

# Do I Need To Register?

- Retail Sales Tax
- Health and Post Secondary Education Tax Levy
- Tobacco Tax
- Fuel Tax

## Do I Need To Register?

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### Introduction

This is a general guide for businesses and other organizations to help them determine if they need to register for Manitoba taxation.

This brochure is a general guide only. For specific details on interpreting and applying the tax laws, the individual statutes and regulations should be consulted. Tax statutes and regulations contain important exemptions and details on tax collection, payment and remittance.

Manitoba Finance's Taxation Division offices are listed at the end of this brochure along with contact information.

### General Information

#### How do I register for a tax account and what does it cost?

- The Application for Registration/Dealer's Licence, used to apply for tax accounts, can be completed and filed online through Manitoba's TAXcess service. This online tax service is accessible on the Taxation Division website at [manitoba.ca/TAXcess](http://manitoba.ca/TAXcess).
- Application forms are also available from Taxation Division offices (listed at the end of this brochure).
- Once your application is approved, your account number(s) and licence(s) (if you register for tobacco or fuel tax) will be e-mailed (if you apply through TAXcess) or mailed to you.
- There is no charge for registering for a tax account.

### Retail Sales Tax

#### What is the Retail Sales Tax?

- Retail Sales Tax is a tax on the retail sale of goods and some services. The sale of land, buildings and other real property and certain services are not taxed.

#### Should my business be registered for the Retail Sales Tax?

- Your business is required to be registered for sales tax if:
  - you carry on business in Manitoba, selling taxable goods or services at retail
  - you are a manufacturer, wholesaler, or importer in Manitoba (directly or through an agent)
  - you bring into or receive in Manitoba, taxable goods for use by your business
  - you are an out-of-province business that solicits and sells goods in Manitoba
  - you are a mechanical or electrical (M&E) contractor performing work in Manitoba
  - you operate a retail business in Manitoba on a temporary, short-term or intermittent basis

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- You are not required to be registered for sales tax if:
  - your business sells only non-taxable goods or services
  - you are a contractor (except an M&E contractor) who only supplies and installs goods into real property and you buy all goods from sellers registered for Manitoba retail sales tax
  - your business's annual taxable sales volume is under \$10,000, and you buy all goods from sellers registered for Manitoba retail sales tax.

**Please Note:** Businesses that use out of province suppliers that do not collect sales tax and businesses that sell tobacco or liquor products are not eligible for the registration exception and must register to collect and remit the tax.

## What is the Retail Sales Tax Rate?

- The tax rate is 7 per cent. It is calculated on the selling price before the federal Goods and Services Tax (GST).

Please see *Information Bulletins 004 – Information for Vendors and 030 – Summary of Taxable and Exempt Goods and Services* for more information (available at the web address below).

## Health and Post Secondary Education Tax Levy (HE Levy)

### What is the HE Levy?

- HE Levy is a tax paid by employers on remuneration (salaries, wages, commissions, employee benefits, stock options, etc.) paid to employees who report to or are paid through a permanent establishment in Manitoba.

### Should my business be registered for the HE Levy?

- Employers with total annual remuneration paid to their Manitoba employees of more than \$1.5 million must register for the HE Levy.
- Employers paying \$1.5 million or less are exempt from the tax. The exemption must be shared with associated corporations (including corporate partnerships).
- Employers who have a permanent establishment in Manitoba for only part of a year must prorate the \$1.5 million exemption for that year, based on the number of days they maintained the permanent establishment in Manitoba in that year. HE Levy applies if the total Manitoba remuneration exceeds the prorated exemption.

### What is the HE Levy rate?

- If annual remuneration is over \$3 million, the tax rate is 2.15 per cent on the total amount.
- If annual remuneration is between \$1.5 million and \$3 million, the rate is 4.3 per cent on the amount over \$1.5 million.

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Please see *Information Bulletin HE 001 – Information for Employers* for more information (available at the web address below).

## Tobacco Tax

### What is the Tobacco Tax?

- Tobacco Tax is a tax on the sale of cigarettes and other tobacco products. The tax is included in the retail price of the products.

### Should my business be registered for the Tobacco Tax?

- All businesses that sell tobacco products in Manitoba, at wholesale or retail, are required to register for the Tobacco Tax and they must hold a valid tobacco tax licence for each location at which they operate.
- Permits are also required to possess tobacco products that are not marked or stamped for Manitoba tax purposes.

**Note** - Tobacco retailers must also register for retail sales tax because sales tax applies on the total retail selling price of tobacco products.

## Fuel Tax

### What is the Fuel Tax?

- Fuel Tax is a tax on the sale of gasoline, diesel and other fuels (aircraft gasoline, propane, butane, railway diesel, heating oil, bunker fuel, crude oil and jet fuel). The tax is included in the retail price of the products.

### Should my business be registered for Fuel Tax?

- All businesses that sell marked fuel in Manitoba and all businesses that sell any of the above listed fuel products in Manitoba at wholesale are required to register for Fuel Tax and must hold a valid licence under the Act.
- A permit is required to blend fuel with other petroleum products for resale.

**Note** – Fuel dealers that strictly sell clear (tax-included) fuel at retail do not require a fuel tax licence.

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### Further Information

This brochure is intended as a guideline and is not all-inclusive. For the specific wording of the law, please refer to the specific Act and Regulations. Further information may be obtained from:

#### **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

#### **Westman Regional Office**

Manitoba Finance  
Taxation Division  
314, 340 – 9<sup>th</sup> Street  
Brandon Manitoba R7A 6C2  
Fax (204) 726-6763

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

#### **ONLINE SERVICES**

Our Web site at [manitoba.ca/finance/taxation](http://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](http://manitoba.ca/TAXcess) provides a simple, secure way to apply for, and to file, pay and view your Taxation Division tax accounts.