

Making Your Miles Count:

A Tax by any other name would still smell like a Tax

Juliet argued that it didn't matter if Romeo was from the house of Montague. Using the line "A rose by any other name would smell as sweet" she contrasted the good of Romeo and "the bad" of Montague, exposing names as mere words to truth.

Abraham Lincoln once asked a friend "...if you call a calf's tail a leg, how many legs does a calf have? The answer? "four". Just because you call a tail a leg doesn't make it a leg...". By this Lincoln discarded names as mere words to truth and of fact.

Just because someone calls a carbon tax a "carbon price" doesn't mean it isn't a tax.

What exactly is the difference between a "price" and a "tax"? It's the same thing (a financial collection point for a government). We are not stupid.

Just to be sure, taxes in the free world are a necessity... an essential to our countries survival. However, it's no different than sugar to a diabetic... too much of it will kill you. Canadian society is already sick and tired of excessive taxes, I know because my job usually requires me to regularly discourage some form of tax evasion.

Taxes are born from "necessity".

Income tax originated in 1917 as a method to pay for World War One. Maybe someone could fire off an e-mail to our government and tell them it ended in November 1919.

Fuel tax is a "user tax" (paid at the pump) created to pay for roads and transportation infrastructure, no different in principle than the modern day toll road. It was a specific tax for a specific purpose. Every jurisdiction (Province) displays its collection and their corresponding sending on their annual reports. Originally these two numbers should/would have matched.

Tire tax (at the point of purchase) is also a "user tax" designed to cover the cost of disposal of the tire when it is worn out. It came about by the publicity associated with tens of thousands (or millions) of old tires in landfills, or maybe specifically when a private citizen's collection of tires burned unstoppable for days/weeks on national television. The collection of tire tax in principle should match the spending on the proper disposal of all tires.

A little while ago I bought a new television. At the checkout I was charged an "environmental or disposal fee/tax" (different provinces call things differently). Similar to tires, it became a popular topic of contention at landfills that televisions and monitors created some sort of hazard to the environment. The collection of "disposal tax" on TV's or monitors in principle should match the spending on the proper disposal of TV's or monitors.

I went to a grocery store the other day. I did not bring the canvas bag my wife purchased because I only had to purchase a few products and... it was in the other car. I had to "purchase" a plastic bag for \$.05 (an item that I know cost only a small fraction of one penny). The markup I'm sure was well over 500%. Not every grocery store charges for plastic bags. However, they are socially "allowed to" because of "environmental concerns of disposal". They can defend their markup because it's politically correct to do

so. I have heard they donate their “income” from these plastic bags to appropriate environmental organizations. I am very sure however, they did NOT donate it to our local city landfill account.

Politicians know they can tax Canadian citizens just so long as they have an urgent crisis that requires immediate funding. That “need” can be real (like a war or road building) or it can even be fabricated from thin air, just so long as the public believes it is “essential, critical... or better yet life threatening”. The more urgent it is perceived/promoted as, the bigger the tax can be. The option to actually spend money on that “life threatening issue” depends on the political party in power.

Taxes or Price it eventually ends up in the general fund

Judging by past experience one can reasonably assume the new “tax/price” will eventually be added to the general fund and be proportionately spent on carbon footprint issues with the same focus as the fuel taxes are going to road building/maintenance or our income taxes are going to fund our trench battle with Germany.

The carbon tax (I mean price) system has been used in Europe now for well over a decade. The “currency” has been declared a complete shame. The credits are traded, printed and given away with such inconsistency it is a global embarrassment. It reminds me of Al Gore and his “carbon footprint”. He flies in a private jet and uses 200 times the average person in personal hydro consumption in his mansion. When he is asked about it he politely states his carbon credits offset his carbon creation. When he is asked how much he pays for his carbon credits he states that the “work” he does raising awareness of global warming allows him plenty of access to (essentially) “free” carbon credits. His logic is shockingly Orwellian.

As an accountant I meet with many citizens who are aggressive tax planners. Their goal is not to pay any tax at all. Their “logic” is that government lies, cheats, steals, and that government is grossly incompetent with spending. The more Government gets the more they want, and then the more foolishly they spend. It’s sometimes hard to defend this reality.

Dog sh*t by any other name, even if it is presented along-side fine chocolates and given to your wife on your anniversary is still dog sh*t.

About the Author:

Robert D. Scheper is a leading Accountant and Consultant exclusively serving the Lease/Owner operator industry in Canada. His first book in the Making Your Miles Count series “taxes, taxes, taxes” was released in 2007. His second book “Choosing a Trucking company” is the most in-depth analysis of the independent operator industry today. He has a Master degree (MBA) in financial management and has been serving the industry since he and his wife came off the road in 1993. His dedication, commitment and strong opinions can be read and heard in many articles and seminars. You can find him at www.makingyourmilescount.com or 1-877-987-9787.