

The Federal Gas Tax Fund: Permanent and predictable funding for municipalities

What is it?

As part of the New Building Canada Plan, the renewed federal Gas Tax Fund (GTF) provides predictable, long-term, stable funding for Canadian municipalities to help them build and revitalize their local public infrastructure while creating jobs and long term prosperity.

Why is it important?

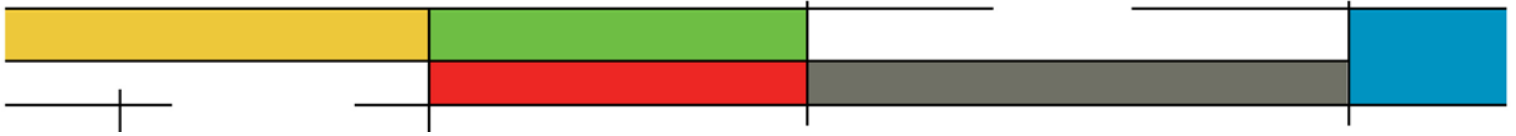
Each year, the federal GTF assists municipalities by providing funding for local infrastructure projects. From coast to coast to coast, the federal GTF is making a difference in all communities across Canada. Every year, municipalities benefit from the financial support and flexibility of the federal GTF. To date, \$13 billion has been invested in municipalities through the federal Gas Tax Fund, with close to \$22 billion to flow over the next 10 years. Municipalities will now have even more ways in which they can put their GTF funding to work in their communities.

How does it work?

The federal GTF provides \$2 billion annually, and is legislated as a permanent source of federal infrastructure funding for municipalities. The GTF is being indexed at two per cent per year, to be applied in \$100 million increments, which means that it will grow by \$1.8 billion over the next decade.

Funding is provided up front, twice-a-year, to provinces and territories, who in turn flow this funding to their municipalities to support local infrastructure priorities.

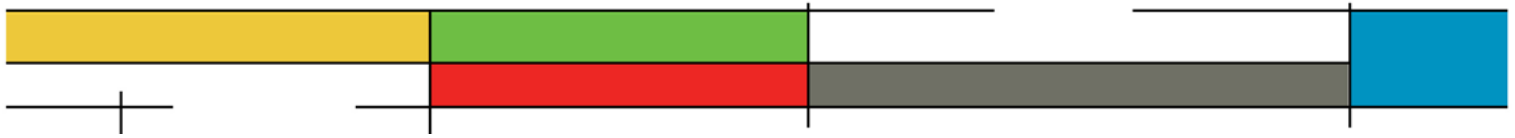
Municipalities can pool, bank and borrow against this funding, providing significant financial flexibility.



Communities are able to use the renewed GTF towards a wide range of projects, which means they have more flexibility than ever in the types of projects they fund.

Communities are able to use the federal GTF towards:

- public transit
- wastewater infrastructure
- drinking water
- solid waste management
- community energy systems
- local roads and bridges
- capacity building
- highways
- local and regional airports
- short-line rail
- short-sea shipping
- disaster mitigation
- broadband and connectivity
- brownfield redevelopment
- culture
- tourism
- sport
- recreation



Under the renewed GTF, allocations to provinces and territories over the first five years of the NBCP (2014-2019) are based on Census 2011 data, as follows:

Jurisdiction	GTF Allocation
Newfoundland and Labrador	\$155,298,000
Prince Edward Island	\$78,000,000
Nova Scotia	\$276,776,000
New Brunswick	\$225,276,000
Quebec	\$2,382,738,000
Ontario	\$3,873,735,000
Manitoba	\$340,448,000
Saskatchewan	\$292,707,000
Alberta	\$1,084,983,000
British Columbia	\$1,317,040,000
Yukon	\$78,000,000
Northwest Territories	\$78,000,000
Nunavut	\$78,000,000
First Nations	\$138,999,000
Canada	\$10,400,000,000

Specific allocations to municipalities will be determined through federal-provincial-territorial GTF agreements. Allocations for 2019-2024 will be based on Census 2016 data.