

Myth: Lower Fuel prices will lead to less government revenue

Fact: From <http://www.fin.gov.bc.ca/tbs/tp/climate/A6.htm>

***“Fact:** The carbon tax, like the other B.C. fuel taxes on gasoline and diesel, is levied on a per volume basis and is not related to the selling price of the fuel. The government collects the same amount of carbon tax per litre at any price. For example, if someone bought 100 litres of gasoline after July 1, 2012 they would pay \$6.67 in carbon tax when the tax is equivalent to \$30 per tonne of CO₂e. This is the case whether the gas costs 50 cents per litre or \$2.00 per litre. In fact, to the extent that higher prices lead to lower consumption, the B.C. government will get less tax revenue.”*

Fact: From http://en.wikipedia.org/wiki/Motor_fuel_taxes_in_Canada

Almost all fuel taxes in the Vancouver Lower Mainland are charged on a per litre sale. Only a small portion of taxes collected is related to the price of fuel. Assuming fuel consumption increases with lower prices the net taxes collected will actually increase.