



NWT CARBON TAX

Before and after April 1, 2023

The 2018 Government of Canada *Greenhouse Gas Pollution Pricing Act* (GGPPA) imposed a federal carbon tax on all provinces and territories without provincial-territorial carbon taxes. Provinces and territories may choose to implement their own carbon tax systems if they meet the federal benchmarks.

In September 2019, the Government of the Northwest Territories introduced the territorial carbon tax by amending the *Petroleum Products Tax Act* and Regulations and provided offsets to minimize the impact of the new tax on the cost of living and economic opportunities in the Northwest Territories.

In August 2021, the Government of Canada revised its carbon pricing plans to increase the carbon tax rate and imposed new guidelines on provincial and territorial carbon tax systems. The Government of the Northwest Territories has amended its legislation to meet the new federal guidelines.

What's changed?

The Government of the Northwest Territories amended the *Petroleum Products and Carbon Tax Act* in March 2023 to increase the carbon tax rate to \$65/tonne of greenhouse gas (GHG) emissions and align the NWT carbon tax system with the revised federal requirements.

The table on the following page compares the NWT carbon pricing system before and after April 1, 2023.

	September 2019 – March 2023	Starting April 1, 2023
Offsets for residents and businesses	<ul style="list-style-type: none"> received a 100% rebate on carbon tax paid for heating fuel at the point of purchase. received quarterly Cost of Living Offset (COLO) payments with annual increases (\$260 for adults, \$300 per child for 2022-2023) 	<ul style="list-style-type: none"> heating fuel rebate is discontinued. Receive enhanced COLO payments based on the community of residence. Residents residing in areas of high heating fuel usage receive more COLO benefits.
Offsets for electrical generation	<ul style="list-style-type: none"> 100% rebates for carbon tax paid on fuel used to generate electricity for community distribution 	<ul style="list-style-type: none"> 100% rebate continues
Offsets for community governments	<ul style="list-style-type: none"> received a full rebate on carbon tax paid for heating fuel at the point of purchase. 	<ul style="list-style-type: none"> heating fuel rebate is discontinued. receive a 10% of the net carbon tax revenue collected by the GNWT.
Offsets for prescribed large emitters	<ul style="list-style-type: none"> received monthly 72% rebates of carbon tax paid for the month. participated in the Large Emitters GHG Reducing Investment Grant program by contributing 12% of carbon tax paid 	<ul style="list-style-type: none"> contributions into the grant program are discontinued; unused funds remain available to participants until March 31, 2028 72% rebate is replaced with a grant policy tied to a specific fuel consumption baseline

For more information, visit: www.fin.gov.nt.ca/services/carbon-tax