

Media Release
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Green Party reveals detailed Green Tax Shift plan

OTTAWA – The Green Party today announced a detailed plan to implement a revenue-neutral carbon tax in Canada. After releasing an outline of the Green Party approach to action on climate in 2006 (*Green Party Green Plan* or *GP Squared*) and more detailed climate plans in 2007 (*Averting Climate Catastrophe* and *Vision Green*), the Green Party is now making public greater levels of detail on a fully-costed carbon tax plan.

“By taxing carbon at the rate of \$50 per tonne, the Green Party will raise \$40 billion for the federal treasury. Three quarters of this revenue will come from business and industry,” said Green Party leader Elizabeth May. “This will enable us to provide tax relief to Canadians by cutting income and payroll taxes, bringing in income splitting, increasing support to low-income and rural families and helping students with crippling student loans.”

Ms. May said the Green Party’s revenue-neutral carbon tax is not designed to make Canadians pay more in taxes but will shift taxes onto undesirable aspects of society, like emissions and pollution, and away from desirables like jobs and income. Most Canadians will experience overall savings or stay at the same level.

“The principle behind a carbon tax is simple: stop taxing what we want and start taxing what we don’t want,” said Ms. May. “The Green Party’s carbon tax plan is a Robin Hood approach to solving the climate crisis – we take from pollution and give to the people. A Green Tax Shift will provide a Carbon Tax Holiday by allowing income taxes and payroll taxes to be reduced, income supplements to low income Canadians to be increased, student loans to be cut in half, and GST rebates to provide more relief to rural Canadians as society makes the transition to a low-carbon economy.

“The tax cuts we will be able to bring in as a result of carbon tax revenues will both save money for Canadians and stimulate the economy. As the cornerstone of our plan to combat climate change, a carbon tax will help make life better for Canadians while simultaneously reducing greenhouse gas emissions and pollution.”

Ms. May said the Green Party’s costing exercise shows how different types of families in Canada will be affected by a carbon tax. For instance, an urban, upper-middle-class family in Ontario would pay 1.2 per cent less income toward taxes while a low-income, rural senior would save 9.2 per cent every year.

While some rural families may not experience savings initially, the Green Party will provide income supplements to such families to ensure they are not treated unfairly by a carbon tax. In addition, the Green Party's full climate plan will include some cap and trade measures for the largest polluters, stimulate the development of renewable energy, increase energy efficiency, assist municipalities to bring in mass transit and other energy saving infrastructure, and bring back passenger rail service.

"A carbon tax is just one piece of our plan to reduce greenhouse gas emissions, but it is one of the most critical components," said Ms. May. "Economists and environmentalists agree that putting a price on carbon is essential to combating the climate crisis. As countries in the European Union have shown, a carbon tax can help achieve emissions reductions with economic success and protection for low-income citizens. The government's own research shows that a carbon tax can be implemented without affecting Canada's GDP.

"It is time for political parties in Canada to advance bold, new solutions to the current climate crisis and the Green Party is prepared to do so."

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