

Information Notice

NOTICE: RST 13-01
The Retail Sales Tax Act
Issued February 2013

PHASING OUT THE PENNY

As of February 4, 2013, the Royal Canadian Mint will no longer distribute pennies. The phasing out of the penny does not affect transactions paid by cheque or electronic payments, but will impact cash transactions.

Cash Transactions

When cash is used to pay for a taxable purchase and pennies are not available, the transaction can either be rounded up or down as follows:

- Amounts ending with 1 or 2 cents will be rounded down to the nearest 10 cent increment;
- Amounts ending with 6 or 7 cents will be rounded down to the nearest 5 cent increment;
- Amounts ending with 3 or 4 cents will be rounded up to the nearest 5 cent increment;
- Amounts ending with 8 or 9 cents will be rounded up to the nearest 10 cent increment.

Retail sales tax (RST) is to be calculated on the taxable purchase price prior to any rounding taking place. The RST amount is not to be rounded. Rounding occurs only on the total sale amount, after the addition of the applicable taxes, and does not affect the amount of RST payable that is to be reported to the province.

When taxable goods are returned for a cash refund and pennies are not available, the refundable amount of RST is calculated prior to rounding.

Cheques and Electronic Payments

Transactions paid by cheques or electronic payments (credit card or debit cards), including refunds, do not require rounding as the transactions will continue to be settled to the exact amount. There is no change to the calculation of RST on these types of payments.

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
E-mail: MBTax@gov.mb.ca
Web site: www.gov.mb.ca/finance/taxation

Westman Regional Office

Manitoba Finance
Taxation Division
314, 340 - 9th Street
Brandon, Manitoba R7A 6C2
Fax (204) 726-6763

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.

