

REFORMING BRITISH COLUMBIA'S CARBON TAX

Ross McKittrick and Elmira Aliakbari

ENDNOTES

- 1 For further understanding the relative efficiency of a carbon tax, refer to Metcalf (2019) or Mankiw (2013).
- 2 This concern is particularly significant given BC's status as an economic laggard within its region, as evidenced by Eisen and Li (2023), and more broadly, Canada's economic stagnation over the last decade, as highlighted by Cross (2023).
- 3 The authors calculated that once the pre-existing tax reductions were properly accounted for, the carbon tax resulted in \$226 million in additional net revenue for the government in 2013/14 and \$151 million in 2014/15 (Lammam and Jackson, 2017a).
- 4 The NDP government recently introduced an 'output-based pricing system' to modify the application of the carbon tax for certain industries. The purpose is to provide a measure of protection to energy-intensive, export-oriented BC industries that have been put at a competitive disadvantage relative to the same industries in other provinces due to the design of BC's carbon tax.
- 5 The wide variation in the estimates of SCC is based on variations in only a few modeling assumptions, such as the discount rate used and estimates of climate sensitivity, which refers to the warming expected from doubling the amount of CO₂ in the atmosphere (McKittrick, 2016). The federal government has recently updated the Canadian SCC estimate, introducing five-fold increases in the estimate of the cost per tonne of Canada's emissions. However, these high estimates are based on flawed/unrealistic assumptions about climate sensitivity, agricultural productivity impacts, and mortality costs from climate warming (McKittrick, 2023).

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