

TAXATION CHANGES – 2021 BUDGET

The following taxation changes were announced by Manitoba Finance Minister, the Honourable Scott Fielding, in his Budget Address on April 7, 2021.

EDUCATION PROPERTY TAX

Education Property Tax Rebate

Beginning in 2021, property owners will begin receiving the Education Property Tax Rebate as part of the phasing out of education property taxes. The 2021 rebate amounts will be as follows:

- Residential and farm property owners will receive a 25% rebate of the school division special levy and community revitalization levy payable, and
- Other property owners (such as commercial, industrial, railways, pipelines, institutional and designated recreational) will receive a 10% rebate of the applicable school division special levy and the education support levy payable.

Property owners will continue to pay education property taxes but will receive the Education Property Tax Rebate in the same month (or earlier) that their municipal property tax payments are due. The Education Property Tax Rebate will automatically be issued to property owners, no application form will be necessary. Farm property owners will still be required to apply for the Farmland School Tax Rebate.

In conjunction with the Education Property Tax Rebate, existing education property tax offsets will be proportionally reduced by 25% in 2021, as follows:

Tax Credit and Rebate Amounts		
	2020	2021
Education Property Tax Credit and Advance	Up to \$700	Up to \$525
Seniors School Tax Rebate	Up to \$470 Minus 2.0% on family net income over \$40,000	Up to \$353 Minus 1.5% on family net income over \$40,000
Seniors Education Property Tax Credit	Up to \$400 Minus 1.0% of family net income	Up to \$300 Minus 0.75% of family net income
Farmland School Tax Rebate	Up to 80% of school tax to a maximum of \$5,000	Up to 60% of school tax to a maximum of \$3,750

Further information on the Education Property Tax Rebate may be obtained from Manitoba Finance

Telephone 204-948-2115
Toll-free 1-800-782-0771
E-mail tao@gov.mb.ca

RETAIL SALES TAX

Exemption for Personal Services Effective December 1, 2021, personal services, including hair services, non-medical skin care and aesthetician services, body modifications and spa services will be exempted from retail sales tax.

Retail sales tax will continue to apply to tanning services provided by a device that uses ultraviolet radiation.

The following retail sales tax measures are being implemented to help ensure Manitoba businesses are competing on a level playing field with their out-of-province online competition:

Streaming Services Effective December 1, 2021, audio and video streaming services will be subject to retail sales tax. Streaming service providers will be required to collect and remit retail sales tax on the sale of these services.

Online Marketplaces Effective December 1, 2021, online marketplaces will be required to collect and remit retail sales tax on the sale of taxable goods sold by third parties on their online platforms.

Online Accommodation Platforms Effective December 1, 2021, online accommodation platforms will be required to collect and remit retail sales tax on the booking of taxable accommodations in Manitoba.

Further information on all of these four retail sales tax measures will be available prior to December 1, 2021.

HEALTH AND POST-SECONDARY EDUCATION TAX LEVY

Increased thresholds Effective January 1, 2022, the exemption threshold will increase from \$1.5 million to \$1.75 million of annual remuneration and the threshold below which employers pay a reduced rate will increase from \$3.0 million to \$3.5 million.

Rates and thresholds effective January 1, 2022:

Total Yearly Remuneration	Tax Rate
\$1.75 Million or Less	Exempt
Between \$1.75 Million and \$3.5 Million	4.3% on the amount in excess of \$1.75 Million (notch provision)
Over \$3.5 Million	2.15% of the total payroll (the \$1.75 Million is not exempt)

Further information on retail sales tax and health and post-secondary education tax levy may be obtained from Manitoba Finance:

Winnipeg Office

Manitoba Finance
101 - 401 York Avenue
Winnipeg, Manitoba R3C 0P8
Telephone (204) 945-5603
Manitoba Toll Free 1-800-782-0318
Fax (204) 948-2087

Westman Regional Office

Manitoba Finance
314, 340 - 9th Street
Brandon, Manitoba R7A 6C2
Telephone (204) 726-6153
Manitoba Toll Free 1-800-275-9290
Fax (204) 726-6763

E-mail: MBTax@gov.mb.ca

ONLINE SERVICES

Our Web site at manitoba.ca/finance/taxation provides tax forms and publications about taxes administered by Manitoba Finance, and a link to Manitoba's laws and regulations. Forms and publications can also be obtained by contacting Manitoba Finance.

Our online service at manitoba.ca/TAXcess provides a simple, secure way to apply for, and to file, pay and view your Manitoba Finance tax accounts.

BUSINESS MEASURES

Interactive Digital Media Tax Credit Effective for the 2021 taxation year, the eligible activities for the Interactive Digital Media Tax Credit will be expanded to allow add-on digital media and content, such as downloadable content, on-going maintenance and updates, and data management and analysis that are complementary to the main product.

Small Business Venture Capital Tax Credit Effective for the 2021 taxation year, the maximum eligible investment by an investor increases from \$450,000 to \$500,000. In addition, the maximum tax credit claimable against Manitoba income tax in a given year increases from \$67,500 to \$120,000.

Further information on the Interactive Digital Media Tax Credit and Small Business Venture Capital Tax Credit may be obtained from Manitoba Economic Development and Jobs - Economic Policy and Programs Branch:

E-mail EcDevPrograms@gov.mb.ca

Film and Video Production Tax Credit The frequent filming bonus, under the Cost-of-Salaries Tax Credit, is temporarily paused for two years. All companies that were eligible for the bonus on March 31, 2020 will have that status remain in effect until March 31, 2022, at which point their frequent filming status resumes.

For productions companies that have continued to produce, their time period continues as normal.

Further information on the Film and Video Production Tax Credit may be obtained from Manitoba Sport, Culture and Heritage – Arts Branch:

Telephone 204-945-3847
E-mail artsbranch@gov.mb.ca

PERSONAL MEASURE

Teaching Expense Tax Credit Effective for the 2021 taxation year, educators will be able to claim the new Teaching Expense Tax Credit on eligible teaching supplies that are not reimbursed by their employer. The new Manitoba tax credit will be 15% refundable for up to \$1,000 in supplies (\$150 maximum refund) and will parallel the eligibility criteria of the existing federal Eligible Educator School Supply Tax Credit.

Further information on the Teaching Expense Tax Credit may be obtained from Manitoba Finance

Telephone 204-948-2115
Toll-free 1-800-782-0771
E-mail tao@gov.mb.ca

TAX CREDIT EXTENSIONS

Interactive Digital Media Tax Credit Scheduled to expire on December 31, 2022, the Interactive Digital Media Tax Credit is made permanent.

Book Publishing Tax Credit Scheduled to expire on December 31, 2024, the Book Publishing Tax Credit is made permanent.

Cultural Industries Printing Tax Credit Scheduled to expire on December 31, 2021, the Cultural Industries Printing Tax Credit is extended to December 31, 2022.

Community Enterprise Development Tax Credit Scheduled to expire on December 31, 2021, the Community Enterprise Development Tax Credit is extended to December 31, 2022.

Further information on the Interactive Digital Media Tax Credit and Community Enterprise Development Tax Credit may be obtained from Manitoba Economic Development and Jobs - Economic Policy and Programs Branch:

E-mail EcDevPrograms@gov.mb.ca

Further information on the Book Publishing Tax Credit and the Cultural Industries Printing Tax Credit may be obtained from Manitoba Sport, Culture and Heritage – Arts Branch:

Telephone 204-945-3847
E-mail artsbranch@gov.mb.ca