



NEWFOUNDLAND AND LABRADOR
BOARD OF COMMISSIONERS OF PUBLIC UTILITIES
Petroleum Pricing Office



MEDIA RELEASE

GST reduction reflected in maximum automotive prices

Effective 12:01 a.m. Saturday, July 1, 2006, the Public Utilities Board, through its Petroleum Pricing Office, will adjust maximum automotive fuel prices in Newfoundland and Labrador (NL) to reflect the reduction of the Goods and Services Tax (GST) from seven to six per cent.

The federal government announced in its budget presentation May 2, 2006 that the GST would be lowered throughout the country on July 1, 2006. That means all goods and services to which the GST is applied will see a one per cent decrease.

Newfoundland and Labrador subscribes to the Harmonized Sales Tax (HST), along with Nova Scotia and New Brunswick, which combines the seven per cent federal component with the Provincial Sales Tax (PST). Fuel-price regulation in NL currently has the HST included in the listed maximum prices for all types of gasoline and automotive diesel, a universally accepted practice in the industry, whereas the maximum prices for home heating fuels are listed excluding taxes.

Consequently, the maximum prices of gasoline and automotive diesel will be lowered by 1.0 to 1.2 cents per litre (cpl) – depending on the HST rounding effect. The new maximum prices are based on removing the 15 per cent HST calculation and then reapplying the new HST amount of 14 per cent. Please refer to the pricing table related to this announcement to see how these changes apply to your respective pricing zone.

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