

# In Print

## Provincial Environmental Fees

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Provincial environmental fees get much less attention than sales taxes, but present significant administrative costs and challenges for many businesses.

This article provides an overview.

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## Provincial Environmental Fees

Provincial environmental fees, although less pervasive and visible than sales taxes, have been levied for many years in an effort to devolve to the companies responsible (stewards) some of the recycling and disposal costs related to their bringing packaging, hazardous waste, and electronics materials into a province. The administrative logistics for a business can impose a significant and burgeoning cost.

Subject to certain *de minimis* rules, a company must generally register as a steward if it is resident in a province and its brand or trademark, as owner or licensee, is on any product, packaging, or printed matter covered by an environmental levy. If the brand owner or licensee is not resident in the province, the person that imports the products into or first supplies them in the province may need to register as a steward and pay the applicable fees. A franchisor may also be obliged to register as a steward for all designated materials within the franchise system; specified companies can voluntarily register, typically to alleviate the burden on other parties.

The well-known blue-box recycling programs in Ontario and Quebec were designed and created so that companies contribute 50 percent of the net municipal costs associated with operating residential recycling programs. Fees are imposed on a steward that uses printed matter and packaging materials, including plastics, steel and other metals, aluminum, and glass. A steward must collect and report the annual weight of its relevant packaging and printed material in kilograms by material subcategory. For example, the fee rates in 2008 in Ontario are 18.449 cents per kilogram for certain plastics and 2.182 cents per kilogram for magazines and catalogues.

British Columbia, Alberta, Quebec, and Ontario have also implemented programs directed at companies that manufacture and market common household hazardous waste products and other materials such as paint, single-use batteries, antifreeze, pesticides, and fertilizers. As with the blue-box programs, companies pay fees on these products to fund the costs associated with collection, landfill diversion, and recycling of hazardous waste materials. Fees and affected products vary from province to province.

British Columbia, Alberta, Saskatchewan, Manitoba, and Nova Scotia (and Ontario in April 2009) also impose an environmental fee on the sale to consumers in the province of designated electronic products: televisions, computers, computer monitors, printers, keyboards, and scanners. Fees collected under this e-waste initiative will fund programs that encourage consumers to bring their obsolete electronic equipment to collection sites for processing and recycling. Generally, provincial e-waste programs allow electronic product suppliers to pass the environmental levy directly on to consumers at the time of sale. In Alberta, the first province to implement the program, fees ranging from \$8 on printers and printer combinations to \$45 on large television sets are charged by retailers to consumers at the time of sale.

All these fees are not yet imposed in every province, but they are being considered in all provinces. Compliance issues include (1) understanding and keeping track of the range of environmental levies, which no doubt will increase over time; (2) regular reporting to the provincial governments on the quantities and weight of products subject to the fees; and (3) calculating and remitting the applicable fees on affected products. The administration can be onerous for a business, and thus the development of effective tracking and reporting systems is crucial in order to ensure compliance.

*For more information, please contact the authors.*