

Information Notice

NOTICE
The Retail Sales Tax Act
Issued March 2010

REGISTRATION REQUIREMENT ELIMINATED FOR SMALL BUSINESSES

The 2010 Budget announced that small businesses, with annual taxable sales under \$10,000, will no longer be required to register and collect retail sales tax (RST). Registered businesses under the \$10,000 threshold may cancel their RST number.

Businesses projecting that their annual taxable sales will be under the threshold can choose not to register and collect RST. These businesses will be required to:

- pay RST on all taxable goods and services purchased for their own use;
- pay RST on all taxable goods and services purchased for resale, including goods and services purchased to produce other goods for sale;
- keep records of their sales; and
- sale invoices must indicate that RST is included in the price (RST must not be itemized on the invoice).

Businesses under the threshold will be required to register and collect RST after their sales exceed the \$10,000 annual threshold. Businesses will be provided one month to register and implement a system to collect and remit RST on their sales - if a business with a December year end exceeds the threshold in October, they will have to register and begin collecting RST on December 1.

Businesses under the threshold that choose to cancel their RST registration must self-assess RST on any existing inventory (purchased tax exempt for resale while registered), prior to their RST number being cancelled.

Business customers are not required to self-assess RST on purchases of goods from unregistered **Manitoba-based** sellers, where the purchase invoice indicates that RST is included in the sale price. Business customers are required to self-assess RST on purchases of taxable services from any unregistered seller, as RST is not included in the selling price.

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
E-mail: MBTax@gov.mb.ca
Web site: www.gov.mb.ca/finance/taxation

Westman Regional Office

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