

TAXATION CHANGES – 2013 BUDGET

The following taxation changes were announced by Manitoba Finance Minister Stan Struthers in his Budget Address on April 16, 2013.

RETAIL SALES TAX

Rate changes 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%,
- The sales tax 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%, and
- The prorate vehicle tax rates will also change. Please see the information notice – *Prorate Vehicle Tax Rates* for further information.

The reduced sales tax rate for home heating, heating and cooling farm buildings, and operating farm grain dryers remains at 1.4%.

These rate changes will assist in infrastructure funding and will return to the rates that existed prior to these changes on July 1, 2023.

Please see information notice – *Transition Rules* for further information.

Exemption for baby supplies 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.

Exemption for child safety restraint systems Effective July 1, 2013, child safety restraint systems used in vehicles, such as car seats and booster seats, will be exempt from sales tax.

Exemption for bicycle helmets Effective July 1, 2013, helmets designed for use while riding a bicycle will be exempt from sales tax. No age restriction applies.

Exemption for sand/salt purchased by municipalities expanded Effective July 1, 2013, the sales tax exemption for municipalities on sand/salt mixtures (containing at least 80% sand) will be expanded from flood related activities to include any municipal works.