Charting a Path for Growth
Nova Scotia Tax and Regulatory Review

Pollution Tax

Pollution taxation charges polluters for the damages their actions cause the environment and others. Such taxes reduce environmental harm in the least costly way, by encouraging changes in behaviour that reduce pollution. Energy tax reform is not about higher taxes. It is about smarter taxes, and moving away from those corporate and income taxes that are most harmful to economic growth. They are more effective than regulation at reducing pollution and can generate significant economic and environmental benefits.

Other provinces are already having success. British Columbia’s carbon tax has resulted in a 17.4 per cent per capita reduction in consumption in all taxable fuel types. At the same time, its economic growth kept pace with or surpassed most other provinces.

Given the reality of climate change, an effective and efficient fiscal system must promote innovation and growth, while also reducing pollution and environmental damage and not increasing the overall tax burden.

Why

• Shift the burden of pollution onto those responsible for it
• Create a price for harming the environment
• Discourage pollution and protect the environment
• Encourage more sustainable behaviour
• Promote greater economic welfare

How

• Phase in the implementation of a Pollution Tax regime over the next 10 years
• The tax should be revenue neutral to the province
• All available revenue should be earmarked to provide generous support to low-income families, as well as overall corporate and personal income tax relief