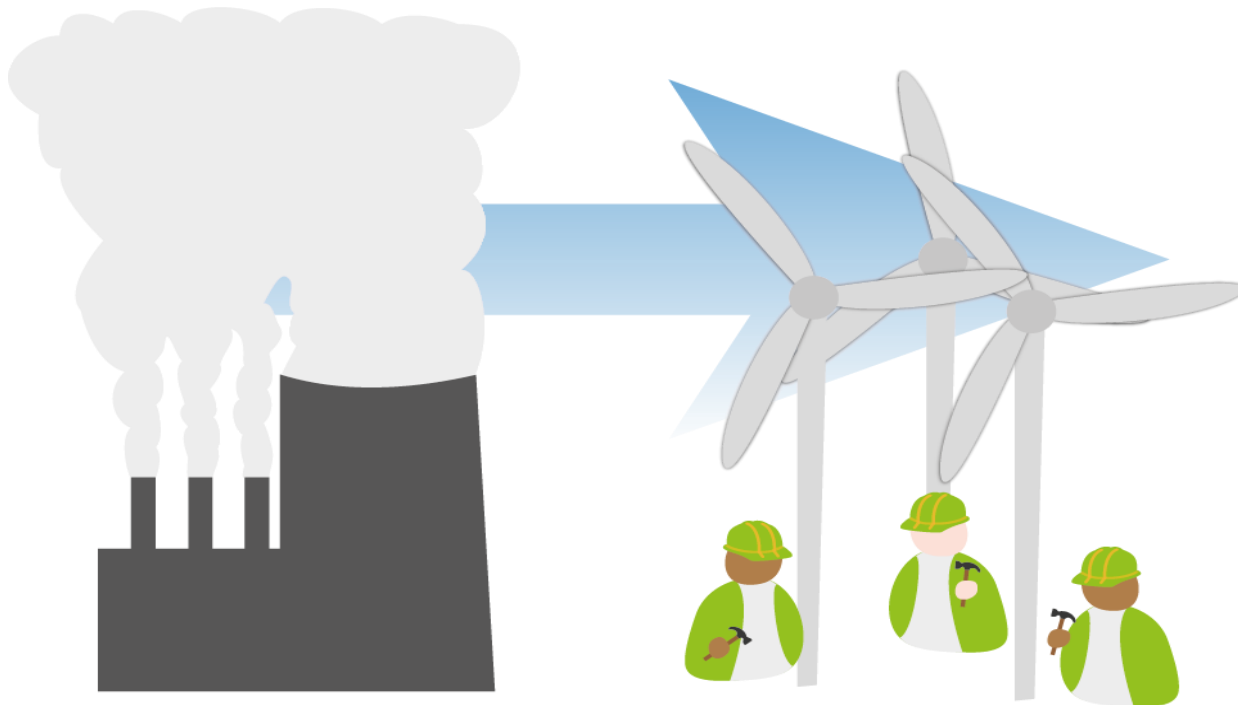


## COMBAT CLIMATE CHANGE



The world is burning. We're going to cook ourselves and the rest of the planet unless we take urgent action to reduce greenhouse gas emissions and combat climate change.

We need to use all the tools we have to address climate change and preserve a healthy environment: direct regulations, public investments, subsidies, just transition measures, research, education, and more—including carbon taxes and other fiscal measures. Carbon taxes work by increasing the cost of polluting while also gen-

erating funds to invest in alternatives, and in packages of measures like a Green New Deal. Carbon taxes on their own aren't sufficient. However, they can be an important part of the solution if they are progressive, cover all sectors without loopholes and send a strong signal to the public. They must be combined with substantial complementary measures.

The federal government's carbon tax plan is positive in many ways. It is intended to set a national minimum carbon tax and it is progressive with 80 percent of households—all except the top 20%—receiving more in

rebates than the additional costs they'll pay on average from the tax. However, it should be strengthened in a number of key ways:

- ⇒ The federal government's carbon pricing system only requires large emitters [to pay less than 10% of the federal government's total carbon revenues](#), even though they are responsible for 40% of Canada total emissions. Applying the carbon price to all emissions from large emitters would make it much more effective and increase the federal government's revenues by approximately *\$3 billion annually*.
- ⇒ The federal government should introduce tariffs on imports from countries that aren't taking sufficient action on climate change, and provide rebates to Canadian exporters to those countries. This would not only generate more revenues, support Canadian producers and ensure they aren't penalized; it would help force other countries to take action.
- ⇒ The federal government should make its annual payments to households much more visible. Right now very few people know what they receive because it is integrated with the tax system, so support is much lower than it could be. Instead rebate payments should be sent directly to households in the form of annual cheques or electronic formats, along with educational material amount what they can do on climate change.

We outline these priorities recently in our [pre-budget submission to government](#).

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*“The federal government can’t seriously fight climate change while funding the fossil fuel industry through tax write-offs, corporate handouts and by subsidizing an oil pipeline”*

Although it has started to phase out some subsidies, it has also introduced others, and [many still remain](#). Removing these unfair and contradictory subsidies would save over \$2 billion annually, according to new estimates from the Parliamentary Budget Officer.

Oil and gas companies can more than afford to contribute their fair share, but many of the largest including Imperial Oil and Husky pay very little or nothing in corporate income taxes as well as low royalty rates. Nearly a dozen of the country’s oil titans such as Suncor, Enbridge, CNRL, TransCanada, Imperial Oil, Cenovus and Husky [have subsidiaries in tax havens](#). Some were also [named among high-profile individuals and companies in the 2017 Panama papers](#).

Canada needs these revenues to fund a just transition for workers in oil-reliant communities. The savings can be put toward elements of a Green New Deal like retrofitting 40 percent of homes and improving the efficiency of other buildings by 30 per cent each [at an estimated cost of \\$6 billion annually](#). These two measures alone could create more than 80,000 jobs a year.

The clock is ticking. We need tax policies that get tough on polluters, instead of subsidizing them.

## TOTAL SAVINGS: \$5B+

**\$5B+ works out to...**



**\$333**

**for each household**



**Retrofit for**

**1,000,000**

**homes**



**Job retraining**

**for 500,000**

**workers**

**TAKE ACTION NOW**

Please ask your local candidates what they plan to do to strengthen Canada’s fight against climate change. You can specifically ask if they support eliminating fossil fuel subsidies and if they endorse a progressive carbon tax. Share this fact sheet and write letters to the editor calling for stronger action on climate change through tax fairness.

Our [Platform for Tax Fairness](#) provides a comprehensive set of policy recommendations to make our tax system fairer, reduce inequality and generate revenues for public services. With weeks to go before the 2019 election, we are counting down the top 5 tax fairness measures —as voted on by our supporters— that federal parties should focus on this election.