

REGISTRATION REQUIREMENT ELIMINATED FOR SMALL BUSINESSES

Small businesses, with annual taxable sales under \$10,000, are not required to register and collect Manitoba retail sales tax (RST). Registered businesses under the \$10,000 threshold may cancel their RST number.

Businesses projecting that their annual taxable sales will be under the threshold can choose not to register and collect RST. These businesses will be required to:

- pay Manitoba RST on all taxable goods and services purchased for their own use;
- pay Manitoba RST on all taxable goods and services purchased for resale, including goods and services purchased to produce other goods for sale;
- keep records of their sales; and
- sales invoices must indicate that RST is included in the price (RST must not be itemized on the invoice).

Please Note: Businesses that use out of province suppliers that do not collect Manitoba RST and businesses that sell tobacco or liquor products are not eligible for the registration exception. **Out of province businesses that have not paid Manitoba RST on all of their taxable goods and services that are purchased for resale in Manitoba are also not eligible for the registration exception. Businesses that are not eligible for the registration exception must register to collect and remit the tax.**

Businesses under the threshold will be required to register and collect RST after their sales exceed the \$10,000 annual threshold. Businesses will be provided one month to register and implement a system to collect and remit RST on their sales - if a business with a December year end exceeds the threshold in October, they will have to register and begin collecting RST on December 1.

Businesses under the threshold that choose to cancel their RST registration must self-assess RST on any existing inventory (purchased tax exempt for resale while registered), prior to their RST number being cancelled.

Business customers are not required to self-assess RST on purchases of goods from unregistered **Manitoba-based** sellers, where the purchase invoice indicates that RST is included in the sale price. Business customers are required to self-assess RST on purchases of taxable services from any unregistered seller, as RST is not included in the selling price.

Note: Revisions to contents of previous Bulletin (June 2015) have been identified by shading ()

Contact Information

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

Westman Regional Office

Manitoba Finance

Taxation Division

314, 340 - 9th Street

Brandon, Manitoba R7A 6C2

Fax (204) 726-6763