

FAIRS, EXHIBITIONS AND TRADE SHOWS

Note: Revisions to contents of previous Bulletin (July 2019) have been identified by revision bar (I) in the right margin.

This Notice summarizes how Manitoba's 7 per cent retail sales tax (RST) applies to the many types of goods and services normally sold at fairs, exhibitions and trade shows, and to items that operators and vendors purchase or bring into Manitoba for their own use.

SALES

ADMISSION charges are exempt.

FOOD AND BEVERAGES typically sold at concessions and other eating venues are taxable. Examples include:

- prepared foods such as pizza, hamburgers, salads, and bags of heated mini-donuts
- "single serving" foods and beverages such as ice cream bars, milk shakes and soft drinks
- snack foods such as popcorn and potato chips.

See Bulletin 029 *Food and Beverages* for more information and lists of specific taxable and exempt items.

GAMES OF CHANCE AND OTHER ENTERTAINMENTS

The amount charged for the following activities is exempt:

- games of chance or skill operated by the vendor (e.g. Duck Pond, Ring Toss, Bingo)
- "playing time" on video games that test and score the user's skill
- vending machine games (e.g. crane "grab-it" games)
- amusement rides
- tarot card and other "fortune" readings.

NOTE: Businesses that operate games of chance and other entertainments are required to pay RST on equipment and supplies for their own use, including prizes they give away.

MISCELLANEOUS GOODS

Taxable items include:

- souvenirs, crafts, posters, sunglasses, toys and other novelties
- adult clothing and footwear (e.g. t-shirts, hats, flip-flops).

Exempt items include:

- children's clothing and footwear with a selling price of \$150 or less
- books (e.g. paperback novels and Bibles).

See Bulletin 001 *Clothing, Footwear and Accessories* for more information.

MISCELLANEOUS SERVICES

- Taxable services include photography and engraving.
- Non-taxable services include tattooing, ear piercing and skin care treatments. Jewellery, skin care products and other taxable items sold separately or with personal services are also taxable.

See Bulletin 030 *Summary of Taxable and Exempt Goods and Services* for more information.

NOTE: Businesses that provide non-taxable services are required to pay RST on equipment and supplies that they use in providing their service. See Bulletin 062 *Personal Services* for more information on how tax applies on goods purchased by personal service providers. If a business providing non-taxable services also sells items such as skin care products, jewellery or other items, they are required to collect RST on the selling price of the items sold.

PURCHASES

PRIZES

Prizes purchased in or brought into Manitoba and given away in the province are taxable. Businesses that give away prizes in a game of chance or other entertainment are required to pay RST on their laid-down cost of the prizes given away, which includes the purchase price, freight, brokerage and related charges (excluding GST). The taxable value of prizes may be estimated on a percentage-of-revenue basis - e.g. 40 per cent of the game's revenue.

SUPPLIES

Food and beverage vendors may purchase certain supplies exempt, including:

- disposable (one-use) items that are used to provide prepared food and beverages for sale, such as:
 - disposable containers and placemats
 - disposable dishes and utensils
 - paper liners and napkins
 - stir sticks and straws
 - bags
- items that are consumed while in direct contact with food or beverages being prepared for sale, such as coffee filters, non-sticking agents used on cooking equipment and aluminum foil.

EQUIPMENT – TEMPORARY USE IN MANITOBA

- A travelling exhibition operator must pay tax on the equipment it brings into the province on a temporary basis. The tax is calculated on 1/1095 of the equipment's fair value for each day that the equipment remains in the province. No tax is payable on the temporary use of equipment in Manitoba unless it is in Manitoba for a total of six or more days in a calendar year.
- "Fair value" must be established each time the equipment enters Manitoba and is determined by considering purchase price, depreciation, and replacement cost. If these amounts cannot be confirmed, fair value may be established as the insured value or, for equipment brought in from the United States, the value declared to Customs at the border.
- Services purchased in Manitoba, and repair parts and supplies purchased in Manitoba or brought into the province for the operator's own use are taxable.

See Bulletin 005 *Information for Contractors* for additional detail about calculating tax on the temporary use of equipment in the province.

Further information may be obtained from:

Winnipeg Office

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101 - 401 York Avenue
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Telephone (204) 945-5603
Manitoba Toll Free 1-800-782-0318
Fax (204) 948-2087
E-mail: MBTax@gov.mb.ca
Web site: www.gov.mb.ca/finance/taxation

Westman Regional Office

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

ONLINE SERVICES

Our Web site at manitoba.ca/finance/taxation 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.

Our online service at manitoba.ca/TAXcess provides a simple, secure way to apply for, and to file, pay and view your Manitoba tax accounts.