

Information Notice

NOTICE RST 13-08
The Retail Sales Tax Act
Issued June 2013

2013 BUDGET – RETAIL SALES TAX CHANGES

Rate Changes:

The 2013 Budget announced that effective July 1, 2013, the following retail sales tax rates will change for a ten year period ending June 30, 2023:

- The general sales tax rate will change from 7% to 8% (refer to the web site below for the *Transitional Rules* information notice, as an example, the 8% sales tax rate will apply to goods sold on or after July 1, 2013)
- The rate on mobile, modular and ready-to-move homes will change from 4% to 4.5%,
- The reduced sales tax rate for electricity used by qualifying manufacturers, mining companies and oil well operators will change from 1.4% to 1.6% (the rate for home heating, heating and cooling farm buildings, and operating farm grain dryers remains at 1.4%), and
- The prorate vehicle tax rates will also change. Please see the information notice – *Prorate Vehicle Tax Rates* for further information.

The Province of Manitoba has introduced Bill 20, *The Manitoba Building and Renewal Funding and Fiscal Management Act (Various Acts Amended)*, which provides for a change in the retail sales tax rate effective July 1, 2013, as announced in Budget 2013. Similar to other tax changes that came into effect on Budget day, if Bill 20 is enacted after July 1, 2013, the rate change will be retroactive to July 1, 2013, and vendors will be obligated to remit the tax at 8% retroactive to that date. Vendors are expected to charge and collect at the new rate commencing July 1, 2013.

Exemptions:

The 2013 Budget announced that retail sales tax will no longer apply on the following items:

- Effective May 1, 2013, helmets designed for use while riding a bicycle will be exempt from sales tax. This exemption applies to all bicycle helmets, with no age restriction.
- Effective July 1, 2013, baby supplies such as diapers, strollers, cribs, gates and monitors as well as items used for nursing, feeding or bathing will be exempt from sales tax. Please see bulletin No. 055 – *Baby Supplies* for further information.
- Effective July 1, 2013, child safety restraint systems used in vehicles, such as car seats and booster seats will be exempt from sales tax.
- Effective July 1, 2013, the sales tax exemption for municipalities on sand/salt mixtures (containing at least 80% sand) will be expanded to include any municipal works.

Information bulletins and notices can be viewed on Taxation Division's website at www.gov.mb.ca/finance/taxation.

Further information may be obtained from:

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