



## **INFORMATION BULLETIN – 125**

# **TAXATION CHANGES – BUDGET 2025**

**Issued: March 2025**

The following taxation changes were announced by Manitoba Finance Minister, the Honourable Adrien Sala, in his Budget Address on March 20, 2025.

### **PERSONAL INCOME TAX:**

#### **Basic Personal Amount and Tax Bracket Threshold Indexation:**

The Basic Personal Amount was \$15,780 for the 2024 tax year. The reduction in tax liability of the credit is the Basic Personal Amount multiplied by Manitoba's bottom tax bracket rate of 10.8 per cent.

Manitoba's tax bracket rates and thresholds for 2024 were as follows:

- Tax rate of 10.8% for taxable income of \$0 - \$47,000.
- Tax rate of 12.75% for taxable income of \$47,001 - \$100,000.
- Tax rate of 17.4% for taxable income of over \$100,000.

Beginning with the 2025 tax year, indexation of the Basic Personal Amount and tax bracket thresholds to inflation will be frozen, with the amounts and thresholds being maintained at their 2024 levels.

### **INCOME TAX CREDITS:**

#### **Renters Affordability Tax Credit:**

Effective for the 2025 tax year, the maximum annual Renters Affordability Tax Credit is increased to \$575, and the maximum seniors' top-up is increased to \$328.

Effective for the 2026 tax year, the maximum Renters Affordability Tax Credit will be increased to a maximum of \$625, and the seniors' top-up will be increased to a maximum of \$357.

Both amounts will continue to be increased each year as part of the Manitoba government's commitment to restore this credit to its previous level of \$700, and the seniors' top-up to \$400.

### **Volunteer Firefighter and Search and Rescue Amount:**

Effective for the 2025 tax year, the Volunteer Firefighter and Search and Rescue Amount is doubled from \$3,000 to \$6,000. This increases the maximum annual value of the credit to \$648 based on the amount multiplied by Manitoba's bottom tax bracket rate of 10.8%.

### **Cultural Industries Printing Tax Credit:**

The Cultural Industries Printing Tax Credit, which applied to eligible expenses incurred until December 31, 2024, is made permanent.

**Further information on the Basic Personal Amount, Tax Bracket Thresholds and income tax credits may be obtained from the Canada Revenue Agency:**

Toll-free: 1-800-959-8281

### **SCHOOL TAX:**

#### **Homeowners Affordability Tax Credit:**

Budget 2024 announced a reform to school tax-related credits and rebates, including establishment of a new Homeowners Affordability Tax Credit that provides up to \$1,500 in school tax relief on homeowners' principal residence.

For the 2026 property tax year, the maximum Homeowners Affordability Tax Credit will be increased by \$100, from \$1,500 to \$1,600.

**Further information on the Homeowners Affordability Tax Credit may be obtained from Manitoba Government Inquiry:**

Telephone: 204-945-3744  
Toll-free: 1-866-626-4862  
E-mail: [mgi@gov.mb.ca](mailto:mgi@gov.mb.ca)

## **HEALTH AND POST SECONDARY EDUCATION TAX LEVY:**

### **Threshold Increases:**

Effective January 1, 2026, the exemption threshold will increase from \$2.25 million to \$2.5 million of annual remuneration and the reduced rate threshold is raised from \$4.5 million to \$5.0 million.

Rates and thresholds effective January 1, 2026:

- \$2.5 million or less is exempt.
- Between \$2.5 million and \$5.0 million is taxed at 4.3% on the amount in excess of \$2.5 million (notch provision).
- Over \$5.0 million is taxed at 2.15% of the total payroll (the first \$2.5 million is not exempt).

## **RETAIL SALES TAX:**

### **Cloud Computing:**

Effective January 1, 2026, sales tax will apply on cloud computing services, such as subscriptions to software, data storage, and remote computer processing.

For further information, please refer to Information Bulletin No. 033 – Computer Software and Online Services.

## **CORPORATION CAPITAL TAX:**

### **Tax Eliminated for Crown Corporations:**

Effective for fiscal years beginning after March 31, 2025, the corporation capital tax paid by crown corporations is eliminated.

The corporation capital tax continues to apply to banks, trust corporations, loan corporations or trust and loan corporations.

## **MINING TAX:**

### **Technical Clarifications:**

The following mining tax technical clarifications will be implemented:

- Repealing the expired new investment tax credit.
- Eliminating the requirement for the Minister of Finance to designate a new mine or major expansion.
- Eliminating the special tax rate of 0.5% that applies in addition to the regular tax rates on the profit of all mining operators.

## **TAX ADMINISTRATION:**

### **Retail Sales Tax and Tobacco Tax Registration Registry:**

An online sales tax and tobacco tax registration registry will be implemented in 2025 that will enable taxpayers to verify if a business is registered for sales tax or tobacco tax.

### **Tobacco Band Assessment Agreements:**

The Tobacco Band Assessment Agreements will be updated to increase their duration from five years to 10 years and to reduce the administration fee from 1.0% to 0.25%.

**Further information on the health and post-secondary education tax levy, retail sales tax, corporation capital tax, mining tax and tax administration measures may be obtained from Manitoba Finance – Taxation Division:**

Telephone: 204-945-5603  
Manitoba Toll Free: 1-800-782-0318  
E-mail: [MBTax@gov.mb.ca](mailto:MBTax@gov.mb.ca)