

## INFORMATION BULLETIN – RST 041

# FUNERAL HOMES AND MONUMENT DEALERS

## THE RETAIL SALES TAX ACT

**Issued: May 2004**

**Revised: July 2024**

This bulletin explains the application of retail sales tax (RST) to goods and services provided by funeral homes and monument dealers.

**Latest Revision:** The revision bar (|) identifies changes to the July 2019 version of this bulletin. For a summary of the changes, refer to the Revision Summary section.

### SECTION 1 – FUNERAL HOMES:

Funeral services are not subject to RST. Tax is not charged on any goods or services provided with the funeral service, including goods or services separately itemized on the customer's bill.

Funeral homes are required to pay RST on all purchases of taxable goods or services, including taxable goods or services provided with the funeral service. RST paid by the funeral home is not shown separately on the customer's bill.

Taxable goods purchased by a funeral home include:

- Casket linings;
- Caskets and urns;
- Clothing;
- Cremation caskets;
- Embalming supplies;
- Flowers and wreaths;
- Furnishings, equipment and office supplies;
- Guest books;
- Memorial cards and programs;
- Monuments;
- Prepared food and beverages (see the note below);
- Vehicles.

If a funeral home purchases taxable goods from a supplier that did not collect RST, or for example a supplier located outside Manitoba, tax must be self-assessed by the funeral home and remitted on their next sales tax return. RST is payable on the laid down cost of the taxable goods, which includes exchange, transportation, duty, and any other costs to import the goods into Manitoba, excluding GST.

Please note: Tax does not need to be self-assessed on purchases of prepared food and beverages from a provider who is not required to collect tax because they qualify for the exception provided for non-commercial charities and non-profits. Refer to Information Bulletin No. 024 – Charitable & Non-Profit Organization Fund Raising Activities, or a small business with sales under \$30,000 per year. Refer to Notice RST 24-01 – Registration Requirement Eliminated for Small Businesses.

Funeral homes that regularly sell taxable goods on a supply only basis, such as goods that are not provided with a funeral service, must collect RST at 7 per cent of the selling price of the goods, excluding GST.

### **Registration Requirements:**

Funeral homes are generally not required to register for RST purposes unless the funeral home:

- purchases goods from unregistered suppliers and requires a sales tax return to self-assess RST on purchases, or
- regularly sells goods on a supply only basis and requires a sales tax return for the collection and remittance of RST.

### **SECTION 2 – MONUMENT DEALERS:**

When a monument is sold on a supply only basis, the dealer does not install the monument, the monument dealer must collect RST at 7 per cent of the selling price of the monument, excluding GST. The dealer will purchase the monument tax exempt, using their RST number, because the monument is being purchased for resale.

RST does not apply on charges to install a monument or charges to engrave a monument after it has been installed.

The application of RST for dealers that supply and install monuments differs depending on how the dealer bills their customer.

Option 1 - If the dealer bills their customer separately for the supply of the monument, the dealer must collect RST at 7 per cent of the selling price of the monument, excluding GST. Charges to install the monument are shown separately on the customer's bill and are not subject to RST. Under this option the dealer will purchase, or manufacture, the monument tax exempt, using their RST number, because the monument is being purchased for resale.

Option 2 - If the dealer bills their customer to supply and install the monument, the dealer will not charge RST on the contract price because this is a real property contract. The dealer must pay RST on their purchase of the monument. RST paid by the dealer is not shown separately on the customer's bill.

If the monument is purchased from a supplier that did not collect RST, for example from an out of province supplier, tax must be self-assessed by the monument dealer and remitted on their next sales tax return. RST is payable on the laid down cost of the monument, which includes exchange, transportation, duty, and any other costs to import the monument into Manitoba, excluding GST.

Option 3 - When a dealer purchases raw stone to cut, shape, polish and engrave into a finished monument, this is considered to be manufacturing. If a dealer manufactures a monument and bills their customer to supply and install the monument, the dealer will not charge RST on the contract price because this is a real property contract. The dealer must pay RST at 7 per cent of the manufactured value of the monument. RST paid by the dealer is not shown separately on the customer's bill. The manufactured value of the monument is the total of:

- the cost of materials;
- the cost of direct labour;
- manufacturing overhead at 150 per cent of the cost of direct labour, or the actual overhead rate, whichever is less.

Please note: Where a dealer manufactures and installs monuments, they may choose for simplicity to charge their customer RST on the total selling price of the monument (Option 1) or self-assess RST on their regular selling price of the monument instead of calculating the manufactured value using the above formula.

Monument dealers may purchase stencils and abrasives used for engraving exempt from RST.

### **Registration Requirements:**

Monument dealers are required to be registered for RST purposes to collect sales tax on the sale of monuments or to self-assess RST on purchases from out of province suppliers or to self-assess RST on the manufactured value of monuments that they manufacture and install.

### **SECTION 3 – REVISION SUMMARY:**

- Increasing the small business registration exemption to \$30,000.

## **FURTHER INFORMATION:**

This bulletin is intended to serve as a guideline and is not all-inclusive. For the specific wording of the law, please refer to The Retail Sales Tax Act and Regulation. Further information may be obtained from:

Manitoba Finance  
Taxation Division  
101 - 401 York Avenue  
Winnipeg, Manitoba R3C 0P8  
Telephone: 204-945-5603  
Manitoba Toll-Free: 1-800-782-0318  
Fax: 204-945-0896  
E-mail: [MBTax@gov.mb.ca](mailto:MBTax@gov.mb.ca)  
Web Site: <https://www.manitoba.ca/finance/taxation/>

## **ONLINE SERVICES:**

Our Web site [here](#) provides tax forms and publications about taxes administered by Manitoba Finance, and a link to Manitoba's laws and regulations. Forms and publications can also be obtained by contacting Manitoba Finance.

TAXcess, our online service, [taxcess.gov.mb.ca](http://taxcess.gov.mb.ca) provides a simple, secure way to apply for, and to file, pay and view your Manitoba tax accounts.