

# Submission on Federal Carbon Tax Transparency Act, 2019

*Ryan Mallough, Director of Provincial Affairs, Ontario*

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The Canadian Federation of Independent Business (CFIB) is a non-profit, non-partisan organization representing 110,000 independently-owned small- and medium-sized businesses in all sectors across the country, including 42,000 members here in Ontario.

It is important to start off by noting that our Ontario members support the government's opposition to the federal carbon tax. In a recent survey, 81 per cent said they are against the existing plan, and two thirds believe that there are better ways to address climate change.

Despite the federal government's claims, small business owners will have significant difficulty passing on any of the carbon tax-related costs to consumers, with 80 per cent reporting that they'd be able to pass on less than a quarter of the cost, and more than half saying they won't be able to pass on any of it.

Furthermore, 68 per cent of Ontario's small business owners report that the carbon tax will reduce their ability to make further investments in reducing their emissions.

While we appreciate transparency intentions, this is a regressive move. The gas station stickers outlining the carbon tax's impact on gas prices will be required for every pump in Ontario under the threat of a maximum \$10,000 fine, potentially per pump.

The requirement is also at odds with the Ontario government's recent, successful efforts to reduce red tape and shift enforcement efforts from punishment-based to education-based.

Additionally, we are concerned that the jurisdiction for administering the fines will fall to the Technical Standards and Safety Authority (TSSA), one of the most problematic agencies for CFIB's Ontario members overall, particularly when it comes to enforcement.

We have made our position on the carbon tax stickers abundantly clear with all affected Ministers/staff on numerous occasions.

While our members appreciate the Ontario government's leadership in pushing back against the ill-designed federal carbon tax, we **strongly** recommend that the government make the stickers voluntary (i.e. eliminate fines or penalties for not posting them).

CFIB stands ready to work with the government on a solution to promote transparency without adding an additional burden on independent businesses in Ontario.