



# Manitoba Announces Additional Retail Sales Tax Registration Requirements

On April 7, 2021, the province of Manitoba (“**MB**”) released *Budget 2021* (“**the Budget**”) and announced proposed changes to expand the applicability of Retail Sales Tax (“**RST**”) registration requirements, effective December 1, 2021.

The Budget proposes that MB RST will now apply to the following three new streams of services:

- Online marketplaces’ operating electronic platforms will be required to register, collect and remit RST on sales made to MB customers by third parties operating on their platforms;
- Audio and video streaming services will be subject to RST, and streaming service providers will be required to register, collect, and remit RST on sales to MB customers made through their platforms; and
- Online accommodation platforms will be required to register, collect, and remit RST on taxable MB accommodations (e.g., short-term rentals) made through their platforms.

The proposed Budget changes follow suit with other proposed, or enacted, rules at the federal and provincial levels, which attempt to level the playing field when it comes to the applicability of sales taxes to digital service providers.

The province’s Ministry of Finance has not yet released proposed legislation for the above-listed changes, so it is unclear whether the expanded requirements will apply to all businesses operating in MB, or to any business selling to MB-based customers. For example, it is not clear whether there will be a de minimis sales threshold for the new rules to apply (e.g., at the federal GST/HST level, a \$30,000 de minimis threshold exists), or whether the proposed rules will only apply to businesses with a nexus (i.e., a permanent establishment) in MB.

For more information on various provincial and federal sales tax updates, visit our Indirect Tax services page or contact a member of Crowe Soberman’s Tax Group.

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