

POLICY BRIEF:

Poll shows significant concerns with federal carbon tax plan

Colin Craig | March 2021



In late 2020, the Government of Canada announced the carbon tax would rise from \$30 per ton to \$170 per ton by 2030.¹

The government has argued this tax change will dissuade Canadians from using carbon-based fuels, helping to reduce our nation's carbon dioxide emissions. Critics maintain the tax increase is far too costly and won't deliver the intended results. Opponents have also raised concerns about tax increases at a time our economy struggles due to COVID-19 and government lockdown measures.

However, one thing both sides would likely agree on is that the implications of such a tax change are significant. Carbon-based fuels are used throughout our economy – from transporting people and goods to home heating, commercial heating, industrial applications, producing products such as clothing, medicines and plastics, and generating electricity to name a few. Higher carbon taxes would increase costs throughout supply chains, including the end prices that consumers pay.

SecondStreet.org hired market research firm Leger to learn more about how Canadians feel about the proposed tax change. Highlights from our March 17-24 poll, include:

- 52% of Canadians do not support the government's plan to raise the carbon tax every year for the next nine years while 32% support the plan (16% undecided).
- 49% of Canadians believe their household will pay more because of the tax, 14% believe they will pay less, 37% don't know.
- Almost half (49%) of all Canadians believe raising the carbon tax will hurt struggling businesses versus 36% who feel businesses can handle the increase.

- When asked about the tangible impact of the carbon tax – paying an extra \$20 to fill up a typical vehicle up with gas – 68% of Canadians indicated they don't support the carbon tax plan vs 24% who support the change. Roughly the same percentage of Canadians oppose the tax increase when asked about paying an extra \$700 in home heating costs.

While many Canadians are concerned about climate change, public opinion is generally opposed to the federal government's current plan to raise the carbon tax from \$30 per ton to \$170 per ton.

Methodology

The purpose of this research was to gain a sense of where Canadians stand on the federal government's proposed increase to the carbon tax. The data represented in this report is from a national online survey conducted by Leger of 1,502 Canadian adults between March 17-24, 2021. The respondents to this survey were drawn from Leger's research panel, a representative sample of the broader Canadian population. Were this a probability sample, the margin of error of a survey of this size would be +/- 2.5 %, 19 times out of 20. The numbers have been rounded to the nearest whole number and as a result, may not add up to 100. Please see appendix for polling data.

Background

Since 2019, Canada's federal government has required provincial governments to impose a carbon tax of at least \$20 per ton on carbon-based fuels. This tax has increased by \$10 per year and will hit \$50 per ton by April 2022. (Note: The carbon tax is in addition to all other existing provincial and federal taxes on fuel).

For perspective, a \$40 carbon tax (the rate as of April 1, 2021) works out to 8.84¢ per litre of gasoline, 10.73¢ per litre of diesel and 7.83¢ per cubic metre of natural gas.²

In cases where provincial governments did not comply with the federal government's carbon tax requirements, the federal government imposed its own carbon tax on those provinces and provided tax rebates to consumers. For example, Alberta's current government eliminated the province's carbon tax in 2019.³ The Government of Canada subsequently imposed a carbon tax in Alberta effective January 1, 2020 and will provide rebates to consumers when they file their 2020 income taxes in 2021.⁴

Whether or not families pay more in carbon taxes than the rebates they receive of course depends upon each family's personal fuel consumption.

In December 2020, the federal government announced its intention to raise Canada's carbon tax to \$170 per ton by 2030. This would see the existing rate rise by \$15 per ton between 2022 and 2030. Overall, raising the tax from \$30 per ton to \$170 per ton works out to a 467% increase.

A \$170 carbon tax means an additional 37.57¢ per litre of gasoline, 45.62¢ per litre of diesel and 33.26¢ per cubic metre of natural gas. Again, these taxes are in addition to existing federal and provincial fuel taxes, sales taxes, excise taxes – and the cost of fuel.

Findings

The following section includes the survey questions posed to Canadians, possible responses and related information. For a breakdown of the data by age, gender and geographic region, please see the appendix.

Q1

The federal government is proposing to increase Canada's carbon tax on gasoline, natural gas, diesel and other petroleum products every year for the next nine years as part of their plan to address climate change. Which statement best represents your view?

52%	I don't support raising the carbon tax every year for the next 9 years.
32%	I support raising the carbon tax every year for the next 9 years.
16%	I don't know

Opposition to the federal government's carbon tax plan was highest in Alberta (68%) while support for the plan was highest in Quebec (40%). However, even in Quebec, a plurality of respondents were opposed to the plan (43%).

