

What is Rent under the Education Property Tax Credit

Residential tenants are eligible to claim the Manitoba Education Property Tax Credit through the income tax return. The Credit is equal to the lesser of (a) \$700 or (b) 20% of total rental payments paid in the year, exceeding \$250.

This bulletin provides information on what the Department of Finance will accept as eligible rental payments for purposes of the Education Property Tax Credit.

The monthly rental payments may include ancillary costs, such as laundry or exercise facilities available to all tenants, but not for personalized services that are secondary to the inherent use and occupation of the property, such as hairdressing/barber services. For example, if the monthly payment is for room and board, only the part attributable to the room can be claimed as rent. If more than one residence was rented during the year, claim the total rent paid for that year.

Where a rental unit is occupied in a shared accommodation arrangement, only one person may claim the Tax Credit. The lease or rental agreement must include the name of the person claiming the tax credit. Furthermore, if one tenant in a dwelling unit has received RentAid benefits from the Department of Family Services and Labour, only that tenants can claim the Tax Credit. A tenant is not eligible for the Education Property Tax Credit if the rental unit is in a single dwelling home occupied by the owner.

Nursing home fees are eligible rental payments. If the monthly fees clearly separate the portion for rent from attendant care fees and medical expenses, only the rental portion can be claimed as rental payments. If the fees are not separately portioned out (for example, showing instead as a per diem statement), the resident may claim 50% of the monthly fees that are not claimable as a medical expense for income tax purposes.

The amount of rent to claim must be substantiated by an acceptable rent receipt or invoice issued by the landlord (or their agent). The rent receipt should identify:

- the address of the rental property;
- the name of the landlord;
- the name of the tenant;
- the period during the calendar year in which the rental property was legally occupied by the tenant; and
- the amount of rent paid for that period;

In the event that rental receipts are ambiguous or unclear, the Department will normally require the tenant to provide a copy of the rental agreement or equivalent documentation to substantiate that the amounts claimed are rental payments.

For additional information or clarity on whether or not you qualify for the Education Property Tax Credit, please contact:

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