

TAXATION CHANGES – 2020 BUDGET

The following taxation changes were announced by Manitoba Finance Minister Scott Fielding in his Budget Address on March 19, 2020.

The previously announced retail sales tax rate reduction, introduction of a green levy and the tobacco tax rate increase that were effective July 1, 2020 have all been deferred until further notice.

RETAIL SALES TAX

Exemption for Preparing Personal Income Tax Returns Effective October 1, 2020, the preparation of personal income tax returns will be exempt from retail sales tax. The exemption will include personal income tax returns prepared by an income tax rebate discounter.

HEALTH AND POST-SECONDARY EDUCATION TAX LEVY

Increased thresholds Effective January 1, 2021, the exemption threshold will increase from \$1.25 million to \$1.5 million of annual remuneration and the threshold below which employers pay a reduced rate will increase from \$2.5 million to \$3.0 million.

Rates and thresholds effective after December 31, 2020:

Total Yearly Remuneration	Tax Rate
\$1.5 Million or Less	Exempt
Between \$1.5 Million and \$3.0 Million	4.3% on the amount in excess of \$1.5 Million (notch provision)
Over \$3.0 Million	2.15% of the total payroll (the \$1.5 Million is not exempt)

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

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

Note: Revisions to contents of previous Bulletin (March 2020) have been identified by shading ()

TAXATION DIVISION 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.

PROBATE FEES

Eliminate of Probate Fees	Applications made to the Court of Queen's Bench for the probate of an estate of a deceased person will no longer require the payment of any probate fees once Bill 34 - The Budget Implementation and Tax Statutes Amendment Act, 2020 receives royal assent.
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Further information on probate fees may be obtained from Manitoba Justice – Court of Queen's Bench Probate Division:

Telephone: (204) 945-2086

E-mail: ProbateInquiry@gov.mb.ca

BUSINESS MEASURES

Film and Video Production Tax Credit	Effective for principal photography that begins after May 31, 2020, a new Manitoba Production Company Bonus of eight per cent is added to the 30 per cent cost-of-production credit under the Film and Video Production Tax Credit, increasing the total cost-of-production credit up to 38 per cent.
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The tax credit is available for qualifying producers of eligible Manitoba productions and co-productions. Eligible Manitoba productions and co-productions may choose the cost-of-salaries credit (of up to 65 per cent of eligible salaries) or the cost-of-production credit of up to 38 per cent (up from 30 per cent) of eligible expenses.

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

Child Care Centre Development Tax Credit	Effective after budget day, the existing child care spaces limit is increased by 474 spaces, from 208 to 682 spaces. The maximum daily amount that can be charged is eliminated, allowing eligible corporations to partner with for-profit child care centres and permit non-profit child care centres developed under the tax credit, to establish parent fees that support their business.
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The tax credit is available for private corporations not primarily engaged in child care services that create new child care centres, for a total benefit of \$10,000 per new infant or preschool space created, claimable over five years.

Further information on the Child Care Centre Development Tax Credit may be obtained from Manitoba Families – Early Learning and Child Care Program:

Telephone 204-945-0776 in Winnipeg

Toll-free 1-888-213-4754

E-mail cdcinfo@gov.mb.ca

Registration of Tax Rebate Discounters Effective for the 2020 taxation year, the requirement to register with the Province of Manitoba as a tax rebate discounter and the associated registration fee are eliminated. Manitoba discounters will be required to register with the Canada Revenue Agency, consistent with other provinces.

Further information on registration of tax rebate discounters may be obtained from Manitoba Finance – Manitoba Tax Assistance Office

Telephone 204-948-2115

Toll-free 1-800-782-0771

E-mail tao@gov.mb.ca

TAX CREDIT EXTENSIONS

Manufacturing Investment Tax Credit Scheduled to expire on December 31, 2020, the Manufacturing Tax Credit is made permanent.

Mineral Exploration Tax Credit Scheduled to expire on December 31, 2020, the Mineral Exploration Tax Credit is extended for three years to December 31, 2023.

Cultural Industries Printing Tax Credit Scheduled to expire on December 31, 2020, the Cultural Industries Printing Tax Credit is extended to December 31, 2021.

Community Enterprise Development Tax Credit Scheduled to expire on December 31, 2020, the Community Enterprise Development Tax Credit is extended to December 31, 2021.

Further information on the Manufacturing Investment Tax Credit and the Mineral Exploration Tax Credit may be obtained from Manitoba Finance – Manitoba Tax Assistance Office

Telephone 204-945-2115

Toll-free 1-800-782-0771

E-mail tao@gov.mb.ca

Further information on 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

Further information on the Community Enterprise Development Tax Credit may be obtained from Manitoba Economic Development and Training – Economic Policy and Programs Branch:

Telephone 204-945-27705

E-mail EcDevPrograms@gov.mb.ca

ADMINISTRATIVE MEASURE

Land Transfer Tax The Independent Tax Appeals Commission will hear land transfer tax notice of objections and protests.

Further information on land transfer tax notice of objections and protests may be obtained from Manitoba Finance – Finance Research Division

Telephone 204-945-3757

E-mail feedbackfin@gov.mb.ca