was chosen as the date to launch this Gas Subsidy Honesty campaign as it has already been declared [Clean Air Day](#) by the Government of Canada. According to the the president of the Ontario Medical Association, air pollution is a public health crisis that will result in 1900 premature deaths in Ontario this year and cost the province more than \$1 billion.

"If lower overall taxes are your goal, then get involved in the [Commuter Challenge](#) . If we can become more efficient in satisfying our mobility needs, then the public costs will be lower. Otherwise, the new roads will need to be paid for by someone. That someone right now is the Canadian public, in the form of income and property taxes. It seems fair to me that it be the people who benefit the most (the motorist) that should pay the most." , indicated Michael Richardson, President and Chief Scientist Sandelman Software Works.

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For more information on the Gas Subsidy Honesty campaign please contact Russell McOrmond, (613) 235-7584 or email russell@flora.ca (preferred). Additional information about this campaign can be found at flora.org/taxpayer

More information on the Canadian Commuter Challenge can be found at: <http://www.commuterchallenge.net/>

More information on Clean Air Day can be found at: <http://www.ec.gc.ca/cleanair/>