

Attention

Chief Administrative Officer

Date

February 27, 2013

2013 Taxi Fare Changes in B.C.

Taxi Fares Return to GST

When British Columbia returns to a GST and PST tax system next month, federal GST (5%) will apply to taxi fares. The B.C. government has announced that provincial PST will not apply to taxi fares.

Taxi Cost Index ("TCI") Increase of 1.9%

When taxes change, a TCI 2013 rate increase of 1.9% will also take effect. The TCI is an objective measure of changes in taxi operating costs in British Columbia. The Passenger Transportation Board ("PT Board") uses the TCI to identify taxi rate increases. The PT Board approved the TCI 2013 rate increase of 1.9% based on cost changes in the 2012 calendar year. Figure 1 provides more details.

Table 1: TCI Cost Changes in 2012

TCI Component	TCI Weighting	Cost Changes in 2012	Data Source
Wages	31%	2.02%	Statistics Canada
Fuel	19%	1.41%	MJ Ervin & Associates
Taxi Insurance	13%	5.19%	ICBC
CPI	37%*	1.11%	Statistics Canada

* CPI is adjusted to 80% to encourage business efficiencies and reduce duplication of fuel and other costs.

Changes effective March 31, 2013

In British Columbia, taxes are included in fares displayed on taxi meters. Starting this week, the PT Board is sending updated rate sheets to taxi companies in British Columbia. Rate sheets reflect both the return to 5% GST and a TCI 2013 rate increase of 1.9%. Taxi companies must implement these changes March 31, 2013. The changes apply to metered and non-metered taxi rates. Taxi companies may decline the TCI rate increase of 1.9% by writing to the PT Board by March 22, 2013.

More information is available at: <http://www.th.gov.bc.ca/ptb/tci.htm>

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