



INFORMATION BULLETIN – 126

TAXATION CHANGES – BUDGET 2026

Issued: March 2026

The following taxation changes were announced by Manitoba Finance Minister, the Honourable Adrien Sala, in his Budget Address on March 24, 2026.

INCOME TAX CREDITS:

Renters Affordability Tax Credit:

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

Effective for the 2027 tax year, the maximum Renters Affordability Tax Credit will be increased to a maximum of \$675, and the seniors' top-up will be increased to a maximum of \$385.71.

Government has also announced plans to provide advance payments for the Renters Affordability Tax Credit. Additional details will be provided at a later date.

Further information on income tax credits may be obtained from the Canada Revenue Agency:

Toll-free: 1-800-959-8281

SCHOOL TAX:

Homeowners Affordability Tax Credit:

Effective for the 2026 tax year, the maximum annual Homeowners Affordability Tax Credit is \$1,600.

Effective for the 2027 tax year, the maximum annual Homeowners Affordability Tax Credit will be increased by \$100, from \$1,600 to \$1,700. In addition, this credit will be reduced on properties with an assessed value greater than \$1,000,000. The credit will be reduced by \$3.40 per \$1,000 of assessed value over \$1,000,000. At this rate, the credit will be reduced to \$0 at \$1,500,000 in assessed value.

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

LAND TRANSFER TAX:

Government has announced plans to introduce legislative amendments to The Tax Administration and Miscellaneous Taxes Act to prevent the avoidance of land transfer tax. This includes avoidance through the use of legal structures in which legal and beneficial ownership of the property are separated.

These amendments are planned to come into effect January 1, 2027.

Further information on the Land Transfer Tax may be obtained from Teranet Manitoba:

Toll-free: 1-844-737-5684

CORPORATE TAX CREDITS:

Film and Video Production Tax Credit:

Government has announced plans for changes to the Film and Video Production Tax Credit. These changes will include:

- The creation of a mandatory pre-certification process.
- Measures to reduce the potential for abuse and fraud.
- Measures to allow the inclusion of eligible non-resident labour costs on Advance Certificates.
- Measures to improve administration.

Further details will be provided at a later date.

Further information on the Film and Video Production Tax Credit may be obtained from the Manitoba Film and Music:

Telephone: 204 947-2040

Further information on corporate tax credits may be obtained from the Canada Revenue Agency:

Toll-free: 1-800-959-8281

RETAIL SALES TAX:

Expanded Exemption for Food Items Sold at Grocery Stores:

Effective July 1, 2026, the retail sales tax exemption on basic groceries will be expanded to include additional food and beverages for human consumption sold by grocery stores.

Examples of food items that will no longer be subject to retail sales tax include:

- Ready-to-eat prepared food such as sandwiches, soups, rotisserie chickens and samosas.
- Platters or arrangements of prepared foods such as sushi, cold cuts and cheeses.
- Potato chips, corn chips, pretzels and cheese puffs.
- Salted nuts and trail mixes.
- Carbonated beverages and beverages containing 1% or less alcohol by volume.
- Single servings of sweetened baked goods.
- Confectionery items such as candy, chocolates and chewing gum.

For further information, please refer to Information Notice RST 26-01 – Expanded Exemption for Food Items Sold at Grocery Stores.

Prenatal Vitamins:

Effective July 1, 2026, retail sales tax will no longer apply on prenatal vitamins.

TAX ADMINISTRATION:

Electronic Filing of Retail Sales Tax Returns:

Effective January 1, 2028, all businesses registered to collect retail sales tax will be required to file, remit and pay electronically using TAXcess.

Denying Refunds when False Information is Provided:

Retail sales tax refunds on the purchase and sale of vehicles will be denied if a taxpayer is found to have falsified a copy of their bill of sale to enable a purchaser to pay less tax when registering their vehicle.

Further information on the retail sales 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