



**Plain Language Summary for Bill 60:**  
**An Act to Amend the Petroleum Products and Carbon Tax Act**

The Government of the Northwest Territories (GNWT), Department of Finance, is amending the *Petroleum Products and Carbon Tax Act* to comply with updated federal carbon pricing benchmarks. The amendments include the addition of new annual carbon tax rates starting April 1, 2023 and continuing to April 1, 2030.

On September 1, 2019, the Northwest Territories carbon tax was introduced to fulfil the Government of the Northwest Territories' (GNWT) commitments under the *Pan-Canadian Framework on Clean Growth and Climate Change*. To counter the implications of the carbon tax on the cost of living, the GNWT provided a series of carbon tax rebates and the *Cost of Living Offset*, a tax-free non-income tested benefit for residents.

On August 5, 2021, Minister Wilkinson, Environment and Climate Change Canada (ECCC), announced Canada's April 1, 2023 to April 1, 2030 carbon pricing plans, which included increasing the carbon price annually by \$15 a tonne of carbon dioxide equivalent emissions starting April 1, 2023 (from the \$50 a tonne base rate in 2022) and rising to \$170 a tonne on April 1, 2030. The tax rates are based on emissions and global warming factors that ECCC uses for reporting Canada's emissions to the United Nations Framework Convention on Climate Change. On April 1, 2022, the Northwest Territories Minister of Finance notified Minister Wilkinson that the GNWT will meet the updated federal carbon pricing requirements.

The proposed Bill will increase the carbon price annually by \$15 a tonne of carbon dioxide equivalent emissions, starting at \$65 a tonne and rising to \$170 a tonne by 2030 starting April 1, 2023 to comply with the updated federal carbon pollution pricing requirements. This is done by replacing the carbon tax rate schedule in the current legislation with a new schedule starting April 1, 2023 to April 1, 2030.

Carbon tax rebate systems that negate the price signal will no longer meet the federal benchmark, with the exception of rebates for community electrical generation that is not attached to the North American grid and aviation fuel used in the territories. This means that the current carbon tax rebates for heating fuel and for large emitters will be eliminated effective April 1, 2023. No change is required to the *Petroleum Products and Carbon Tax Act* but amendments will be made to the *Petroleum Products and Carbon Tax Regulations*.

To counter the implications of the carbon tax on the cost of living, the GNWT provides a series of carbon tax rebates for residents. New programs to offset the effects of increased tax rates and the elimination of point-to-purchase rebates will be established through the regular budgeting process and with possible changes to the relevant Regulations.

For additional information or questions contact:

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