Opposition to the plan exceeded support for the plan across all age categories, and both sexes.

Q2

Most governments have promised either tax rebates or tax cuts to help people pay for the cost of carbon tax increases. Which statement best represents your view?

49%	Overall, my household will pay more in taxes because of the carbon tax.
14%	Overall, my household will pay less in taxes because of the carbon tax.
37%	I don't know

A sizeable percentage of respondents indicated they "don't know" how the tax will impact their family compared with the value of any rebates or tax breaks they receive. Part of this finding could be due to the fact that taxpayers in Ontario, Alberta, Manitoba and Saskatchewan will receive federal carbon tax rebates for the first time in 2021 once they file their 2020 taxes.⁵

However, even in provinces where carbon taxes and rebates/tax reductions have been in place for several years, respondents overwhelmingly believe the tax costs them more than the value of any tax benefits provided. For example, British Columbia's carbon tax was introduced in 2008 and respondents were more likely to indicate the tax will cost them more (48%) versus those who believe the tax will be less than tax relief provided (10%).⁶

Q3

When it comes to businesses facing an increase to the carbon tax every year for nine years, which of the following statements best represents your personal view?

36%	The government should raise the carbon tax. Most businesses can afford it and we need to take action now on climate change.
49%	The government shouldn't raise the carbon tax. Many businesses are struggling and there are better ways to address climate change.
15%	I don't know

With the exception of Quebec, Canadians right across the country felt that carbon taxes should not increase as too many businesses are struggling. Opposition to raising carbon taxes for businesses was highest in Alberta, a province with the second-highest unemployment rate in the country.⁷ (Data was not broken out for Newfoundland and Labrador – the province with the highest unemployment rate in the country).

These results are similar to a 2019 poll commissioned by SecondStreet.org on the carbon tax. The poll found that Canadians were twice as likely to say carbon taxes will make Canada's business environment less competitive (39.0%) rather than more competitive (18.0%).⁸ Further, the same study also found that a majority of Canadians think carbon taxes will make it at least a little harder for businesses to pay their workers or hire new ones (58.0%) versus those who believe it will have no impact (33.5%).

Q4

The federal government's plan is to raise the carbon tax every year for the next nine years. Their plan would mean a typical car owner would pay more than \$20 in carbon taxes for each tank of gas on top of other fuel taxes. Which statement best represents your view?

24%	I support this plan. It's important to dissuade people from using gasoline to help with climate change.
68%	I don't support this plan. We pay enough in taxes and there are better ways of helping the environment.
8%	I don't know

While Canadians overwhelmingly opposed the idea of raising the carbon tax each year for nine years, when presented with the tangible cost of the proposed increase, opposition grew.

For perspective, a 2021 Toyota Corolla has a fuel tank capacity of 50 litres and would cost an extra \$18.79 to fill once the carbon tax is fully implemented.^{9 10}

A 2021 Chrysler Pacifica minivan, however, has a fuel tank capacity of 71 litres and would cost an extra \$26.67 to fill once the carbon tax is fully implemented.¹¹

Q5

The federal government's plan is to raise the carbon tax every year for the next nine years. Their plan would mean a typical home that is heated with natural gas would pay more than \$700 extra in carbon taxes each year. Which statement best represents your view?

67%	I don't support this plan. There are better ways of helping the environment and climate change.
22%	I support this plan. It's important to dissuade people from using natural gas to help with climate change.
11%	I don't know

Similar to our question concerning the carbon tax and filling up a typical automobile, Canadians were far less supportive of the tax once they knew what it would mean for their home heating bill. Opposition to the proposed tax plan was high right across the country. The \$700 figure quoted above is based on a 2,000 square foot home with 2,200 cubic metres of natural gas usage.

Conclusion

While past public opinion research shows Canadians are concerned about climate change, public opinion is generally opposed to the federal government's plan to raise the tax to \$170 per ton in 2030. Opposition grows when faced with tangible examples of what the tax would mean for real world uses, such as filling up your vehicle with gasoline or paying your home heating bill.

About the Author

Colin Craig is the President of SecondStreet.org. He holds an MBA and a BA (Economics) from the University of Manitoba and is the author of *The Government Wears Prada*.

About Leger

Leger is the largest Canadian-owned, market research and analytics company with more than 600 employees in eight Canadian and US offices. Leger has been working with prestigious clients since 1986. Please visit Leger.com to learn more.

