
First Session, Forty-third Parliament
3 Charles III, 2025
Legislative Assembly of British Columbia

BILL 8

CARBON TAX AMENDMENT ACT, 2025

Honourable Brenda Bailey
Minister of Finance

Explanatory Notes

- CLAUSE 1: ***[Carbon Tax Act, sections 15 and 18]*** repeals the requirements
- for a vendor to be appointed as a collector in order to sell fuel, and
 - for a person to be a registered retail dealer in order to sell natural gas.
- CLAUSE 2: ***[Carbon Tax Act, section 28]*** is related to amendments made by this Bill to the Schedules of the Act.
- CLAUSE 3: ***[Carbon Tax Act, section 35]*** is related to amendments made by this Bill to the Schedules of the Act.
- CLAUSE 4: ***[Carbon Tax Act, section 36]*** is related to amendments made by this Bill to the Schedules of the Act.

BILL 8 – 2025

CARBON TAX AMENDMENT ACT, 2025

HIS MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of British Columbia, enacts as follows:

- 1 *Sections 15 and 18 of the Carbon Tax Act, S.B.C. 2008, c. 40, are repealed.***
- 2 *Section 28 is amended by adding the following subsection:***
 - (3.1) Despite subsection (3), a retail dealer of natural gas is not required to remit to the government an amount collected from a person as if it were tax under this Act in respect of natural gas delivered on or after April 1, 2025 if the retail dealer, in accordance with section 36 (1.1), refunds or credits that amount to the person.
- 3 *Section 35 is amended by adding the following subsection:***
 - (12) Despite section 28 (5), if, on or after April 1, 2025, a deputy collector or retail dealer who was required to provide an inventory under subsection (1) of this section receives, in respect of fuel included in the inventory, an amount as if it were security under this Act, the deputy collector or retail dealer must remit the amount received to the government at the prescribed time and in the prescribed manner.
- 4 *Section 36 is amended by adding the following subsections:***
 - (1.1) Despite subsection (1) of this section and section 42 (1) (a), if a person has paid to a retail dealer of natural gas an amount as if it were tax in respect of natural gas delivered on or after April 1, 2025, the retail dealer must, within 180 days after the date on which the amount was paid, refund or credit that amount to the person.
 - (1.2) A person who has applied for or received a refund or credit from a retail dealer of natural gas under subsection (1.1) is not entitled to, and must not request, a refund under subsection (1) in respect of the same payment of an amount as tax.

CLAUSE 5: ***[Carbon Tax Act, section 37]*** is related to amendments made by this Bill to the Schedules of the Act.

CLAUSE 6: ***[Carbon Tax Act, section 84]*** adds limited, retroactive regulation-making authority to the Act.

CLAUSE 7: ***[Carbon Tax Act, Schedule 1]*** sets to zero the carbon tax rates for fuels.

5 *Section 37 (2) is amended by striking out “has paid security on fuel” and substituting “has paid an amount as security, or an amount as if it were security, on fuel”, and by striking out “the difference between the amount of security the person paid” and substituting “the difference between the amount the person paid”.*

6 *Section 84 is amended by adding the following subsections:*

- (8) A regulation made on or before December 31, 2025 under this section for the purposes of section 23 (7) or 35 (12), or under subsection (3) (a), (b), (c) or (s) of this section, may be made retroactive to April 1, 2025 or a later date, and if made retroactive is deemed to have come into force on the specified date.
- (9) A regulation made on or before December 31, 2026 under this section in relation to refunds may be made retroactive to April 1, 2025 or a later date, and if made retroactive is deemed to have come into force on the specified date.

7 *Schedule 1 is amended by repealing the Table and substituting the following:*

Table

Column 1	Column 2	Column 3	Column 4
Item	Type of fuel	Rate of tax for the year starting April 1, 2024	Rate of tax for the year starting April 1, 2025 and each subsequent year starting April 1
1	Aviation Fuel	19.59 ¢/L	0.00 ¢/L
2	Gasoline	17.61 ¢/L	0.00 ¢/L
3	Heavy Fuel Oil	25.50 ¢/L	0.00 ¢/L
4	Jet Fuel	20.65 ¢/L	0.00 ¢/L
5	Kerosene	20.65 ¢/L	0.00 ¢/L
6	Light Fuel Oil	20.74 ¢/L	0.00 ¢/L
7	Methanol	8.78 ¢/L	0.00 ¢/L
8	Naphtha	18.03 ¢/L	0.00 ¢/L
9	Butane	14.24 ¢/L	0.00 ¢/L
10	Coke Oven Gas	5.60 ¢/m ³	0.00 ¢/m ³
11	Ethane	8.15 ¢/L	0.00 ¢/L
12	Propane	12.38 ¢/L	0.00 ¢/L
13	Natural Gas	15.25 ¢/m ³	0.00 ¢/m ³

CLAUSE 7: ***[Carbon Tax Act, Schedule 1 – continued]***

CLAUSE 8: ***[Carbon Tax Act, Schedule 2]*** sets to zero the carbon tax rates for combustibles.

