



TaxNewsFlash

Canada

Highlights of the 2024 Manitoba Budget

April 2, 2024

No. 2024-15

Manitoba's Finance Minister Adrien Sala delivered the province's 2024 budget on April 2, 2024. The budget anticipates a deficit of \$2 billion for 2023-24 and projects deficits of \$796 million for 2024-25 and \$532 million for 2025-26. Although the budget does not include any new changes to the corporate or personal tax rates, it announces the new Rental Housing Construction Tax Credit, introduces a Homeowners Affordability Tax Credit and extends the gas tax cut to September 30, 2024, among other changes.

Business tax changes

Corporate income tax rates

The budget does not announce changes to the province's corporate tax rates. As a result, Manitoba's corporate income tax rates remain as follows:

Corporate Income Tax Rates — As of January 1, 2024		
	Manitoba	Combined Federal and Manitoba
General	12%	27%
M&P	12%	27%
Small business ¹	0%	9%

¹ On first \$500,000 of active business income.

Rental Housing Construction Tax Credit

The budget introduces the Rental Housing Construction Tax Credit, which will provide \$8,500 for the construction of new market-rate rental units and \$13,500 for units classified

and maintained as affordable units for a period of least 10 years. The credit will be fully refundable to non-profit organizations and, for other businesses, \$8,500 will be fully refundable on all units, with an additional \$5,000 non-refundable credit available over 10 years for affordable units. To be eligible for the tax credit, construction must commence on or after January 1, 2024.

Cultural Industries Printing Tax Credit

The budget extends the Cultural Industries Printing Tax Credit to December 31, 2025 (from December 31, 2024).

Data Processing Investment Tax Credits

The budget eliminates the Data Processing Investment Tax Credits for the 2025 tax year.

Personal tax changes

Personal income tax rates

The budget does not announce changes to personal tax rates. As a result, Manitoba's personal income tax rates effective January 1, 2024 are as follows:

Personal Combined Federal/Manitoba Top Marginal Rates	
	2024
Interest and regular income	50.40%
Capital gains	25.20%
Eligible dividends	37.79%
Non-eligible dividends	46.67%

Basic Personal Amount

The budget phases out the Basic Personal Amount for taxpayers over a net income range of \$200,000 to \$400,000, effective for the 2025 tax year.

Renters Tax Credit

The budget increases the Renters Tax Credit to up to \$575 (from up to \$525) and the top-up for low-income seniors to \$328 (from \$300), effective for the 2025 tax year.

Fertility Treatment Tax Credit

The budget enhances the Fertility Treatment Tax Credit for the 2024 tax year. Specifically, the budget increases the maximum annual eligible expense amount to \$40,000 (from \$20,000), and the available annual credit amount to \$16,000 (from \$8,000).

Indirect tax changes

School tax-related credits

The budget eliminates the School Tax Rebate and Education Property Tax Credit for the 2025 tax year, as part of a reform of this tax regime. In addition, the budget cancels certain school tax-related credits for seniors, including the Education Property Tax Credit seniors top-up and the School Tax Credit, but maintains the Seniors School Tax Rebate. Manitoba also notes that it will remove the School Tax Rebate for commercial properties, other than farm properties, for which it will retain a 50% rebate.

Homeowners Affordability Tax Credit

The budget introduces a Homeowners Affordability Tax Credit for the 2025 tax year. This credit, which provides up to \$1,500 on principal residences, is intended to replace the School Tax Rebate and Education Property Tax Credit and will be applied directly to the property tax statement.

Gas tax

The budget extends the temporary gas tax cut to September 30, 2024 (from June 30, 2024). As a result, the gas tax rate will continue to be zero cents per litre on gasoline, diesel and marked gasoline until this date.

Vaping tax

The budget confirms that Manitoba will tax vaping substances under the federal-provincial coordinated vaping tax framework on January 1, 2025. As a result, in addition to the current federal vaping tax, the following tax rates are anticipated to apply beginning on January 1, 2025:

- First 10 millilitre (mL) of vaping substances in the vaping device or container — \$1 per 2 mL or fraction thereof, plus
- For amounts over the first 10 mL— \$1 per 10 mL or fraction thereof.

Sales tax registration

The budget increases the sales tax registration threshold to \$30,000 of taxable sales (from \$10,000), effective January 1, 2024. Manitoba notes that this change is intended to align its regime with the federal \$30,000 GST/HST registration threshold.

Sales tax commissions

The budget eliminates sales tax commissions for businesses that report less than \$3,000 in sales tax in a filing period for any filing period ending after April 2024.

Administrative tax changes

The budget advises that Manitoba will introduce administrative measures to:

- Clarify mobile homeowners' eligibility for the Homeowners Affordability Tax Credit and the Renters Tax Credit
- Establish a retroactive recovery tax for Qualified Disability Trusts where trust funds are not received by the intended qualified beneficiary
- Allow the province to issue Land Transfer Tax administrative penalties in certain cases of non-compliance
- Clarify the eligibility for the Interactive Digital Media Tax Credit
- Introduce technical clarifications to the retail sales tax regime
- Codify tax audit periods to a maximum of six-years from date of notification and clarify when the statutory limitation period applies
- Eliminate the tax clearance certificate fee and the Advance Ruling Fee, effective May 1, 2024
- Repeal the Succession Duty Act
- Extend the record keeping requirements for oil and gas operators to six years (from four years).

We can help

Your KPMG adviser can help you assess the effect of the tax changes in this year's Manitoba budget on your personal finances or business affairs, and point out ways to realize any tax savings. We can also keep you abreast of the progress of these proposals as they make their way into law.

kpmg.ca



[Contact Us](#) | [KPMG in Canada Privacy Policy](#) | [KPMG On-Line Privacy Policy](#) | [Legal](#)

Information is current to April 2, 2024. The information contained in this *TaxNewsFlash-Canada* is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act upon such information without appropriate professional advice after a thorough examination of the particular situation.

© 2024 KPMG LLP, an Ontario limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved. The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organization.