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Report

SecondStreet.org: Carbon Tax Poll Canada: March 2021



DATE 2021-03-28 PROJECT NUMBER 45915-004

Leger

We know Canadians

CONTEXT & METHODOLOGY

Context and Methodology

Context

The federal government is proposing a gradual increase to the carbon tax every year for the next 9 years. This would inflate the cost of fueling one's car and heating one's home with natural gas, among other day-to-day amenities. SecondStreet.org wanted to understand how Canadians believe a growing price on carbon-based fuels will impact their everyday lives.

Study Population

- Canadian residents, aged 18 and older.

Data Collection

- A total of n=1502 online surveys were conducted via Leger's online LEO panel.
- Interviews were conducted from March 17 to 24, 2021.

Statistical Analysis

- As a non-probability online survey, a margin of error is technically not to be reported.
- If the data were collected through a probability sample, the margin of error would be (n=1502) $\pm 2.5\%$, 19 times out of 20.
- Using data from the 2016 Census, results were weighted according to age, gender, and region in order to ensure a representative sample of the population.
- The numbers presented have been rounded to the nearest whole number. However, raw values were used to calculate the sums presented and therefore may not correspond to the manual addition of these numbers.

Key Findings

Key Findings

- **Roughly half of Canadians do not support federal government's proposal to increase the carbon tax every year for 9 years (52%).** These Canadians tend to believe their household will pay more because of this plan, although nearly over one third of Canadians don't know if their household will end up paying more or less.
- While nearly half of Canadians (49%) believe the government shouldn't raise the carbon tax "because many businesses are struggling and there are better ways to address climate change," **over one third of Canadians feel the government should raise the carbon tax despite its impact on businesses.** The Prairie provinces (AB, MB+SK) are the source of the greatest level of opposition across Canada.
- **Nearly 7 in 10 Canadians do not support increased home and vehicle costs related to an increased carbon tax** and believe there are better ways to help the environment than using the tax to dissuade people from using gas to heat their home and fuel their cars.

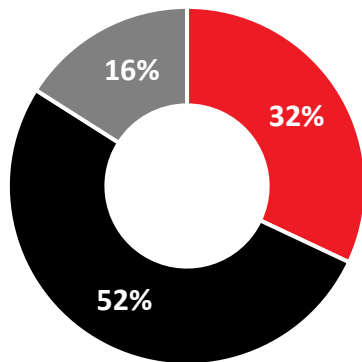
Detailed Results

Roughly half of Canadians do not support the Federal carbon tax proposal; believe their household will pay more

Q1: The federal government is proposing to increase Canada's carbon tax on gasoline, natural gas, diesel and other petroleum products every year for the next nine years as part of their plan to address climate change.

Which statement best represents your view?

- I support raising the carbon tax every year for the next 9 years
- I do not support raising the carbon tax every year for the next 9 years



■ Support

■ Do not support

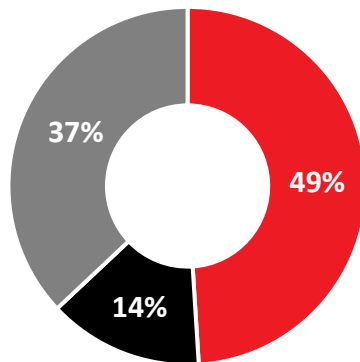
■ Don't know

61% of those who use natural gas to heat their homes **don't support this plan**

Individuals aged <35 are **more likely to support the plan** (40%) than those 35+ (30%)

Q2: Most governments have promised either tax rebates or tax cuts to help people pay for the cost of carbon tax increases. **Which statement best represents your view?**

- Overall, my household will pay more in taxes because of the carbon tax
- Overall, my household will pay less in taxes because of the carbon tax