CLAUSE 9: ***[Transition – regulations]*** provides transitional regulation-making authority in relation to the amendments made by this Bill.

Column 1	Column 2	Column 3	Column 4
Item	Type of fuel	Rate of tax for the year starting April 1, 2024	Rate of tax for the year starting April 1, 2025 and each subsequent year starting April 1
14	Refinery Gas	17.18 ¢/m ³	0.00 ¢/m ³
15	High Heat Value Coal	178.48 \$/tonne	0.00 \$/tonne
16	Low Heat Value Coal	141.80 \$/tonne	0.00 \$/tonne
17	Coke	254.38 \$/tonne	0.00 \$/tonne
18	Petroleum Coke	30.18 ¢/L	0.00 ¢/L
19	Gas Liquids	13.31 ¢/L	0.00 ¢/L
20	Pentanes Plus	14.24 ¢/L	0.00 ¢/L

8 *Schedule 2 is amended by repealing the Table and substituting the following:*

Table

Column 1	Column 2	Column 3	Column 4
Item	Type of combustible	Rate of tax for the year starting April 1, 2024	Rate of tax for the year starting April 1, 2025 and each subsequent year starting April 1
1	Peat	81.76 \$/tonne	0.00 \$/tonne
2	Combustible Waste	159.78 \$/tonne	0.00 \$/tonne

Transitional Provision

Transition – regulations

- 9** (1) Despite this Act or any other Act, the Lieutenant Governor in Council may make regulations as follows:
- (a) respecting any matter that the Lieutenant Governor in Council considers is not provided for, or is not sufficiently provided for, in the amendments made by this Act;
 - (b) making provisions that the Lieutenant Governor in Council considers appropriate for the purpose of more effectively bringing the amendments made by this Act into operation;

CLAUSE 9: *[Transition – regulations – continued]*

CLAUSE 10: *[Income Tax Act, section 8.1]* eliminates the Climate Action Tax Credit.

CLAUSE 11: *[Motor Fuel Tax Act, section 30]* is related to amendments made by this
Bill to the *Carbon Tax Act*.

- (c) making provisions that the Lieutenant Governor in Council considers appropriate for the purpose of preventing, minimizing or otherwise addressing any transitional difficulties encountered in bringing the amendments made by this Act into effect, including, without limitation, provisions making an exception to or modification of a provision in an enactment or providing for the application or continued application of a previous enactment;
 - (d) resolving any errors, inconsistencies or ambiguities arising in the amendments made by this Act.
- (2) A regulation made under subsection (1) may be made retroactive to April 1, 2025 or a later date, and if made retroactive is deemed to have come into force on the specified date.
 - (3) To the extent of any conflict between a regulation made under subsection (1) and another enactment, the regulation prevails.
 - (4) This section and any regulations made under this section are repealed on April 1, 2026 or on an earlier date prescribed by the Lieutenant Governor in Council.

Related Amendments

Income Tax Act

10 *Section 8.1 of the Income Tax Act, R.S.B.C. 1996, c. 215, is amended*

- (a) in subsection (2) by striking out “a month specified for the 2021 and subsequent taxation years” and substituting “a month specified for the 2021, 2022 and 2023 taxation years”, and***
- (b) in subsection (3) by striking out “a month specified for a taxation year” and substituting “a month specified for a taxation year before the 2024 taxation year”.***

Motor Fuel Tax Act

11 *Section 30 of the Motor Fuel Tax Act, R.S.B.C. 1996, c. 317, is amended*

- (a) by repealing subsections (7) and (8), and***

CLAUSE 11: *[Motor Fuel Tax Act, section 30 – continued]*

CLAUSE 12: *[Motor Fuel Tax Act, section 37.1]* is related to amendments made by this Bill to the *Carbon Tax Act*.

CLAUSE 13: *[Motor Fuel Tax Act, section 71]* adds limited, retroactive regulation-making authority to the Act.

(b) by repealing subsections (9) and (10) and substituting the following:

- (9) If the appointment of a person as a collector under this Act is suspended under this Act, the appointment of that person as a refiner collector under this Act is automatically suspended without notice for the same period as the suspension under this Act.
- (10) If the appointment of a person as a collector under this Act is cancelled under this Act, the appointment of that person as a refiner collector under this Act is automatically cancelled without notice.

12 *Section 37.1 (8) and (9) is repealed.*

13 *Section 71 is amended by adding the following subsection:*

- (11) A regulation made on or before December 31, 2025 under this section in relation to refunds, or under subsection (2) (d), may be made retroactive to April 1, 2025 or a later date, and if made retroactive is deemed to have come into force on the specified date.

Commencement

- 14** The provisions of this Act referred to in column 1 of the following table come into force as set out in column 2 of the table:

Item	Column 1 Provisions of Act	Column 2 Commencement
1	Anything not elsewhere covered by this table	The date of Royal Assent
2	Sections 1 to 5	April 1, 2025
3	Sections 7 and 8	April 1, 2025
4	Sections 10 to 12	April 1, 2025