

## North

### Here's what you need to know as carbon tax takes effect in Yukon



Yukoners estimated to pay an extra \$84 in 1st year, gas going up 4.42 cents per litre, diesel 5.37 cents

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The federal carbon tax comes into effect in the Yukon on July 1. The federal government is expected to collect \$7.8 million in revenue from the Yukon in the first year of the tax. (Yvon Theriault/CBC)

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The federal government first announced its carbon pricing program back in [2018](#). It began in Ontario, New Brunswick, Saskatchewan, and Manitoba on April 1. It comes into effect in the Yukon as of July 1.

Here's what Yukoners need to know about how the carbon tax is being implemented in the territory.

#### 1. What is the carbon tax? How does it work?

Under the carbon tax, the Government of Canada has put a direct price on each tonne of greenhouse gas emissions.

The aim of the tax is to increase the cost of carbon-intensive fuels so alternative energy sources are more cost-competitive, leading to changes in behaviour. It is designed to lower Canada's carbon emissions so the country can meet the reduction targets it agreed to at the Paris climate summit.

- [What you need to know: Federal carbon tax takes effect in Ont., Manitoba, Sask. and N.B. today](#)

Each territory and province has its own way of implementing the carbon tax. The Yukon is applying a tax to gasoline, diesel and propane as well as [other fuels](#).

## 2. Who is getting taxed?

The tax is applied at the point of sale, so anyone purchasing any of the carbon-emitting fuels will be taxed.

People will feel the tax most when gassing up vehicles with gasoline costing 4.42 cents more per litre.



The carbon tax in the Yukon will mean an increase in the price of gasoline at 4.42 cents per litre, 5.37 cents/litre for diesel and 3.10 cents/litre for propane. (Graham Hughes/Canadian Press)

Yukoners are estimated to pay an extra \$84 in the first year of the carbon tax.

There are [exemptions to the carbon tax](#). Commercial fishing and agriculture are federally exempt. Aviation fuel is also exempt in all three territories and there are relief measures for diesel-powered electricity in remote communities and greenhouse operators.

## 3. How much is the tax?

In the first year, the tax is set at \$20 per tonne of carbon emissions. The rates will increase by \$10 per tonne each year beginning on April 1, until it reaches \$50 per tonne in 2022.

When purchasing fuel in the Yukon, the rate breaks down to:

- Gasoline: 4.42 cents/litre

- Diesel: 5.37 cents/litre
- Propane: 3.10 cents/litre

The yearly impact of the carbon tax will be an average of \$260 per Yukon household.

The Government of Canada is expected to collect \$7.8 million in revenue from the Yukon in the first year of the tax.

#### 4. What is the rebate?

To compensate for the increase in costs, the federal government has said it will return the revenue from the carbon tax to each territory and province where it was collected.

#### 5. Who is eligible for a rebate?

Yukon individuals, businesses, First Nations governments, municipal governments, and placer and quartz mining operations. Tourists, the Yukon and federal governments are not eligible for the rebate.



Premier of Yukon Sandy Silver, left, and Prime Minister Justin Trudeau in December 2018. The Yukon and federal governments, along with tourists, will not be eligible for the rebate from the carbon tax. (Paul Chiasson/Canadian Press)

Yukon First Nations governments are expected to pay about 0.5 per cent of the total tax, but will receive one per cent of the revenues. Municipal governments will pay about 2.5 per cent of the total tax and will receive three per cent of the revenues.

Individual Yukoners over 19 years old who have filed their taxes will get their first rebate payment of \$43 in October and the second, also \$43, in April 2020. From July 2020 onwards, payments will be made quarterly and include a 10 per cent supplement for people living in remote areas in the Yukon.

- [Trudeau promises rebates as Ottawa moves to levy carbon tax on provinces outside the climate plan](#)
- [Yukoners to get first carbon tax rebates this fall — for \\$43 per person](#)

Rebates will be issued by the Canada Revenue Agency the same way tax returns are issued, through cheque or by direct deposit.

### 6. What impact will the tax have on emissions?

The carbon tax is expected to reduce greenhouse gas emissions in the Yukon by approximately 20 kilotonnes in 2020 and 32 kilotonnes in 2022.

The federal, provincial and territorial governments are expected to work together to complete an interim report on carbon pricing in 2020 and a five-year review in 2022.

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