

INFORMATION BULLETIN – RST 016

RECORD KEEPING AND RETENTION REQUIREMENTS

THE RETAIL SALES TAX ACT

Issued: June 1989

Revised: June 2024

This bulletin outlines the kinds of Retail Sales Tax records that a business is required to maintain. It also explains when certain records may be destroyed without authorization and the requirements to make records available in Manitoba for audit purposes.

Latest Revision: The revision bar (I) identifies changes to the August 2018 version of this bulletin. For a summary of the changes, refer to the Revision Summary section.

What records do I retain?

Businesses are required to keep books of account, records and documents that clearly show all the particulars of:

- Inventory of goods as counted from time to time;
- Purchases of goods for resale;
- Purchases of services for resale;
- Sales of goods and services;
- Insurance provided, premiums charged, and premiums collected;
- Goods manufactured, processed, produced, purchased or taken from stock for personal or business use, or supplied to employees; including fixed assets, goods used for promotional distribution, goods manufactured for own use, etc.;
- Services purchased and utilized for personal or business use, or supplied to employees;
- Discounts and refunds provided to customers and received from suppliers;
- Amount of retail sales tax (RST) collectable;
- Amount of RST self-assessed on purchases acquired for own use from a vendor that did not collect tax, for example, fixed assets purchased from an out of province supplier that was not registered to collect Manitoba sales tax;
- Remittance of RST;
- Bad debts written-off or recovered, and the applicable tax adjustments;
- Sale of goods to or purchases from a closely related corporation, closely related partnership, a newly incorporated corporation or a newly formed partnership;
- Goods transferred to a shareholder or a member of a partnership;
- Documentation to substantiate allowance of a tax exemption conditional on use, for example, for resale, farm use, sales to Status Indians.

May records be kept electronically?

Taxation Division recognizes books and records to be:

- The traditional records and books of account, including supporting source documents, produced and retained in paper format;
- Records and books produced and retained in an electronically readable format that can be related back to the supporting source documents and which are supported by a system capable of producing accessible and readable copy; and
- Businesses using third party data back-up services need to ensure they continue to have access to their data for the entire record retention period noted below.

Must these records be available for audit in Manitoba?

Each person who is or is required to be a holder of an RST number or has a place of business in Manitoba and is carrying on business in the province, shall keep and maintain in Manitoba such books of account, records and documents as indicated above, and shall make these records available for audit in Manitoba.

Where these records are not maintained in Manitoba, the business is required to pay for the out of province travel expenses incurred by the Taxation Division auditor for purposes of auditing the records at the place where they are kept.

The department may also in some cases order a business to make the records available for audit within Manitoba.

Can I destroy old records?

The books of account, records and documents of a person carrying on business in Manitoba must be retained for audit purposes. However, the business may destroy certain old records and documents, without having to obtain permission from Taxation Division, providing that all of the following conditions are met.

- Books of account, records, and documents of the current fiscal year plus the immediately preceding six years must not to be destroyed.
- Books of account, records and documents must not to be destroyed for any year in respect of which there are tax amounts outstanding or in dispute, or where written notice has been given from Taxation Division requesting that those books of account, records and documents be retained.

Please Note: General ledgers are to be retained indefinitely and not destroyed.

REVISION SUMMARY:

- Removing reference to sales tax commission
- Minor revisions

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:

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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 provides a simple, secure way to apply for, and to file, pay and view your Manitoba tax accounts.