

## **TAXATION CHANGES – 2016 BUDGET**

The following taxation changes were announced by the Honourable Cameron Friesen, Minister of Finance, in his Budget Address on May 31, 2016.

### **PERSONAL MEASURES**

#### **Indexing of Personal Income Tax Brackets**

Manitoba tax brackets will be increased in 2017 by the Manitoba Consumer Price Index (CPI) for the twelve-month period of October 2015 to September 2016. It will continue to be indexed in subsequent years.

#### **Indexing of Basic Personal Amount**

The Manitoba Basic Personal Amount (BPA) will be increased in 2017 by the Manitoba CPI for the twelve-month period of October 2015 to September 2016.

#### **Seniors' School Tax Rebate**

For the 2016 property tax year, the maximum Rebate limit of \$470 for eligible seniors is retained. The Rebate will now be calculated on net school taxes paid after the Basic and Seniors' Education Property Tax Credits (EPTC) are taken into account. In addition, for eligible senior households with a net family income of over \$40,000, the Rebate will be income-tested. The Rebate will be reduced by 2.0% of net family income over \$40,000.

For further information on the **Indexation of Personal Income Tax Brackets and the Basic Personal Amount** contact:

**Fiscal Research Division,  
Manitoba Finance**  
Telephone 204-945-3757  
Fax 204-945-5051

E-mail: [feedbackfin@gov.mb.ca](mailto:feedbackfin@gov.mb.ca)

For further information on the **Seniors' School Tax Rebate** contact:

**Manitoba Tax Assistance Office,  
Manitoba Finance**  
Telephone 204-948-2115  
Toll-free 1-800-782-0771  
Fax 204-948-2263

E-mail: [tao@gov.mb.ca](mailto:tao@gov.mb.ca)

**BUSINESS TAX MEASURES**

**Green Energy Equipment Tax Credit** Amendments to the Green Energy Equipment Tax Credit are being introduced concerning the eligibility of gasification equipment for co-generation of energy using biomass fuel.

**TAX CREDIT EXTENSIONS**

**Small Business Venture Capital Tax Credit** The Small Business Venture Capital Tax Credit is extended to December 31, 2019.

For further information on the **Green Energy Equipment Tax Credit** contact:

**Fiscal Research Division,  
Manitoba Finance**  
Telephone 204-945-3757  
Fax 204-945-5051

E-mail: [feedbackfin@gov.mb.ca](mailto:feedbackfin@gov.mb.ca)

For further information on the **Small Business Venture Capital Tax Credit** contact:

**Business Services Division,  
Manitoba Growth, Enterprise and Trade**  
Telephone 204-945-7343  
Fax 204-945-1193

E-mail: [kristal.benton@gov.mb.ca](mailto:kristal.benton@gov.mb.ca)

**RETAIL SALES TAX**

**Exemption for museum and art gallery exhibits expanded** Effective June 1, 2016, the sales tax exemption for temporary museum and art gallery exhibits brought into the province will be expanded to include permanent exhibit acquisitions.

This exemption will apply to museums and art galleries whose revenue is greater than 50% by donations, grants or government funding.

Sales tax continues to apply to other purchases of taxable goods by museums and art galleries.

**Simplified manufacturing formula for kitchen cabinet manufacturers** Effective June 1, 2016, contractors who manufacture and install residential kitchen cabinets can choose to calculate the sales tax payable on their manufacturing costs of the kitchen cabinets either using the general manufacturing formula for goods installed into real property or a simplified formula of 70% of the total contract price (excluding any GST and sales tax previously paid on materials).

**Vendor registration** Effective June 1, 2016, an out of province business that holds an inventory of taxable goods in the province, available for sale to Manitoba customers, must register to collect and remit retail sales tax.

**Further information on retail sales tax may be obtained from Manitoba Finance – Taxation Division:**

**Winnipeg Office**

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) 948-2087

**Westman Regional Office**

Manitoba Finance  
Taxation Division  
314, 340 - 9th Street  
Brandon, Manitoba R7A 6C2  
Fax (204) 726-6763

E-mail: [MBTax@gov.mb.ca](mailto:MBTax@gov.mb.ca)

**TAXATION DIVISION ONLINE SERVICES**

Our Web site at [manitoba.ca/finance/taxation](http://manitoba.ca/finance/taxation) provides tax forms and publications about taxes administered by Taxation Division, and a link to Manitoba's laws and regulations. Forms and publications can also be obtained by contacting the Taxation Division.

Our online service at [manitoba.ca/TAXcess](http://manitoba.ca/TAXcess) provides a simple, secure way to apply for, and to file, pay and view your Taxation Division tax accounts.