

OP-ED

Electric Vehicles: Who pays for loss of Excise Tax Revenue?

By Maurice Rees

Self driving electric vehicles are coming our way. So is "Share-a-vehicle". Instead of owning a vehicle, you rent one, just like a taxi. Great for cities where there is ample public transport.

This writing was prompted by CBC Radio's Maritime Noon during the week of July 4th. The guest suggested within a decade 50% of the current auto dealerships would be eliminated as people rush to electric vehicles and instead of every family having one or two vehicles, they'd use public transport then rent a vehicle only for longer trips, or maybe vacation saving the family in excess of \$6,000 per year.

On such topics in rural Nova Scotia, our eyes glaze over with a slightly different version of NIMBY - "not in my back yard". We think "NIMLT" - "Never In My Life Time". Hard to believe while living on a back-country gravel road frigid winter temperatures of -20 degrees and three feet of snow we could manage with an electric vehicle with any amount of reliability.

Would we want to change from our current rusty gas-consuming vehicle when cell phones have been around for 40 years and we can't get reliable cell phone coverage along paved highways? Similarly, the internet has been around for over a decade and there are thousands of homes and businesses, who can't get reliable internet service, let alone internet service with speeds similar to what is offered in the cities.

In their wisdom federal and provincial governments are providing assistance to install

electricity charging stations. With a bit of investigation you'll discover there are grants or subsidies of upwards of \$14,000 available to those wishing to switch to a totally electric vehicle. I Googled: Canadian Subsidies for Electric vehicles. Immediately, I stumbled upon: <https://plugndrive.ca/electric-car-incentives>

Here is the opening paragraph: The government of Ontario offers up to \$14,000 off the purchase of an electric car, up to \$1,000 off the purchase and installation of a home charging station and a green license plate that allows drivers to use high-occupancy vehicle/toll (HOV/HOT) lanes when driving alone. The amount each car receives is based on four factors: battery size, number of passengers, vehicle price (including trim) and terms of lease.

Back to Maritime Noon. I called the show, but as I waited for my turn, I did more online research to see what I could find regarding the amount of provincial excise tax charged for gasoline or diesel fuel. The data for 2016 is available online at: <http://www.taxpayer.com/media/2016-GTHD-EN.pdf>.

The first line states: "Across Canada in 2016 total revenue from taxes on gasoline and diesel was \$20 billion. Provincial governments and transit authorities get most of that with \$13 billion and over \$7 billion to the federal government". In 2016, Nova Scotians spent a total of \$575.57-Million in taxes for the pleasure of driving over roadways, we feel are full of pot-holes and below standard.

Nova Scotia's initial excise tax in 2016 rate was 15.5

cents/litre and then other taxes apply. The following taxes were paid by Nova Scotians: \$242,228,189 for the provincial excise tax based on each litre of gas or diesel; \$133,594,501 generated from Provincial Sales Tax; \$132,953,593 for Federal Excise Tax; \$66,797,251 generated from Federal Sales Tax; \$56,277,267 generated from Tax-on-Tax for a whopping grand total of \$575,573,534.

Governments would have us believe, the excise tax on fuel is to maintain our highway system. If we presume that is correct let's examine what might happen if in the next 10 years, one third of the gas and diesel vehicles, in the province, are taken out of service and exchanged for electric vehicles.

If we equate number of vehicles directly to consumption, a reduction of 33% of the vehicles on the road would reduce Nova Scotia's Excise Tax on fuel by almost \$80-Million per year. In other words converting 33% of the fleet to electric vehicles reduces excise tax by \$1,538,461 per week or \$219,780 per day. If we look at the total tax generated from gas and diesel fuel, the tax loss by eliminating 33% of the fleet amounts to a revenue reduction of \$189,939,260 for all levels of government. Broken down to a week that's \$3,652,678, or \$521,811 per day.

To determine the number of registered highway vehicles in Nova Scotia, I Googled, "number of registered vehicles in Nova Scotia" Then I chose "Motor vehicle registrations by province - territory."

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The above photo shows the massive damage caused by Dorion Windstorm, which impacted hundreds of acres of woodlot across the province. A pulp mill is needed to provide a marketplace for salvaged timber. (Spicer Photo) (see also the story and photos on page 11)



When Peter Spicer harvests timber it is neatly piled roadside on many of the forest roadways he had built during years of hardwork. (Spicer Photo)

My Air Angel (TRUE LOVE)

A lady of flight
A lady so fair
She is my lady
My lady of air
Though i miss you
And your heartfelt touch
Tonight my thoughts

Are of yours and such
That i feel
As if you were so near
Tonight i dream
Of skies all clear
You brought my soul
From deep with-in

To make me love
To make me grin
You are my friend
A friend i hold
With-in my heart
You are my gold!

God bless and thank-you. Thomas A. Marshall (Ex-navy) 24/11/21
Dedicated to: Manon, an Air Canada stewardess
And all those lost September 11/2001

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