



Province of Manitoba

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Information Section

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LEGISLATIVE BUILDING
WINNIPEG 1, MANITOBA

PROVINCE GEARS FOR 5%
REVENUE TAX JUNE 1

Royal assent has been given to a five-per-cent sales tax to go into effect June 1, and the administrative machinery has been set in motion to make it operative.

The tax, which will cover a number of goods and services, specifically excludes broad basic necessities such as food and shelter, children's clothing, farm equipment, books, drugs, medical supplies and aids for the handicapped, production machinery and manufacturing supplies and materials when purchased for re-sale.

As a result, between 60 and 75 per cent of the consumers' price index will not be affected by the tax.

Generally speaking, the tax will apply to services to tangible personal property but does not apply to services to real property.

For example, the services of a TV repairman or dry cleaner would be subject to tax, while the services of a house painter or carpenter working on a dwelling would not be.

Services to a person, such as those provided by a doctor or hairdresser, are not taxed.

There is no tax on the sale of used goods between one private individual and other of a non-commercial nature, except in the case of motor vehicles. There is as well \$100 exemption on goods brought into Manitoba by individuals on casual trips outside the province.

"Settlers' effects" -- that is, household goods and equipment, including automobiles, of a person coming into Manitoba who has resided outside the province for six months or more -- are tax-exempt. In such cases, the settler's goods must have been purchased by him at least 30 days before moving to the province, and which are brought in by him within six months of moving to Manitoba.

Manitoba thus becomes the ninth province to have a sales tax; the only exception is Alberta which dropped its sales tax a few decades ago. Provincial treasurer Hon. Gurney Evans said a major public information program is being launched to outline the detailed procedures of the sales tax. Some 24,000 envelopes filled with helpful information for all types of businesses have been mailed across the province.

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These contain a 16-page information booklet, registration application, order form for businesses to obtain specific information selected from 111 types of business, and an interim registration certificate.

He said it had been planned at first to have retailers first register to collect the tax, but with the lengthy passage of the bill through the Legislature most businesses were being automatically registered with interim certificates. These will be valid for two months, during which their subsequent applications will be processed.

As well, a team of treasury officers will travel throughout the province providing help and assistance as part of the information program. Information advertisements will be placed in the press, and the revenue tax information phone service at 943-8421 will continue in operation.