

DATE: November 16, 2018

TO: Manitoba Municipalities

FROM: Manitoba Tax Assistance Office
Manitoba Finance

PHONE NO: 204-948-2115

**SUBJECT: Administrative information bulletin regarding 2019 Manitoba
Education Property Tax Credit Changes**

Effective for the 2019 tax year, the calculation of the Manitoba Education Property Tax Credit (EPTC) will be based on school taxes and the credit will no longer offset municipal property tax. In addition, the EPTC will offset school taxes starting with the first dollar payable. Previously, the first \$250 in taxes payable were not eligible for the EPTC.

The purpose of the EPTC is to offset school taxes. The changes to the EPTC were made in Budget 2018 in the context of the Government's commitment to budgeting only for entities that form part of its Summary Budget. School divisions are part of the Summary Budget whereas municipalities are not. The EPTC is entirely funded by the province and these changes do not affect overall revenues for municipalities or school divisions. Although these changes do not impact municipal revenues, there may be positive and negative impacts on some individual households. The changes benefit properties with low school taxes in particular and make the overall 2019 program changes cost neutral.

Attached to this memo you will find an information bulletin that includes illustrative examples of the impact the changes will have on municipal taxes, school taxes, and their relation to the EPTC before and after 2019.

Should you have any further questions, please contact the Manitoba Tax Assistance Office at 1-204-948-2115 or toll-free at 1-800-782-0771 or Manitoba Municipal Relations at 1-204-945-2572.

c. Association of Manitoba Municipalities
Municipal Relations

Attachment: Information Bulletin