

TAXATION CHANGES – 2019 BUDGET

The following taxation changes were announced by Manitoba Finance Minister Scott Fielding in his Budget Address on March 7, 2019.

RETAIL SALES TAX

Rate decrease Effective July 1, 2019, the following retail sales tax rates will decrease:

- The general sales tax rate decreases from 8% to 7%,
- The sales tax rate on mobile, modular and ready-to-move homes decreases from 4.5% to 4%,
- The reduced sales tax rate for electricity used by qualifying manufacturers, mining companies and oil well operators decreases from 1.6% to 1.4%; and,
- The prorate vehicle tax rates also decrease. Please see the information notice – *Reduction of Prorate Vehicle Tax Rates* for further information.

The reduced sales tax rate for home heating, heating and cooling of farm buildings, and operating farm grain dryers remains at 1.4%.

Please see information notice – *Rate Reduction Transition Rules* for further information.

Exemption from the federal carbon tax The federal carbon tax that will apply on natural gas and coal beginning on April 1, 2019 will not be subject to retail sales tax.

A sales tax exemption for gasoline and diesel fuels is not required as these products are not subject to sales tax.

FUEL TAX

Expanded fuel tax exemption for the forestry industry Effective June 1, 2019, the fuel tax exemption for the forestry industry is expanded to include mill site equipment used for log handling and processing.

PROVINCALLY ADMINISTERED TAXATION STATUTES

Electronic Filing To reduce red tape and increase efficiency, businesses will be required to file, remit and pay fuel tax, tobacco tax and health and post-secondary education tax levy electronically using Manitoba's online tax system, TAXcess.

Larger sales tax vendors remitting or paying sales tax of \$5,000 or more per month will also be required to file, remit and pay electronically using TAXcess.

Commissions will not be paid to any sales tax vendors filing monthly returns. Vendors filing quarterly or annual returns under \$3,000 per filing period will continue to be eligible to receive a commission.

These measures will commence in 2020.

Businesses must be registered for using TAXcess prior to filing, remitting and paying their taxes. Visit the site at manitoba.ca/TAXcess for further information.

Further information on retail sales tax, fuel tax, tobacco tax and health and post secondary education tax levy 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
Telephone (204) 726-6153
Manitoba Toll Free 1-800-275-9290
Fax (204) 726-6763

E-mail: MBTax@gov.mb.ca

TAXATION DIVISION 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.

BUSINESS MEASURES

Manufacturing Investment Tax Credit

Effective for qualifying property acquired after June 30, 2019, the refundable portion of the Manufacturing Investment Tax Credit is reduced from 8% to 7%. The 1% non-refundable portion is not impacted by this change. This measure ensures alignment with the retail sales tax rate reduction.

This change does not impact the tax credit on qualified property acquired before July 1, 2019.

Further information on the Manufacturing Investment Tax Credit may be obtained from Manitoba Finance – Finance Research Division:

Telephone: 204-948-3757
e-mail: feedbackfin@gov.mb.ca

Film and Video Production Tax Credit

Scheduled to expire on December 31, 2019, the Film and Video Production Tax Credit is made permanent with no fixed expiry date.

Cultural Industries Printing Tax Credit Scheduled to expire on December 31, 2019, the Cultural Industries Printing Tax Credit is extended by one year to December 31, 2020. In addition, the annual maximum tax credit is capped at \$1.1 million per taxpayer.

Book Publishing Tax Credit Scheduled to expire on December 31, 2019, the Book Publishing Tax Credit is extended for five years to December 31, 2024.

Further information on the Film and Video Production Tax Credit, the Cultural Industries Printing Tax Credit and the Book Publishing Tax Credit may be obtained from Manitoba Sport, Culture and Heritage – Arts Branch:

Telephone: 204-945-3847

e-mail: artsbranch@gov.mb.ca

Small Business Venture Capital Tax Credit Scheduled to expire on December 31, 2019, the small business venture capital tax credit is extended for three years to December 31, 2022.

Further information on the Small Business Venture Capital Tax Credit may be obtained from Manitoba Growth, Enterprise and Trade – Financial Analysis Branch:

Telephone: 204-945-2770

e-mail: fabget@gov.mb.ca