

Detailed Breakdown of B.C.'s 2021/22 Fossil Fuel Subsidies

ITEM	DESCRIPTION	2022 BUDGET REFERENCE	FORECAST (\$m)
			2021/22
TAX CREDITS AND EXEMPTIONS*			1,793
Mining Exploration Tax Credit (METC)	<p>The METC is for eligible corporations and partnerships conducting grassroots mineral exploration in B.C. The corporation or partnership must incur qualified mining exploration expenses for determining the existence, location, extent or quality of a mineral resource in B.C.</p> <p>The credit applies to exploration for all base and precious metals, <u>coal</u> and some industrial minerals. Drilling expenses for oil and gas do not qualify. Budget 2019 made the METC a permanent incentive.</p>	Budget and Fiscal Plan 2022/23 - 2024/25; Page 148 & 170; Appendix; Table A1.1.2 Corporate Income Tax - Tax Expenditures (Refundable Tax Credits)	28
Deep-Well Royalty Credits	This program provides royalty credits to companies when they drill deep wells. The credits cover a portion of the drilling and completion costs for these wells and can be used to reduce the royalties payable for a producing well.	Budget and Fiscal Plan 2022/23 - 2024/25; Page 162; Appendix; Table A5 Material Assumptions – Revenue; Royalty programs and infrastructure credits; Deep drilling	1,162
Road, pipeline, Clean Growth Infrastructure Royalty and other infrastructure programs	The Clean Growth Infrastructure Royalty Program (CGIRP) encourages new capital investment in oil and natural gas infrastructure. Applicants seek a deduction from royalty payments, for investments made to reduce methane emissions. They are selected based on the cost relative to the projected reduction in pollution	Budget and Fiscal Plan 2022/23 - 2024/25; Page 162; Appendix; Table A5 Material Assumptions – Revenue; Royalty programs and infrastructure credits; Road, pipeline, Clean Growth Infrastructure Royalty and other infrastructure programs	78
Motor Fuel Tax exemption for international flights (jet fuel)	Exemption for Motor Fuel Tax on jet fuel purchased by an international air service that is a registered consumer	Budget and Fiscal Plan 2022/23 - 2024/25; Page 153; Appendix; Table A1.4 Consumption Taxes – Tax Expenditures; Fuel taxes; Tax	10

		exemption for international flights (jet fuel)	
Motor Fuel Tax exemption for alternative fuels	Exempts hydrogen used in a fuel cell vehicle, natural gas and gasoline and diesel that contains at least 85 per cent methanol from motor fuel tax	Budget and Fiscal Plan 2022/23 - 2024/25; Page 153; Appendix; Table A1.4 Consumption Taxes – Tax Expenditures; Fuel taxes; Tax exemption for alternative fuels	4
Motor Fuel Tax exemption for farmers	Exempts coloured gasoline and coloured diesel purchased by qualifying farmers from motor fuel and carbon tax	Budget and Fiscal Plan 2022/23 - 2024/25; Page 153; Appendix; Table A1.4 Consumption Taxes – Tax Expenditures; Fuel taxes; Tax exemption for farmers	10
Mining flow-through share tax credit	Provides a tax credit to individuals who invest in flow-through shares on renounced mining expenditures	Budget and Fiscal Plan 2022/23 - 2024/25; Page 149; Table A1.2.1 Personal Income Tax – Tax Expenditures (Deductions and Non-Refundable Tax Credits); mining flow-through share tax credit	25
Provincial Sales Tax exemption for residential energy	Provides an exemption to reduce the cost of residential energy. *Note: does not provide a delimitation between different fuel sources	Budget and Fiscal Plan 2022/23 - 2024/25; Page 153; Appendix; Table A1.4 Consumption Taxes – Tax Expenditures; Provincial Sales Tax; Residential energy	278
Provincial Sales Tax exemption for non-residential energy	Provides an exemption to help businesses become more competitive and support increased investment, growth and job creation *Note: does not provide a delimitation between different fuel sources	Budget and Fiscal Plan 2022/23 - 2024/25; Page 153; Appendix; Table A1.4 Consumption Taxes – Tax Expenditures; Provincial Sales Tax; Non-residential energy	198
MINISTRY OF ENVIRONMENT AND CLIMATE CHANGE STRATEGY - CLEAN BC			98
Clean BC Program for Industry	The CleanBC Program for Industry directs a portion of the carbon taxes paid by industry into two streams: 1) The CleanBC Industrial Incentive Program: provides incentives to large regulated industrial operations upon reducing emissions to world-leading	Budget and Fiscal Plan 2022/23 - 2024/25; Page 25; Three Year Fiscal Plan; Clean Industry Ministry of Environment and Climate Change Strategy 2021/22 - 2023/24 Service Plan;	98

	<p>benchmark levels; and</p> <p>2) The CleanBC Industry Fund: finances emissions reduction projects identified by industry.</p> <p><i>Note (1): FY 2024/25 includes \$174 million appropriation from the "Clean Energy" sub-program</i></p> <p><i>Note (2): Prior to 2021 the components of the current CleanBC Program for Industry were split across two separate budget programs: the CleanBC Industrial Incentive Program and the CleanBC Industry Fund. Expenditures under these programs have been added together for Budget years prior to 2021 to accurately reflect the new program taxonomy</i></p>	Page 13 Financial Summary	
CAPITAL SPENDING AND PROJECTS			14
LNG Canada load interconnection project	Support for LNG Canada to build a facility in Kitimat.	Budget and Fiscal Plan 2022/23 - 2024/25; Page 177; Capital Spending; Table 1.8 Capital Expenditure projects Greater than \$50 million	14
Northern Capital and Planning Grant	Capital funding for 26 local governments along LNG corridor and near Kitimat to help meet current and future infrastructure needs.	Budget and Fiscal Plan 2020/21 - 2022/23; Page 52; Capital Spending; Table 1.12 Investing in Communities	0
TOTALS			1,905

Methodology

Stand developed this table by working with an economist to conduct a line by line analysis of publicly available B.C. government budget documents to identify fossil fuel subsidies using the internationally agreed upon definition which is based on World Trade Organization rules.