

MEDIA RELEASE

Saturday, November 7, 2020

Special Adjustment of Maximum Prices of Regulated Petroleum Products

Taxation Changes

Effective 12:01 a.m. November 7, 2020 the Public Utilities Board set maximum prices for regulated gasoline and diesel motor fuels in all areas of the province.

The changes to maximum fuel prices are as follows:

- all types of gasoline motor fuel will increase by up to 0.3 cents per litre (cpl)
- diesel motor fuel will increase by up to 3.1 cpl

This special price adjustment reflects recent changes to carbon taxes and the provincial gasoline tax applicable to gasoline and diesel motor fuels as announced in the September 30, 2020 provincial budget. For complete details of these changes and impacts see the attached Backgrounder.

The next scheduled price change is Friday, November 13, 2020.

Media contact: Cheryl Blundon, Director Corporate Services, Tel: 1-866-782-0006
Email: cblundon@pub.nl.ca or visit the Board's website: www.pub.nl.ca.

Backgrounder

On November 6, 2020 the Department of Finance Tax Administration Division issued Bulletin No. RAA-CARBON-002. That Bulletin details the introduction of increased carbon taxes applicable to gasoline and diesel motor fuels effective Saturday, November 7, 2020 as follows:

Product	Old Carbon Tax Rates Effective January 1, 2019 to November 6, 2020	New Carbon Tax Rates Effective November 7, 2020
Gasoline	4.42 cpl	6.63 cpl
Diesel	5.37 cpl	8.05 cpl

In the same Bulletin government announced a reduction in the Provincial Gasoline Tax imposed on gasoline motor fuel under the *Revenue Administration Act* as noted in the following table:

Product	Old Gasoline Tax Rate in Effect until November 6, 2020	New Gasoline Tax Rate as of November 7, 2020
Gasoline	16.5 cpl	14.5 cpl

This special price adjustment to be effective 12:01 a.m., November 7, 2020 reflects the impact on pricing of the increase in carbon tax on gasoline and diesel motor fuels as well as the decrease in the Provincial Gasoline Tax for gasoline motor fuel, including HST. The net changes to the applicable taxation amounts and the impacts on maximum prices, including HST, are provided below.¹

Product	Change in Applicable Carbon Tax	Change in Provincial Gasoline Tax	Impact on Maximum Prices (including HST)
Gasoline	+2.21 cpl	-2.0 cpl	+0.24 cpl
Diesel	+2.68 cpl	N/A	+3.08 cpl

Details of the changes in tax rates can be found in the Department of Finance Tax Administration Division's Bulletin No. RAA-CARBON-002.

¹ Actual impact on maximum prices may vary slightly by pricing zone due to rounding in the Board's maximum pricing methodology.