

TAXATION CHANGES – 2022 BUDGET

The following taxation changes were announced by Manitoba Finance Minister, the Honourable Cameron Friesen, in his Budget Address on April 12, 2022.

EDUCATION PROPERTY TAX

Education Property Tax Rebate

Property owners will continue receiving the Education Property Tax Rebate in 2022 as part of the phasing out of education property taxes. The 2022 and 2023 rebate amounts will be as follows:

- Residential and farm property owners will receive a 37.5% rebate in 2022 and a 50% rebate in 2023 of the school division special levy and community revitalization levy payable, and
- Other property owners (such as commercial, industrial, railways, pipelines, institutional and designated recreational) will receive a 10% rebate of the applicable school division special levy and the education support levy payable.

Property owners will continue to pay education property taxes but will receive the Education Property Tax Rebate in the same month that their municipal property tax payments are due. The Education Property Tax Rebate will automatically be issued to property owners, no application form will be necessary. Farm property owners will still be required to apply for the Farmland School Tax Rebate.

In conjunction with the Education Property Tax Rebate, existing education property tax offsets will be proportionally adjusted, as follows:

Tax Credit and Rebate Amounts			
	2021	2022	2023
Education Property Tax Credit and Advance	Up to \$525	Up to \$438	Up to \$350
Seniors School Tax Rebate	Up to \$353 Minus 1.5% on family net income over \$40,000	Up to \$294 Minus 1.25% on family net income over \$40,000	Up to \$235 Minus 1.0% on family net income over \$40,000
Seniors Education Property Tax Credit	Up to \$300 Minus 0.75% of family net income	Up to \$250 Minus 0.625% of family net income	Up to \$200 Minus 0.5% of family net income
Farmland School Tax Rebate	Up to 60% of school tax to a maximum of \$3,750	Up to 50% of school tax to a maximum of \$3,125	Up to 40% of school tax to a maximum of \$2,500

Further information on the Education Property Tax Rebate may be obtained from Manitoba Finance

Telephone 204-945-2115
Toll-free 1-800-782-0771
E-mail tao@gov.mb.ca

TAX CREDITS

Residential Renters Tax Credit Effective starting in the 2022 taxation year, Manitoba will replace the renters component of the Education Property Tax Credit with a new Residential Renters Tax Credit that will apply to renters of residential properties. The new credit will fix the annual claim amount at \$525, the same amount as in 2021 under the previous tax credit program. The new credit will no longer be calculated based on 20% of annual rents paid, and will instead be calculated as a fixed monthly maximum claim amount, based on the number of months spent renting in a given year. The monthly amount will be \$43.75 and will not be income tested. About 45,000 Manitobans who receive non-EIA Rent Assist or who live in social housing will be newly eligible to claim the credit.

Community Enterprise Development Tax Credit Scheduled to expire on December 31, 2022, the Community Enterprise Development Tax Credit is made permanent.

Small Business Venture Capital Tax Credit The Small Business Venture Capital Tax Credit will be made permanent, and will be enhanced to benefit Manitobans participating in venture capitals funds, thereby improving access to capital and supporting entrepreneurs.

Further information on the Residential Renters Tax Credit may be obtained from Manitoba Finance

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Further information on the Community Enterprise Development Tax Credit and Small Business Venture Capital Tax Credit may be obtained from Manitoba Economic Development, Investment and Trade - Economic Programs Branch:

E-mail EcDevPrograms@gov.mb.ca

HEALTH AND POST-SECONDARY EDUCATION TAX LEVY

Increased Thresholds Effective January 1, 2023, the exemption threshold will increase from \$1.75 million to \$2.0 million of annual remuneration and the threshold below which employers pay a reduced rate will increase from \$3.5 million to \$4.0 million.

Rates and thresholds effective January 1, 2023:

Total Yearly Remuneration	Tax Rate
\$2.0 Million or Less	Exempt
Between \$2.0 Million and \$4.0 Million	4.3% on the amount in excess of \$2.0 Million (notch provision)
Over \$4.0 Million	2.15% of the total payroll (the first \$2.0 Million is not exempt)

FUEL TAX

Exemption for Peat Moss Harvesting Effective May 1, 2022, marked fuel may be purchased by licenced peat moss harvesting operations for use in the off-road operation of peat moss harvesting machinery and equipment.

For further details please refer to Information Notice 22-01 – *Fuel Tax Exemptions for the Peat Moss Harvesting Industry*.

TAX ADMINISTRATION

Statutory Limitations The audit period for the following provincially administered tax statutes will be legislated:

- Retail Sales Tax Act
- Health and Post Secondary Education Tax Levy Act
- Corporation Capital Tax Act
- Credit Unions and Caisses Populaires Profits Tax Act
- Emissions Tax on Coal and Petroleum Coke Act
- Fuel Tax Act
- Tobacco Tax Act
- Mining Tax Act.

Further information will be released when the budget implementation legislation is finalized.

Further information on health and post-secondary education tax levy, fuel tax, and tax administration may be obtained from Manitoba Finance:

Winnipeg Office

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