



SOUTH CENTRAL ONTARIO

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October 19, 2005

Councillor Michael Walker
100 Queen Street West, Suite B26
Toronto, Ontario
M5H 2N2

Dear Councillor Walker:

On behalf of CAA South Central Ontario, I am writing to support your request for the federal government to remove the GST on gasoline.

In fact, the results from the over 4,000 ballots collected in our 2004 Gas Tax ballot campaign show that:

- 89 per cent supported the elimination of the deficit reduction tax of 1.5 cents per litre of fuel and;
- 94 per cent wanted the federal government to stop charging GST on top of provincial and federal gasoline taxes.

As you know, of the \$4.5 billion collected in federal gasoline and diesel taxes in 2004-2005, Ottawa returned a mere 7.2 per cent back into road and highway development. And, for every 10 cents/per litre increase in pump prices an additional \$175 million in GST revenue flows into Ottawa.

CAA South Central Ontario believes that all road users should benefit from the billions of dollars collected through gas tax. Those benefits should include safe-to-drive roads that are properly maintained. This benefits the quality of life for those who travel in the City, including improved emissions and better air quality.

I wish you luck in your endeavor to create a more equitable environment for the motorists and residents of the City of Toronto.

Yours truly,

Faye Lyons
Government Relations Specialist
CAA South Central Ontario