

Canadian tax alert

2015-2016 Manitoba budget highlights



Manitoba Finance Minister Greg Dewar presented the 2015 Manitoba budget on April 30, 2015, predicting a deficit of \$422 million for the coming fiscal year. The following is a summary of the tax highlights contained in the budget.

Measures concerning business

- The income limit eligible for the small business deduction available to certain Canadian-controlled private corporations will be increased from \$425,000 to \$450,000 on January 1, 2016. The income that qualifies for this deduction is exempt from provincial tax.
- The capital tax rate on banks, trust corporations and loan corporations is increased to 6% from 5%, effective for taxation years ending after April 30, 2015.
- The carryforward period for unused Manitoba Research and Development Tax Credits will be extended from 10 years to 20 years.
- The Co-op Education and Apprenticeship Tax Credit will be expanded to include employers who hire students in high school vocational programs not currently connected with the apprenticeship system, including areas such as health care, child care, business and hospitality. The refundable credit for high school students will be enhanced to 25% from 15% of wages and salaries, to a maximum of \$5,000 per apprentice per level. The benefit rate for post-secondary co-op students will be enhanced to 15% from 10% of wages and salaries, up to a maximum of \$5,000 per student. The benefit rate for co-op graduates will be enhanced to 15% from 5% of wages and salaries, up to a maximum of \$2,500 per graduate for the first two years of employment.

- The Small Business Venture Capital Tax Credit is being improved by increasing the maximum number of employees from 50 to 100, and by expanding the list of eligible business to include non-traditional farming ventures and brew pubs, effective for shares issued after April 30, 2015. This non-refundable credit of 45% provides an incentive to individuals and corporations to acquire shares in emerging enterprises.
- The Data Processing Centre Investment Tax Credit and the Data Processing Equipment Investment Tax Credit, due to expire at the end of 2015, will be extended to the end of 2018.
- Various other tax credits that were set to expire at the end of 2016 have been extended for three years. These credits are the Film and Video Production Tax Credit, the Rental Housing Construction Tax Credit and the Interactive Digital Media Tax Credit.
- The Cultural Industries Printing Tax Credit and the Nutrient Management Tax Credit, set to expire at the end of 2015, have been extended to the end of 2018.

Measures concerning individuals

- The Seniors' School Tax Rebate will increase from \$235 to a maximum of \$470 for the 2015 property tax year. Seniors must apply for the rebate after they receive their property tax statement. Applications may be made by various methods, including on-line and mail, to the Manitoba Tax Assistance Office – Seniors' School Tax Rebate.
- The maximum annual Primary Caregiver Tax Credit is increased to \$1,400 from \$1,275, beginning in 2015. This credit is available to Manitobans who are voluntary primary caregivers to individuals living independently in their own homes.
- Beginning in 2015, Manitobans who perform at least 200 hours of volunteer firefighting and/or volunteer search and rescue services in a year will be able to claim a 10.8% non-refundable credit on an amount of \$3,000, for a maximum annual benefit of \$324.

Other tax measures

- The tax rate per cigarette will be increased by .5 cents to 29.5 cents, effective midnight, April 30, 2015.

For further details, we refer you to the [Ministry of Finance](#) website.

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