

## INFORMATION BULLETIN 123

# TAXATION CHANGES – BUDGET 2023

**Issued:** March 2023

The following taxation changes were announced by Manitoba Finance Minister, the Honourable Cliff Cullen, in his Budget Address on March 7, 2023.

## SECTION 1 - SCHOOL TAX

### School Tax Rebate

Property owners will continue receiving the School Tax Rebate in 2023 as part of the phasing out of school taxes. The 2023 rebate amount, as originally confirmed in Budget 2022, will be as follows:

- Residential and farm property owners will receive a 50% 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 School Tax Rebate in the same month that their municipal property tax payments are due. The School 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 School Tax Rebate, existing education property tax offsets will be proportionally adjusted, as follows for 2023:

- Education property tax credit and advance will be up to \$350.
- Seniors School Tax Rebate will be up to \$235 minus 1.0% on family net income over \$40,000.
- Seniors Education Property Tax Credit will be up to \$200 minus 0.5% of family net income.
- Farmland School Tax Rebate will be up to 40% of school tax to a maximum of \$2,500.

**Further information on the School Tax Rebate may be obtained from Manitoba Government Inquiry**

Telephone 204-945-3744  
Toll-free 1-866-626-4862  
E-mail [mgi@gov.mb.ca](mailto:mgi@gov.mb.ca)

## **SECTION 2 – PERSONAL INCOME TAX**

### **Basic Personal Amount**

Effective for the 2023 tax year, the Basic Personal Amount will be increased to \$15,000, with a return to annual indexing in 2024.

This will impact payroll deductions starting on July 1, 2023 if the Budget Implementation and Tax Statutes Amendment Act, 2023 has passed before then, otherwise savings will be realized when 2023 personal income tax returns are filed in 2024.

### **Tax Bracket Thresholds**

Effective for the 2024 tax year, Manitoba's tax bracket thresholds will increase to \$47,000 and \$100,000, with a return to annual indexing in 2025.

- The 10.80% tax rate bracket of \$36,842 in 2023 taxable income will increase to \$47,000 for 2024 taxable income.
- The 12.75% tax rate bracket on the 2023 taxable income over \$36,842 and up to \$79,625 will increase to be over \$47,000 and up to \$100,000 for 2024 taxable income.
- The 17.40% tax rate bracket on the 2023 taxable income over \$79,625 will increase to be over \$100,000 for 2024 taxable income.

### **Further information on the Basic Personal Amount and Tax Bracket Thresholds may be obtained from Manitoba Finance:**

Telephone 204-948-2115  
Toll-free 1-800-782-0771  
E-mail [tao@gov.mb.ca](mailto:tao@gov.mb.ca)

## **SECTION 3 – TAX CREDITS**

### **Interactive Digital Media Tax Credit**

Effective April 1, 2023, eligibility for the Interactive Digital Media Tax Credit will be expanded to allow for more flexible forms of employee compensation and incentives as eligible labour expenditures. This does not include labour expenditures such as bonuses tied to profits or revenues, stock options and signing bonuses, which will remain ineligible.

### **Mineral Exploration Tax Credit**

The Mineral Exploration Tax Credit will be made permanent, and will be amended to ensure continued eligibility for certain critical minerals following federal changes to the Canada Income Tax Act that established a new Federal Critical Mineral Exploration Tax Credit.

## **Green Energy Equipment Tax Credit**

The Green Energy Equipment Tax Credit, scheduled to expire on June 30, 2023, is made permanent.

**Further information on the Interactive Digital Media Tax Credit may be obtained from Manitoba Economic Development, Investment and Trade - Economic Programs Branch:**

Telephone 204-945-2475

E-mail [EcDevPrograms@gov.mb.ca](mailto:EcDevPrograms@gov.mb.ca)

**Further information on the Mineral Exploration Tax Credit and Green Energy Equipment Tax Credit may be obtained from Manitoba Finance:**

Telephone 204-948-2115

Toll-free 1-800-782-0771

E-mail [tao@gov.mb.ca](mailto:tao@gov.mb.ca)

## **SECTION 4 – PROVINCIALY ADMINISTERED TAXES**

### **Health and Post-Secondary Education Tax Levy - Increased Thresholds**

Effective January 1, 2024, the exemption threshold will increase from \$2 million to \$2.25 million of annual remuneration and the reduced rate threshold is raised from \$4 million to \$4.5 million.

Rates and thresholds effective January 1, 2024:

- \$2.25 million or less is exempt.
- Between \$2.25 million and \$4.5 million is taxed at 4.3% on the amount in excess of \$2.25 million (notch provision).
- Over \$4.5 million is taxed at 2.15% of the total payroll (the first \$2.25 million is not exempt).

### **Provincially administered tax refunds**

The tax refund limit period for provincially-administered taxes will be extended for refunds that are discovered during a tax audit to match the audit period.

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

Telephone (204) 945-5603

Manitoba Toll Free 1-800-782-0318

E-mail: [MBTax@gov.mb.ca](mailto:MBTax@gov.mb.ca)