■ Will pay more

■ Will pay less

■ Don't know

71% of those who oppose a carbon tax say their household **will pay more**

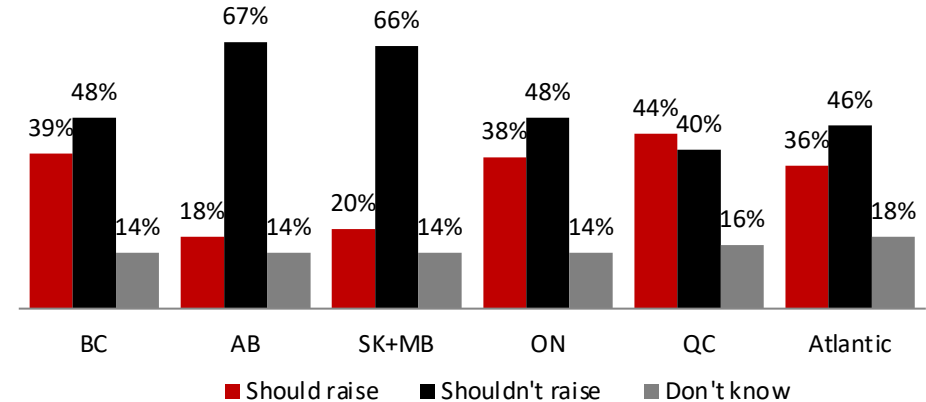
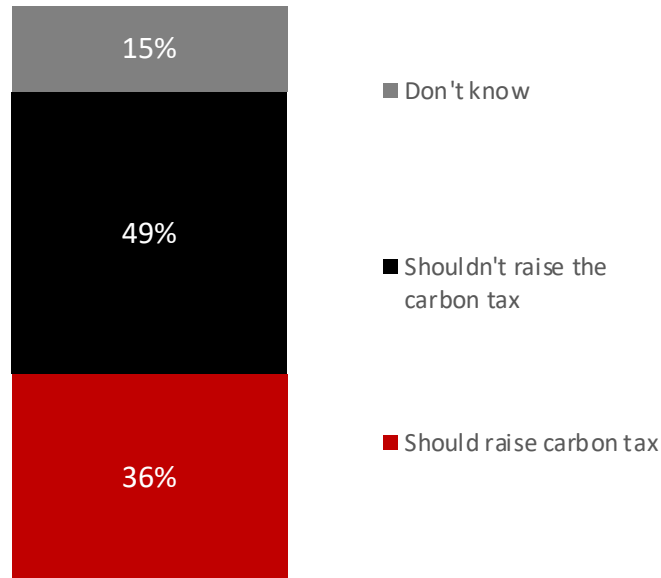
Just 27% of those who support a carbon tax say this as well

Almost half of Canadians do not support raising the carbon tax due to the impact on businesses; opposition is strongest on the prairies

Q3: When it comes to businesses facing an increase to the carbon tax every year for nine years, **which of the following statements best represent your personal view?**

- The government should raise the carbon tax. Most businesses can afford it and we need to take action now on climate change
- The government shouldn't raise the carbon tax. Many businesses are struggling and there are better ways to address climate change

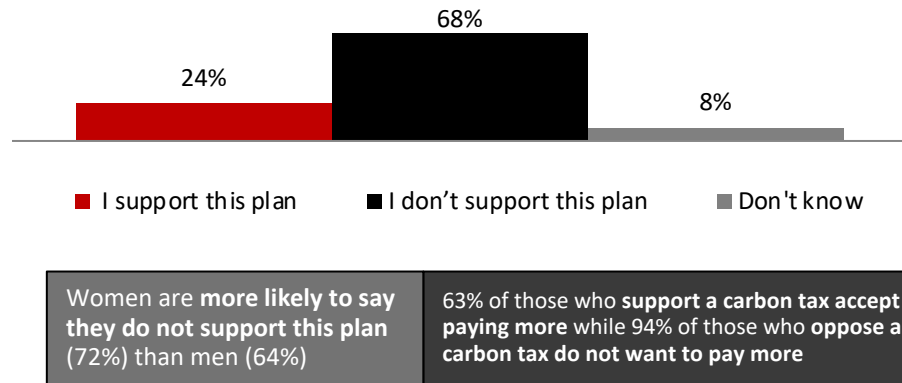
Overall



Nearly 7 in 10 Canadians do not support increased home/vehicle costs; believe there are better ways to help the environment

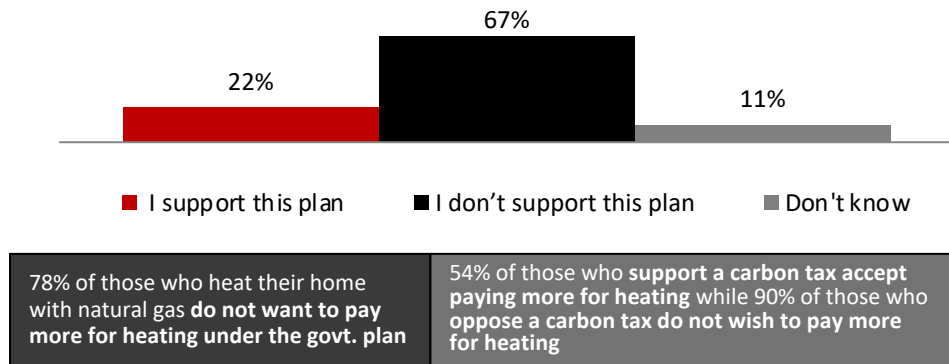
Q4: The federal government's plan is to raise the carbon tax every year for the next nine years. Their plan would mean a typical car owner would pay more than \$20 in carbon taxes for each tank of gas on top of other fuel taxes. **Which statement best represents your view?**

