

TAXATION CHANGES – 2014 BUDGET

The following taxation changes were announced by Manitoba Finance Minister Jennifer Howard in her Budget Address on March 6, 2014.

PERSONAL MEASURES

Seniors' School Tax Rebate Effective in 2014, Manitoba residents who are 65 years of age or older or have a spouse or common-law partner 65 years of age or older, who own their principal residence in Manitoba will be eligible to apply for a rebate of up to \$235. The Rebate will be calculated based on school division special levy paid less existing property tax credits.

Mineral Exploration Tax Credit The non-refundable tax credit is extended to cover flow-through share agreements entered into before April 1, 2018.

Community Enterprise Development Tax Credit The tax credit is extended to December 31, 2019.
For eligible shares issued after 2014: the tax credit will be made fully refundable; the tax credit rate is increased to 45%; the maximum annual shares an investor can acquire is increased to \$60,000; corporations with a permanent establishment in Manitoba and which pay at least 25% of their payroll to Manitoba residents will be eligible to acquire tax creditable shares; and the maximum eligible shares an approved company can issue under the program is increased to \$3 million.

The maximum annual tax credit that can be earned by an investor is increased to \$27,000 and the threshold of shares an investor can own to be eligible to acquire tax creditable shares is increased to 35%.

Small Business Venture Capital Tax Credit For eligible shares issued after 2014: the non-refundable tax credit rate is increased to 45%; the lifetime limit in tax creditable shares an approved corporation can issue is increased to \$10 million; and the annual cap on the credit claimed by an investor in a taxation year is increased to \$67,500 per taxpayer per year.

The threshold of shares an investor can own to be eligible to acquire tax creditable shares is increased to 35%.

The maximum investment per investor per issuer remains at \$450,000.

GREEN MEASURES

Emissions Tax Effective January 1, 2014, petroleum coke used in Manitoba is subject to an Emissions Tax equal to \$10 per tonne of carbon-dioxide-equivalent emissions.

BUSINESS AND FARM MEASURES

Manufacturing Investment Tax Credit The 10% partially refundable tax credit is extended to December 31, 2017.

Book Publishing Tax Credit The refundable tax credit is extended to December 31, 2017.

Cultural Industries Printing Tax Credit The definition of eligible book is amended to: cap the credit at \$30,000 per book title; require at least 90 per cent of the book to be new and not previously published material; require at least 65% of the page be text in a non children's book; and require the book to be sold through an established distributor.

Co-op Education and Apprenticeship Tax Credits The refundable credit is extended indefinitely.
Effective for employers with a taxation year ending after 2014: the rate for apprentices and journeypersons will increase to 15% of wages and salaries to a maximum of \$5,000 per apprentice per year per level; the rural and northern bonus applicable to early-level apprenticeships will continue at 5% for a total hiring incentive of 20% of wages and salaries, and with cap of \$5,000 per apprentice per year per level. Employers will receive the credit through their annual personal or corporate income tax return. A pre-approval process will no longer be required.

Odour Control Tax Credit The refundable tax credit is extended to December 31, 2017.

TECHNICAL AND ADMINISTRATIVE MEASURES

Rental Housing Construction Tax Credit The tax credit is amended to clarify the affordable unit requirements and the certification process for projects and tenants.

Tax Discounters Authority is being provided to withhold or withdraw the licences of an income tax discounter who repeatedly files inaccurate tax credit claims.

For further information on the **Manufacturing Investment Tax Credit, Cultural Industries Printing Tax Credit, or Odour Control Tax Credit**, contact:

Taxation, Economic and Interprovincial Fiscal Research Division, MB Finance

Telephone: 204-945-3757
Fax: 204-945-5051
email: feedbackfin@gov.mb.ca

For further information on **the Seniors' School Tax Rebate, Co-op Education and Apprenticeship Tax Credits, or Technical and Administrative Measures** regarding income tax discounters, contact:

Tax Assistance Office, MB Finance

Telephone: 204-948-2115 in Winnipeg
Toll-free: 1-800-782-0771
Fax: 204-948-2263
email: tao@gov.mb.ca

For further information on **the Emissions Tax**, contact:

Taxation Division, MB Finance

Telephone: 204-945-5603 in Winnipeg
Toll-free: 1-800-782-0318
Fax: 204-945-0896
email: mntax@gov.mb.ca

For further information on **Technical and Administrative Measures** regarding the **Rental Housing Construction Tax Credit**, contact:

Housing Delivery Branch, MB Housing

Telephone: 204-945-5566
Toll-free: 1-866-689-5566
email: housing@gov.mb.ca

For further information on **the Community Enterprise Development Tax Credit**, contact:

MB Agriculture, Food and Rural Development

Telephone: 204-346-4371
Toll-free: 1-800-567-7334
Fax: 204-268-6060
email: hollis.kinsey@gov.mb.ca

For further information on **the Book Publishing Tax Credit**, contact:

Arts Branch, MB Tourism, Culture, Heritage, Sport and Consumer Protection

Telephone: 204-945-7581
Fax: 204-948-1684

For further information on **the Mineral Exploration Tax Credit**, contact:

Department of Mineral Resources

Telephone: 204-346-4371
Toll-free: 1-800-567-7334
Fax: 204-268-6060
email: hollis.kinsey@gov.mb.ca

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

Financial Services Branch, Jobs and the Economy

Telephone: 204-945-2475
Toll-free: 1-800-282-8069
Fax: 204-945-1193
email: Kristal.Benton@gov.mb.ca