

Questions and Answers

Overview

What is the Education Property Tax Rebate?

The Education Property Tax Rebate implements Manitoba's commitment under the \$2,020 Tax Rollback Guarantee to begin phasing out education property taxes.

Why is the province eliminating education property taxes?

Eliminating education property taxes will provide Manitobans with much needed tax relief. Manitoba is the only province to impose locally determined education property taxes. The phasing out of these taxes will put Manitobans on an equal footing with other provinces that fund education from general revenues.

How much is the Rebate?

Residential and farm property owners will receive a rebate of 25% of their education property tax payable in 2021.

Other property owners (such as commercial, industrial, institutional, railways, pipelines and designated recreational) will receive a rebate of 10% of their education property taxes payable in 2021.

How is the Rebate calculated?

Residential and farm property owners will see the Education Property Tax Rebate calculated on the school division special levy and community revitalization levy, prior to any tax credits or rebates.

Other property owners will see the Education Property Tax Rebate calculated on the total of the school division special levy and the education support levy.

Why is the Education Property Tax Rebate amount 10% for commercial and other property?

The rebate amount of 10% for commercial and other properties considers the significant government assistance provided to the business community during the COVID-19 pandemic and potential need for further assistance to the sector depending on the state of the pandemic. In addition, education property taxes are a tax deductible expense for businesses and businesses also benefit by receiving a 10% rebate on both the school division special levy and the education support levy.

Tax Credits and Rebates

What happens to the existing education property tax credits and rebates?

All existing education property tax credits and rebates remain in place but they are proportionally reduced by 25%.

Doesn't the proportional reduction in tax credits mean that homeowners and others will not see a 25% reduction in 2021?

Property owners will see a 25% reduction in net educational property taxes paid. This is because the Education Property Tax Rebate is based on gross education property taxes payable, before the tax credits are calculated.

What is the impact of the proportional reduction on the Education Property Tax Credit Advance?

The Education Property Tax Credit Advance will be proportionally reduced by 25% from \$700 to \$525.

If tax credits reduce my current education property tax to nil, how do I benefit from the Education Property Tax Rebate?

All property owners will receive the Education Property Tax Rebate. If you currently do not pay education property tax on your property assessment because of existing tax credits, the Education Property Tax Rebate will be cash in hand when your property tax is due and you will continue to receive benefits that will fully offset school taxes.

What does the proportional reduction mean for the Farmland School Tax Rebate?

Farm property owners will still have to apply for the Farmland School Tax Rebate but the percentage eligible and the maximum amount will be decreased proportional by 25%. The percentage will decrease from 80% to 60% and the maximum amount will decrease from \$5,000 to \$3,750.

General Costs and Education Property Tax Rebate Process

I received my property tax statement and my education property taxes did not decrease?

Property owners will be required to continue to pay their education property taxes on their property tax statement. The reduction is being provided by the Education Property Tax Rebate, which will be received by property owners before their property taxes are due.

Why are cheques being mailed to property owners instead of reducing their property tax bill?

Cheques ensure that property owners are aware that the Manitoba government is refunding 25% or 10% of their education property taxes back in 2021.

Also, by not reducing education property taxes directly on the property tax bill ensures school divisions continue to receive school taxes as revenue, which facilitates their budget planning.

Will there be a rebate in 2022?

Yes. The government intends to increase the Education Property Tax Rebate to residential and farm property owners to 50% of the education property taxes payable.

Future increases in rebates to other properties and all property types will be reviewed as part of future year budgets.

When will cheques be mailed?

Cheques will be mailed in the month property taxes are due, between June and December.

What if I lose my cheque?

A request for a replacement cheque can be made by contacting Manitoba Government Inquiries at 1-866-626-4862.

What if I didn't get a cheque?

In situations where property is owned by multiple parties, property owners should verify with those parties if they received the Education Property Tax Rebate.

If no property owners have received a cheque, a request should be made by contacting Manitoba Government Inquiries at 1-866-626-4862.

Why mail cheques instead of using direct deposit?

Cheques will be mailed automatically - no application is required by property owners.

Direct deposit would require property owners to provide the Province with banking information, which would delay payments.