- I support this plan. It's important to dissuade people from using gasoline to help with climate change.
- I don't support this plan. We pay enough in taxes and there are better ways of helping the environment



Q6: The federal government's plan is to raise the carbon tax every year for the next nine years. Their plan would mean a typical home that is heated with natural gas would pay more than \$700 extra in carbon taxes each year. **Which statement best represents your view?**

- I support this plan. It's important to dissuade people from using natural gas to help with climate change
- I don't support this plan. There are better ways of helping the environment and climate change



Appendix

Data Tables

Q1: The federal government is proposing to increase Canada's carbon tax on gasoline, natural gas, diesel and other petroleum products every year for the next nine years as part of their plan to address climate change. Which statement best represents your view?

		Region					Gender		Age		
	Total -----	QC	ON	MB/SK	AB	BC	Male	Female	18-34	35-54	55+
Total 'N'	1502	353	577	98	168	204	730	773	410	512	581
I don't support raising the carbon tax every year for the next 9 years.	52%	43%	52%	63%	68%	50%	54%	50%	45%	58%	52%
I support raising the carbon tax every year for the next 9 years.	32%	40%	32%	27%	18%	35%	36%	29%	40%	27%	32%
Don't know	16%	17%	16%	10%	14%	15%	10%	21%	15%	15%	17%

		Carbon Tax		Use Natural Gas		Education			Income		
	Total -----	Support	Oppose	Yes	No	<=HS	College	University	<\$40K	\$40K- <\$80K	\$80K+
Total 'N'	1502	486	782	660	714	344	475	669	291	453	587
I don't support raising the carbon tax every year for the next 9 years.	52%	-	100%	61%	46%	53%	54%	50%	47%	55%	53%
I support raising the carbon tax every year for the next 9 years.	32%	100%	-	25%	38%	29%	31%	35%	35%	31%	36%
Don't know	16%	-	-	14%	16%	18%	15%	14%	17%	14%	11%

Q2. Most governments have promised either tax rebates or tax cuts to help people pay for the cost of carbon tax increases. Which statement best represents your view?

		Region					Gender		Age		
	Total	QC	ON	MB/SK	AB	BC	Male	Female	18-34	35-54	55+
Total 'N'	1502	353	577	98	168	204	730	773	410	512	581
Overall, my household will pay more in taxes because of the carbon tax	49%	38%	51%	53%	63%	48%	55%	43%	39%	51%	54%
Overall, my household will pay less in taxes because of the carbon tax	14%	17%	17%	15%	7%	10%	17%	12%	18%	13%	13%
Don't know	37%	45%	32%	32%	30%	42%	28%	45%	43%	36%	33%

		Carbon Tax		Use Natural Gas		Education			Income		
	Total -----	Support	Oppose	Yes	No	<=HS	College	University	<\$40K	\$40K- <\$80K	\$80K+
Total 'N'	1502	486	782	660	714	344	475	669	291	453	587
Overall, my household will pay more in taxes because of the carbon tax	49%	27%	71%	60%	41%	43%	51%	50%	34%	48%	58%
Overall, my household will pay less in taxes because of the carbon tax	14%	32%	6%	13%	16%	12%	16%	15%	17%	17%	13%
Don't know	37%	41%	23%	27%	43%	45%	33%	35%	49%	35%	29%

Q3: When it comes to businesses facing an increase to the carbon tax every year for nine years, which of the following statements best represents your personal view?

