



April 6, 2020

The Honourable Rod Phillips, MPP
Minister of Finance
Frost Building S, 7th Floor
7 Queen's Park Crescent
Toronto, ON M7A 1Y7

Minister.fin@ontario.ca

Dear Minister Phillips,

COVID-19 has had a devastating impact on many industries, and arguably none more so than aviation. On behalf of our seventy Ontario-based members and industry partners, the Air Transport Association of Canada (ATAC) is asking your government to help our industry in this difficult time by refunding the equivalent of four months excise tax on aviation fuel purchased in Ontario, back to the purchaser.

Ontario has the highest aviation fuel tax of any jurisdiction in Canada and is among the highest in North America. Now at 6.7 cents per litre, it is more than double the aviation fuel tax in any other province. While other provinces have moved to encourage air traffic by decreasing or eliminating aviation fuel taxes, the previous Ontario government decided to increase them. That decision has hurt consumers and put the province at a competitive disadvantage. Now more than ever, this is a liability to Ontario businesses.

ATAC proposes that the Government of Ontario help Ontarians by refunding the equivalent of four months of excise tax paid on aviation fuel by air operators in the province. Ideally, the refund would be four-twelfths of each company's total fuel tax remittance from the previous twelve months. Given that tax records are readily available, and tax paid is proportional to the size of each business, this is an easy, equitable, and accountable way for your government to support Ontario businesses and their workers during this unprecedented crisis.

Undoubtedly, the Government of Ontario and ATAC share a desire to see the Ontario economy recover as quickly as possible once this outbreak has been contained. Minister, your involvement and strong support are imperative to the livelihood of our members' employees and the survival of many Ontario businesses. ATAC stands ready and willing to discuss this or any alternative proposal your government may wish to pursue. We eagerly await your reply.

Respectfully,

John McKenna
President & CEO