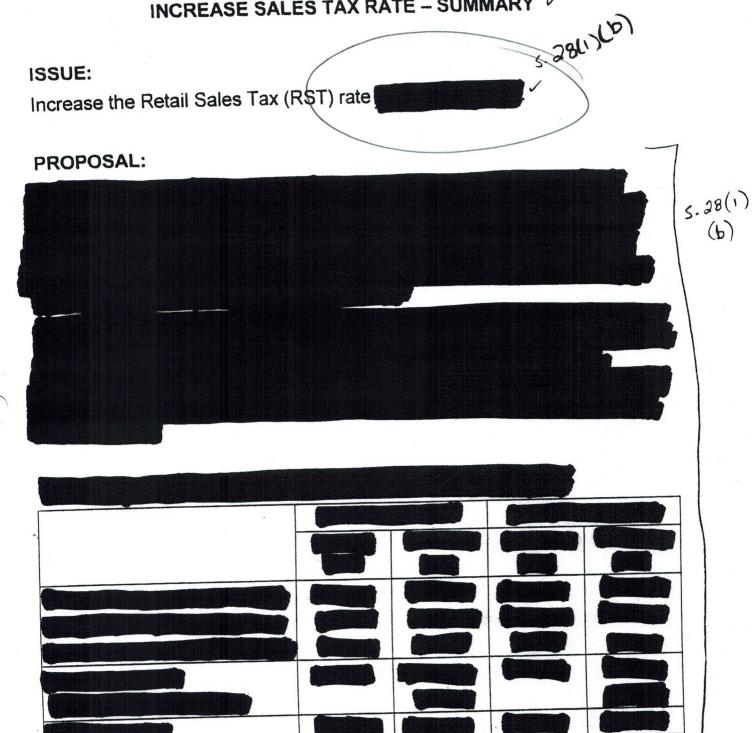
BRIEFING NOTE INCREASE SALES TAX RATE – SUMMARY 🗸



BRIEFING NOTE MANITOBA SALES TAX RATE

ISSUE

Budget 2013 increased the sales tax rate from 7% to 8% starting July 1, 2013.

KEY MESSAGES

At 8%, Manitoba's rate is third lowest (after SK and BC).

The Government continues to focus on Manitoba families, keeping our economy growing, renewing and improving strategic infrastructure, and protecting health care, education and training, and public safety.

Maintaining Manitoba's affordability for families and competitiveness for businesses are key priorities for the Government. *The Manitoba Advantage* shows Manitoba remains affordable for families and is competitive for manufacturers, the largest contributor to provincial GDP.

The decisions to improve revenue were made only after consideration of <u>all</u> options.

Households and Families

Budget 2013 also introduced sales tax exemptions for:

- · infant car seats and booster seats
- · baby nursing and feeding supplies
- · baby and infant health and safety products
- · baby strollers and carriers
- · baby bathing and grooming supplies
- · baby furniture and accessories
- baby diapering supplies
- · bike helmets for children and adults

These exemptions will save Manitoba families, particularly those with babies and infants, \$3.8M.

Seniors will no longer pay school tax on their principal residences in 2015, saving them \$50 million. One-half of the savings will be delivered in 2014.

Page 1 of 5