		Region					Gender		Age		
	Total -----	QC	ON	MB/SK	AB	BC	Male	Female	18-34	35-54	55+
Total 'N'	1502	353	577	98	168	204	730	773	410	512	581
The government should raise the carbon tax. Most businesses can afford it and we need to take action now on climate chan	36%	44%	38%	20%	18%	39%	39%	33%	43%	33%	33%
The government shouldn't raise the carbon tax. Many businesses are struggling and there are better ways to address cli	49%	40%	48%	66%	67%	48%	50%	48%	42%	51%	52%
Don't know	15%	16%	14%	14%	14%	14%	11%	19%	15%	16%	15%

		Carbon Tax		Use Natural Gas		Education			Income		
	Total -----	Support	Oppose	Yes	No	<=HS	College	University	<\$40K	\$40K- <\$80K	\$80K+
Total 'N'	1502	486	782	660	714	344	475	669	291	453	587
The government should raise the carbon tax. Most businesses can afford it and we need to take action now on climate chan	36%	77%	14%	30%	39%	30%	35%	40%	36%	36%	39%
The government shouldn't raise the carbon tax. Many businesses are struggling and there are better ways to address cli	49%	14%	78%	58%	44%	51%	51%	47%	46%	49%	50%
Don't know	15%	9%	8%	11%	17%	19%	13%	13%	18%	14%	11%

Q4: The federal government’s plan is to raise the carbon tax every year for the next nine years. Their plan would mean a typical car owner would pay more than \$20 in carbon taxes for each tank of gas on top of other fuel taxes. Which statement best represents your view?

		Region					Gender		Age		
	Total -----	QC	ON	MB/SK	AB	BC	Male	Female	18-34	35-54	55+
Total 'N'	1502	486	782	660	714	344	475	669	291	453	587
I support this plan. It's important to dissuade people from using gasoline to help with climate change	24%	24%	27%	21%	12%	25%	29%	18%	31%	19%	23%
I don't support this plan. We pay enough in taxes and there are better ways of helping the environment	68%	68%	65%	71%	78%	67%	64%	72%	59%	73%	71%
Don't know	8%	8%	8%	9%	10%	8%	7%	9%	11%	8%	6%

		Carbon Tax		Use Natural Gas		Education			Income		
	Total -----	Support	Oppose	Yes	No	<=HS	College	University	<\$40K	\$40K- <\$80K	\$80K+
Total 'N'	1502	486	782	660	714	344	475	669	291	453	587
I support this plan. It's important to dissuade people from using gasoline to help with climate change	24%	63%	3%	21%	25%	21%	22%	27%	26%	25%	25%
I don't support this plan. We pay enough in taxes and there are better ways of helping the environment	68%	32%	94%	73%	66%	68%	72%	66%	63%	67%	70%
Don't know	8%	6%	3%	6%	9%	11%	6%	8%	11%	8%	5%

Q6: The federal government's plan is to raise the carbon tax every year for the next nine years. Their plan would mean a typical home that is heated with natural gas would pay more than \$700 extra in carbon taxes each year. Which statement best represents your view?

		Region					Gender		Age		
	Total -----	QC	ON	MB/SK	AB	BC	Male	Female	18-34	35-54	55+
Total 'N'	1502	353	577	98	168	204	730	773	410	512	581
I don't support this plan. There are better ways of helping the environment and climate change	67%	58%	68%	75%	75%	70%	63%	70%	58%	70%	71%
I support this plan. It's important to dissuade people from using natural gas to help with climate change	22%	29%	23%	13%	16%	19%	28%	17%	30%	20%	19%
Don't know	11%	13%	9%	12%	9%	10%	9%	12%	12%	11%	10%

		Carbon Tax		Use Natural Gas		Education			Income		
	Total -----	Support	Oppose	Yes	No	<=HS	College	University	<\$40K	\$40K- \$80K	\$80K+
Total 'N'	1502	486	782	660	714	344	475	669	291	453	587
I don't support this plan. There are better ways of helping the environment and climate change	67%	34%	90%	78%	58%	68%	70%	64%	61%	68%	68%
I support this plan. It's important to dissuade people from using natural gas to help with climate change	22%	54%	6%	16%	27%	20%	20%	26%	23%	22%	25%
Don't know	11%	11%	4%	5%	15%	12%	10%	10%	16%	10%	8%

RESPONDENTS PROFILE

RESPONDENT PROFILE - *Canada*

	Weighted
n=	1502
Gender	(%)
Male	49
Female	51
Age	
18 to 34	27
35 to 54	34
55 years of age or older	39
Household Income	
Less than \$40,000	19
\$40,000 to less than \$80,000	30
\$80,000 or more	39

	Weighted
n=	1502
Gender	(%)
British Columbia	14
Alberta	11
Saskatchewan	3
Manitoba	3
Ontario	38
Quebec	23
Atlantic Canada	6

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EMPLOYEES



185
CONSULTANTS



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