

## Manitoba proposes expanded sales tax collection and remittance requirements in 2021 budget

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In its 2021 budget, announced April 7, 2021, Manitoba proposed certain changes that will expand the scope of the requirements for businesses to collect and remit Manitoba Retail Sales Tax (RST). The expanded requirements to register are currently proposed to come into effect on December 1, 2021.

Specifically, the budget proposes that RST will apply to audio and video streaming services and that streaming service providers will be required to collect and remit RST. Further, online marketplaces operating electronic platforms will be required to collect and remit RST on taxable goods sold by third parties. Finally, online accommodation platforms will be required to collect and remit RST on the booking of taxable accommodations. Certain details of the expanded requirements are not yet clear, such as whether they will be limited to businesses with a nexus to Manitoba (such as businesses that carry on business in Manitoba or have a permanent establishment in Manitoba) and whether there will be a minimum annual sales threshold before the requirements apply (such as the \$30,000 threshold that applies for the federal GST/HST).

The changes follow similar changes in several Canadian jurisdictions in the past two years. Since January 1, 2019, [Québec](#) has required non-resident suppliers of services and incorporeal movable property to register and collect Québec sales tax. As of September 1, 2019, those requirements were expanded to Canadian suppliers from other provinces (including suppliers of goods). [Saskatchewan](#) extended its registration requirements to certain non-resident suppliers on January 1, 2019, and in June 2020 introduced a bill (retroactive to January 1, 2020) expanding registration, collection and remittance requirements to apply to “marketplace facilitators” and operators of “online accommodation platforms” and “electronic distribution platforms.” [British Columbia](#) announced in its 2020 budget that it would expand registration requirements to apply to Canadian sellers of goods, along with Canadian and non-Canadian sellers of software and telecommunication services — those changes were postponed and ultimately came into effect on April 1, 2021. The [federal government](#) also announced in its 2020 Fall Economic Statement that it intended to expand GST/HST registration requirements, including to digital platforms and online accommodation platforms.