

## TAXATION CHANGES – 2018 BUDGET

The following taxation changes were announced in Budget 2018.

### PERSONAL TAX MEASURES

**Primary Caregiver Tax Credit** Effective immediately, the process for claiming the Primary Caregiver Tax Credit will be simplified by removing complicated paperwork. The requirement to complete an application for pre-approval by the Regional Health Authorities or Manitoba Families is eliminated.

Instead of seeking approval of an application, caregivers will now only be required to complete a registration form, submit a copy of the form to Manitoba Finance, and continue to claim the credit on the income tax return. Individual caregivers who applied to Manitoba Health or Families between January 1, 2018 and March 12, 2018 will have their forms forwarded to Manitoba Finance for automatic registration.

The claim process will also be significantly simplified by implementing a flat \$1,400 annual credit available to all eligible caregivers. This eliminates the requirement to calculate the credit based on the number of days that care was provided. The requirement to provide a minimum of 90-days of care before eligibility commences remains in place.

**Education Property Tax Credit** Effective for 2019, the calculation of the Education Property Tax Credit will be based on school taxes and the \$250 deductible will be eliminated. The Seniors' Education Property Tax Credit would also be calculated on the school tax portion. This change aligns with other property tax credits.

Annual school taxes that are equal to or greater than \$700 receive the full rebate amount. A renter paying at least \$3,500 of rent per year will be eligible for the full \$700 basic credit. Prior to the elimination of the deductible, this amount was over \$4,700.

For further information on the **Primary Caregiver Tax Credit, and Education Property Tax Credit** 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**

**Small Business Deduction** The small business income limit eligible for the small business deduction is increased from \$450,000 to \$500,000 on January 1, 2019. Canadian-controlled private corporations that qualify for the small business deduction pay a 0% rate of Manitoba corporation income tax.

**Child Care Centre Development Tax Credit** A new refundable corporation income tax credit is introduced to stimulate the creation of licensed child care centre spaces in workplaces.

A tax credit will be available for private corporations that create new infant and preschool child care spaces as part of a centre for a total benefit of \$10,000 per new space created, claimable over five years. The credit would be available for licensed spaces created by a taxable corporation that is not primarily engaged in child care services, effective after Budget day and before 2021. The total number of spaces will initially be limited under this program to 200 but may be increased over time.

**Small Business Venture Capital Tax Credit** Effective March 12, 2018, the \$15 million revenue cap on the size of eligible issuer corporation is eliminated and the investment minimum for an investor is lowered from \$20,000 to \$10,000. These enhancements will allow larger corporations to access the credit while also allowing for smaller investments by shareholders.

**Credit Unions Special Deduction** The special tax deduction which currently allows credit unions and caisses populaires to pay a lower rate of tax on a portion of their income is being phased out over five years beginning on January 1, 2019. As an offsetting measure, the credit unions profit tax is eliminated, as announced below. Credit unions and caisses populaires will continue to have access to the small business deduction as do Canadian-controlled private corporations.

**Rental Housing Construction Tax Credit** Effective for January 1, 2019, this Credit is eliminated. Projects currently under provincial review or with approvals are not affected. No new project applications will be processed by Manitoba Housing after 2018 and projects must be available for use before 2021.

For further information on the **Small Business Deduction for Corporations** 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)

For further information on the **Child Care Centre Development Tax Credit** contact:

**Early Learning and Child Care Program****Manitoba Families**

Telephone: 204-945-0776

Toll free: 1-888-213-4754

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

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

**Enterprise, Innovation and Trade Division**  
**Manitoba Growth, Enterprise and Trade**  
Telephone: 204-945-2700  
Fax: 204-945-1193

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

For further information on **Credit Unions Special Deduction** contact:

**Finance 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 **Rental Housing Construction Tax Credit** contact:

**Manitoba Housing**  
Telephone: 204-945-5566  
Toll-free: 1-866-689-5566

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

## TAX CREDIT EXTENSIONS

**Manitoba Book Publishing Tax Credit** This Credit, scheduled to expire on December 31, 2018, is extended to December 31, 2019.

**Cultural Industries Printing Tax Credit** This Credit, scheduled to expire on December 31, 2018, is extended to December 31, 2019.

For further information on the extension of these tax credits contact:

**Arts Branch**  
**Sports, Culture and Heritage**  
Telephone: 204-945-3847

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

## RETAIL SALES TAX

**Exemption for fertilizer bins** Effective May 1, 2018, fertilizer bins used in a farming operation will be exempt.

**Exemption for oil and gas drill bits** Effective May 1, 2018, drill bits designed specifically for oil or gas exploration or development will be exempt.

**TOBACCO TAX**

**Fine cut tobacco rate change** Effective midnight, March 12, 2018, the tobacco tax rate on fine cut tobacco changes from 28.5¢/gram to 45¢/gram.

The tobacco tax rate on cigarettes, cigars, raw leaf and other tobacco products remains unchanged.

**CREDIT UNIONS AND CAISSES POPULAIRES PROFITS TAX**

**Tax Eliminated** Credit unions and caisses populaires in Manitoba are currently subject to a 1% profits tax on taxable income over \$400,000. Effective January 1, 2019, the Credit Unions and Caisses Populaires Profits Tax is eliminated.

**INSURANCE CORPORATIONS TAX**

**Electronic Filing** Insurance businesses will be required to file and pay their 2018 insurance corporations tax electronically using Manitoba's online tax system, TAXcess. Businesses must be registered for the insurance corporation tax using TAXcess prior to filing and paying the tax. Visit the site at [manitoba.ca/TAXcess](http://manitoba.ca/TAXcess) for further information.

The 2018 return required to be filed and paid electronically is due on March 20, 2019.

**Further information on retail sales tax, tobacco tax, credit unions and caisses populaires profits tax and insurance corporations 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.