

THE RETAIL SALES TAX ACT

CANNABIS

This bulletin explains the application of retail sales tax (RST) on non-medical cannabis, medical cannabis, cannabis edibles and related accessories.

RST is a 7 per cent tax applied to the retail sale or rental of most good and certain services in Manitoba. The tax is calculated on the selling price, before the Goods and Services Tax (GST) is applied.

Section 1: APPLICATION OF TAX ON CANNABIS

Non-medical Cannabis and Cannabis Edibles

- Non-medical cannabis and non-medical cannabis edibles are not subject to Manitoba RST. This exemption includes, but is not limited to, dried cannabis, cannabis oils, cannabis prerolls, cannabis baked goods, cannabis candies and cannabis beverages.
- Topical gels and/or inhalants containing cannabis are also exempt of RST.

Medical Cannabis

- Medical cannabis is subject to Manitoba RST. Business who sell medical cannabis are required to register with the Taxation Division. See section 3 on registration requirements.

Accessories and other goods

- Accessories and other goods are subject to Manitoba RST. Below are examples of items subject to RST:
 - Rolling papers or wraps
 - Grinders and screens
 - Holders
 - Pipes or bubblers
 - Vape pens and vaporizers
 - Bong or water pipes
 - Dab or oil rigs
 - Batteries
 - Cleaning tools and solutions
 - Lighters
 - T-shirts, hats, etc.
 - Other taxable snack foods

Section 2: APPLICATION OF TAX ON PURCHASES

Purchases for Your Own Use

- Cannabis retailers are required to pay Manitoba RST on purchases of equipment, services and supplies used in their business. If purchased from

an unregistered supplier (i.e. located outside Manitoba), RST must be self-assessed and remitted with the next tax return on the laid-down cost of the taxable goods or services (includes exchange, transportation, customs and duties, but not GST).

Section 3: REGISTRATION REQUIREMENTS

- Registration**
- Businesses selling medical cannabis and/or other taxable goods are required to register for RST purposes and can apply online at Manitoba.ca/TAXcess. Applications for registration are also available on our Web Site or by contacting the Taxation Division Offices listed at the end of this bulletin.
- General Information for Vendors**
- See Bulletin 004 – *Information for Vendors* – explaining a vendor’s obligations to collect and remit the retail sales tax.
 - See Bulletin 016 – *Record Keeping and Retention Requirements*.
 - Bulletins are available at <http://www.gov.mb.ca/finance/taxation/bulletins.html>.

FURTHER INFORMATION

This bulletin is intended as a guideline and is not all-inclusive. For the specific wording of the law, please refer to *The Retail Sales Tax Act* and *Regulations*. Further information may be obtained from:

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

ONLINE SERVICES

Our Web site at 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 provides a simple, secure way to apply for, and to file, pay and view your Taxation Division tax accounts