

The Big LNG Tax Regime Vomit Bucket

by Stephen Elliott-Buckley - Wednesday, October 22, 2014

<http://politicsrespun.org/2014/10/the-big-lng-tax-regime-vomit-bucket/>

Cue sweet new day[tm] political campaign music, invoking images of a unicorn flying over our quaint village, then Robert Redford in voiceover:

"LNG will be a \$ trillion sector, reaping billions in revenue for the province [due to some kind of gruelling tax regime] so we can become debt-free, and pay for the best public services in the solar system, and bring trade junkets to the Golden Temple of Amritsar thrice yearly!"

Cue Law and Order "Bum Bum" loop:

After months of delays, release the actual tax rates. [Place face in palm, in advance.]

1. It will **never be over 7%**, because, shut up.
2. **It will be 1.5% until** LNG plant startup costs are paid off; and if the company is any good, it will delay that break even for about 76 years.
3. Once the mythical startup costs are recouped, **taxes rocket up to 3.5%**.
4. Then they **hit the stratosphere of 5%**, after 23 years!
5. But wait, there's more!
6. Sneak in a special **3% tax credit**, making the gruelling tax regime look like this: -1.5% for a really long time, then +0.5%, then +2% in 23 years. But maybe the math is a bit off because it's so hard working with numbers that are so small.
7. Money shot.

Begin slow clap.

Reducing the taxes to compete with other producing jurisdictions is called the race to the bottom. But the spin doctors call it:

A necessary response to changing market conditions

via [Smyth: Turns out the LNG bonanza promised by the Liberals won't be as spectacular.](#)

Then, stick the spin doctors in a room with a case of Red Bull and a Bellini machine to produce the winning defensive attack:

Suggest with your crafty rhetoric that opposing the LNG tax regime is like killing babies.

De Jong suggested the New Democrats would have strangled the LNG baby in its cradle if they had won the election.

via [Smyth: Turns out the LNG bonanza promised by the Liberals won't be as spectacular.](#)

It's Miller Time.