



March 30, 2023

Honourable Steven Guilbeault
Minister of Environment and Climate Change
House of Commons
Ottawa, ON K1A 0A6
Via email: Steven.Guilbeault@parl.gc.ca

RE: Fuel Charge Proceeds Return Program

On behalf of the Saskatchewan Chamber of Commerce (SCC), I would like to express appreciation that the 2023 Federal Budget introduces a collection of investment tax credits to support the transition to a clean economy. We understand the need to keep our country competitive to the United States and hear daily of the difficulty of this transition from our business community.

Nevertheless, the SCC is concerned about the ability of Saskatchewan businesses to access these opportunities. Beyond the challenging labour and carbon target requirements associated with these new programs, Saskatchewan companies have been put at a competitive disadvantage because of the delayed return of the fuel charge carbon tax proceeds. Not having access to these revenues has created an escalating problem for Saskatchewan businesses. Without the resources businesses have not engaged in the emission reduction activities that the proceeds were intended to fund, leading to them paying carbon tax on emissions they could have reduced if given access to the resources, which leads to them paying even more tax and having fewer resources to investment in emission reductions. The increase in the carbon tax on April 1st will magnify this issue again.

The federal government has returned less than 1% of earmarked proceeds to small businesses in backstop provinces. While we understand the proceeds are to hopefully be returned by end of 2023 under a new Fuel Charge Proceeds Return Program, details surrounding the program are limited. Further, as stated when this program was first proposed, the SCC is not in favour of the federal government's decision to limit the program to SMEs in energy-intense trade-exposed industries (approximately only 632 Saskatchewan businesses) as thousands of Saskatchewan businesses who have paid the carbon tax on fuel purchases will be ineligible for a return. On behalf of all Saskatchewan businesses, the SCC is calling for a commitment to promptly return all carbon tax proceeds through a broadly accessible mechanism without burdensome conditions, onerous reporting requirements, or arduous information requests.

The Saskatchewan business community is motivated to reduce greenhouse gas emissions through technological investments and energy efficiency incentives. Our province has an opportunity for real reductions. We believe the investment tax credits announced in the 2023 Federal Budget are an important step but are hoping the federal government facilitates the utilization of these opportunities by promptly returning the fuel charge proceeds from the carbon tax.

Sincerely,



Prabha Ramaswamy

Prabha Ramaswamy,
Chief Executive Officer,
Saskatchewan Chamber of Commerce