



British Columbia's Carbon Tax

B.C.'s carbon tax provides a signal across the economy to reduce emissions while encouraging sustainable economic activity and investment in low-carbon innovation.

In 2008, the province implemented North America's first broad-based carbon tax, proving that it is possible to reduce emissions while growing the economy.

The carbon tax applies to the purchase and use of fossil fuels and covers approximately 70% of provincial greenhouse gas emissions.

Carbon pricing is gaining momentum globally. In Canada, the federal government implemented a coordinated nation-wide carbon price, beginning at \$20 per tonne of carbon dioxide equivalent emissions (tCO₂e) in 2019 and rising to \$50 per tonne. As of 2019, over 70 jurisdictions, representing about 20% of global GHG emissions, have put a price on carbon.

Approach to Carbon Pricing

Delayed Carbon Tax Increase

In response to COVID-19, B.C.'s carbon tax rate will remain at its current level of \$40 per tCO₂e until further notice.

The COVID-19 Action Plan takes further steps to boost income supports by increasing and expanding the B.C. Climate Action Credit in July 2020. As many as 86% of British Columbians will see some extra money from this enhancement.

Learn more about the one-time enhanced July 2020 payment.

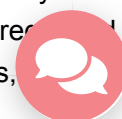
On April 1, 2019, B.C.'s carbon tax rate rose from \$35 to \$40 per tCO₂e.

New revenues generated from increasing the carbon tax will be used to

- Provide carbon tax relief and protect affordability
- Maintain industry competitiveness
- Encourage new green initiatives

To improve affordability, in 2019 government increased the Climate Action Tax Credit to \$154.50 per adult and \$45.50 per child as of July 1, 2019. Government also offers several carbon tax programs for businesses and local governments.

The CleanBC Program for Industry directs an amount equal to the incremental carbon tax paid by industry above \$30/tonne into incentives for cleaner operations. The program is designed for reducing emissions from large industrial operations, such as pulp and paper mills, natural gas operations and refineries, and large mines.



The program includes:

- A [CleanBC Industrial Incentive](#) that reduces carbon-tax costs for operations meeting world leading emissions benchmarks, and
- A [CleanBC Industry Fund](#) that invests some industrial carbon tax revenue directly into emission reduction projects, helping to make our traditional industries cleaner and stronger.

Tax Rates by Fuel

Different fuels generate different amounts of GHG emissions. The April 2019 carbon tax rate of \$40 per tonne must be translated based on the type of fuel used. Below are rates for select fuels.

Fuel	Tax Rate Based on \$40/Tonne of Emissions
Gasoline	8.89 ¢/litre
Diesel (light fuel oil)	10.23 ¢/litre
Natural gas	7.60 ¢/cubic meter

Changes in Response to COVID-19

- [Climate action tax credit](#) - an additional one-time payment will be made in July 2020
- [Carbon tax](#) rates will remain at current levels until further notice
- [News Release](#) - B.C.'s first steps to support people, businesses

Important Updates

- [BC Budget 2020 – Climate Action and CleanBC](#)
- [Latest from Carbon Pricing Leadership Coalition](#)

Carbon Tax Information

Carbon tax applies to the purchase or use of fuels such as gasoline, diesel, natural gas, heating fuel, propane and coal, unless a specific exemption applies.

Learn more about [carbon tax administration](#).

