



# Provincial Sales Tax Will Not Be Applied To Federal Carbon Tax

*Released on April 1, 2019*

The Government of Saskatchewan is ensuring Provincial Sales Tax (PST) is not charged on top of the federal government's carbon tax on SaskPower and SaskEnergy utility bills. The federal government intends to charge the Goods and Services Tax (GST) on top of the carbon tax, in effect a tax on a tax.

“Even as our government is fighting this harmful tax in court, the federal government is imposing their carbon tax on Saskatchewan families, communities, and businesses,” Premier Scott Moe said. “While the federal government is making you pay GST on top of this tax starting today, our government has ensured that you will not be paying PST on the federal carbon tax.”

“This is another example of the federal government making it more difficult for Saskatchewan businesses to be competitive,” Finance Minister Donna Harpauer said. “Our government has been clear in its court challenge that we believe the imposition of the federal carbon tax is a violation of the Constitution and has no place in Saskatchewan.”

Saskatchewan has amended regulations to ensure PST will not be applied to the carbon tax on SaskPower utility bills. PST is not applied to natural gas, and SaskEnergy customers will not pay PST on top of the federal carbon tax. However, federal GST will be applied on the federal carbon tax on home owners' utility bills.

In February, the Government of Saskatchewan presented its position to the court of appeal that the imposition of a carbon tax is unconstitutional, and is waiting for the court to rule. In the meantime, the federal carbon tax will be imposed April 1, 2019, as part of the federal government's backstop provisions.

The Government of Saskatchewan will continue to fight the federal carbon tax in court, while continuing to act on our made-in Saskatchewan Prairie Resilience climate change strategy, an effective plan to help our province address climate change.

More information on Saskatchewan's Prairie Resilience climate change strategy is available at <https://www.saskatchewan.ca/business/environmental-protection-and-sustainability/a-made-in->

[saskatchewan-climate-change-strategy/prairie-resilience.](https://www.saskatchewan.ca/government/news-and-media/2019/april/01/carbon-tax)

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