

February 3, 2010

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MUNICIPALITIES

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**PRESIDENT**  
HARRY NYCE

**EXECUTIVE DIRECTOR**  
GARY MACISAAC

Chair Karen Goodings  
Peace River Regional District  
Box 810  
Dawson Creek, BC V1G 4H8



Dear Chair Goodings :

**Re: 2009 RESOLUTIONS**

Please find attached the provincial response to the 2009 resolution(s) put forward by your Board and endorsed by the UBCM membership at Convention.

I trust this information will be of assistance to you. Please feel free to contact Reiko Tagami, UBCM Information & Resolutions Coordinator with any questions. Tel: 604 270 8226 ext. 115 Email: rtagami@ubcm.ca

Sincerely,

A handwritten signature in black ink, appearing to be "H. Nyce".

Harry Nyce  
President

*Enclosure*

February 25, 2010

2009 B81 **AGRICULTURAL SECTOR CARBON  
TAX EXEMPTION**

Peace River RD

WHEREAS a strong agriculture sector providing a secure food source is essential to support the residents of the Province of British Columbia;

AND WHEREAS the provincial government imposed a broad based carbon tax on the purchase and use of fossil fuels in British Columbia in July 2008, which is scheduled to increase over the next four years;

AND WHEREAS the carbon tax is negatively impacting the agricultural producers' ability to produce food competitively and cost effectively:

THEREFORE BE IT RESOLVED that the UBCM lobby the provincial government for an exemption for the agriculture sector from paying the carbon tax.

CONVENTION DECISION:           ENDORSED

PROVINCIAL RESPONSE

**MINISTRY OF FINANCE**

*Climate change has a significant impact on the agricultural sector and the Government is committed to addressing climate change and a key element of that commitment is to reduce British Columbia's greenhouse gas (GHG) emissions by at least 33 per cent below 2007 levels by 2020.*

*The purpose of the carbon tax is to put a price on carbon emissions that will encourage individuals, businesses, industry and others, including agricultural producers, to use less fossil fuel and reduce their GHG emissions.*

*The tax is intentionally broadly based and will be paid by all who consume fossil fuels in the province. To make the carbon tax as fair and effective as possible, exemptions from the tax have been minimized; exemptions to individual sectors would undermine those efforts.*

*Agricultural producers benefit from the tax reductions made possible by the carbon tax, including:*

- 5 per cent reduction in the first two personal income tax rates.*
- Reduction in the small business corporate income tax rate from 4.5 per cent to 2.5 per cent. The rate will be reduced to 0 per cent by 2012.*
- Reduction in the general corporate income tax rate from 12 per cent to 11 per cent. The rate will be reduced to 10.5 per cent January 1, 2010, and to 10 per cent January 1, 2011.*
- 50 per cent reduction in school property taxes for land classified as "farm" effective for the 2011 taxation year.*

*The government also supports the agricultural sector in the province through other income, fuel, and property tax concessions and exemptions, and through other programs as outlined in the BC Agriculture Plan. The agricultural sector will also benefit from the harmonized sales tax to be implemented July 1, 2010, which will allow agricultural producers to claim input tax credits on a wider array of business inputs than are currently exempt under the provincial sales tax, including energy costs.*

February 25, 2010

RESOLUTIONS COMMITTEE COMMENTS

*The Resolutions Committee advises that the UBCM membership has not previously considered any resolutions seeking an exemption for the agricultural sector from paying the carbon tax.*

*However, members endorsed resolution 2008-SR2, which called on the Province to "examine the application of the BC Carbon Tax with the intent of mitigating impacts and creating incentives for local governments and residents to reduce their greenhouse gas emissions." It also called for UBCM to lobby the Province to "mitigate the carbon tax in areas where residents cannot make choices about their fuel consumption due to distance, climate and resource based livelihoods." According to the Province, the Carbon Tax is revenue neutral, meaning that all revenues collected from the carbon tax will be returned to taxpayers and businesses through tax reductions.*