

## Dedicated fuel taxes would ease congestion on GTA roads, report says

**RCCAO** says fuel tax would get cars off the road and lower emissions

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by Canadian Manufacturing.com Staff

TORONTO—The Pan Am Games have reignited a “cauldron of controversy” around the traffic congestion that grips roads in the Greater Toronto and Hamilton Area, the **Residential and Civil Construction Alliance of Ontario** said.

And a new report, funded by the organization – which represents management, labour groups and other stakeholders in the construction industry – has revealed introducing an increase to gasoline and diesel fuel taxes would relieve some this congestion.

“Despite the controversy surrounding any proposed increase to pump prices, there is a strong case to be made to adjust fuel tax rates as these have not changed in 23 years,” Harry Kitchen, professor of economics at Trent University and author of the report, said.

The gasoline tax rate of 14.7 cents per litre and the diesel fuel tax rate of 14.3 cents per litre have not increased since 1992. The report noted that if an inflation-adjusted rate were implemented by Queen’s Park, the new rates would be 23 cents and 22 cents respectively.

“These tax rates would then be indexed annually to preserve buying power and, of course, would be dedicated to funding transportation infrastructure,” Kitchen said. He added if such a plan were implemented, revenues could contribute to the recently announced Moving Ontario Forward plan, which will help fund public transit in the GTA and roads, bridges and highways across the rest of Ontario.

Aside from creating a revenue stream and getting cars off the road, the report found there are a number of environmental and economic benefits to the proposal.

If implemented, total distance driven would be reduced as higher pump prices tend to reduce unnecessary driving and engine idling. Additionally, an incentive would be created for drivers to switch to more fuel-efficient cars and to use public transit more often, resulting in less fuel being burned and less greenhouse gas emissions.

“Increasing the province’s gasoline and diesel fuel taxes not only represents a form of carbon pricing but would also provide an economic boost to Ontario’s economy,” Andy Manahan, executive director of RCCAO said.

With fewer cars on the road, vital transportation for manufacturing and other industries would also receive a windfall, allowing products and materials to reach their destinations quicker.