

**Relevant provisions of
The Freedom of Information & Protection of Privacy Act (FIPPA)**

Cabinet confidences

19(1) The head of a public body shall refuse to disclose to an applicant information that would reveal the substance of deliberations of Cabinet, including

- (b) discussion papers, policy analyses, proposals, advice or similar briefing material submitted or prepared for submission to Cabinet;
- (c) a proposal or recommendation prepared for, or reviewed and approved by, a minister for submission to Cabinet;
- (e) a record prepared to brief a minister about a matter that is before, or is proposed to be brought before, Cabinet or that is the subject of communications among ministers relating directly to government decisions or the formulation of government policy.

Information provided by another government to department or government agency

20(1) The head of a department or government agency shall refuse to disclose information to an applicant if disclosure could reasonably be expected to reveal information provided, explicitly or implicitly, in confidence by any of the following or their agencies:

- (a) the Government of Canada;
- (b) the government of another province or territory of Canada;

Disclosure harmful to relations between Manitoba and other governments

21(1) The head of a public body may refuse to disclose information to an applicant if disclosure could reasonably be expected to harm relations between the Government of Manitoba or a government agency and any of the following or their agencies:

- (a) the Government of Canada;
- (b) the government of another province or territory of Canada;

Advice to a public body

23(1) The head of a public body may refuse to disclose information to an applicant if disclosure could reasonably be expected to reveal;

- (a) advice, opinions, proposals, recommendations, analyses or policy options developed by or for the public body or a minister;
- (b) consultations or deliberations involving officers or employees of the public body or a minister;

Disclosure harmful to economic and other interests of a public body

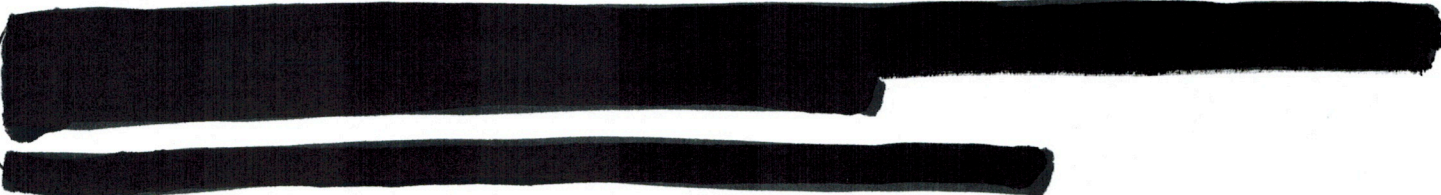
28(1) The head of a public body may refuse to disclose information to an applicant if disclosure could reasonably be expected to harm the economic or financial interests or negotiating position of a public body or the Government of Manitoba, including the following information;

(b) financial, commercial, scientific, technical or other information in which a public body or the Government of Manitoba has a proprietary interest or right of use;

Groen, Richard (FIN)


From: Groen, Richard (FIN)
Sent: April-18-13 8:00 AM
To: Seier, Kristine (FIN)
Subject: FW: Sales Tax Increase - Impact on five different family types in 2013

s.23(1)(a)



From: Laser, Nathan [<mailto:Nathan.Laser@leg.gov.mb.ca>]
Sent: April-17-13 5:46 PM
To: Groen, Richard (FIN); Hrichishen, Jim (FIN)
Cc: Laser, Nathan (LEG)
Subject: FW: Sales Tax Increase - Impact on five different family types in 2013

s.23(1)(a)



Comparing numbers in the Budget 2013 Manitoba Advantage, to the same documents from last year, for the following five family types:

- A Single Person earning \$30,000 is estimated to pay \$26 more in PST in 2013.
- A Single Person with One Child earning \$30,000 is estimated to pay \$34 more in PST in 2013
- A Two-Earner Family of 4 earning \$60,000 is estimated to pay \$98 more in PST in 2013
- A Two-Earner Family of 5 earning \$75,000 is estimated to pay \$115 more in PST in 2013
- A Single person (graduate) earning \$50,000 is estimated to pay \$41 more in PST in 2013

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 all 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.

Farmers and families will continue to pay 1.4% on their utility costs to reflect a sales tax exemption on home and farm heating, leaving utilities for appliances and lights taxable. The rate is not being adjusted to reflect the higher sales tax rate. This will save families an additional \$2.3M.

Manitobans will save \$520 million in income taxes and \$336 million in property taxes in 2013 based on reductions introduced since 1999. Those savings increase to \$539 million in income taxes in 2014 and \$386 million in property taxes in 2015.

Combined, these reductions provide families with savings worth six times more than the impact of the PST rate change.

Introducing an HST in Manitoba – like most other provinces – would have increased the sales taxes paid by Manitoba families by over \$405 million, versus \$150 million from increasing the sales tax rate.

Businesses

s. 23(1)(a)

Businesses will pay an estimated [REDACTED] in PST under the 8% rate. Sales taxes are deductible for income tax purposes.

s. 23
(1)(a)

The refundable Manufacturing Investment Tax Credit has been increased, [REDACTED] offsetting the impact of the 8% rate for Manitoba's largest contributor to GDP.

Budget 2013 also protects Manitoba R&D Tax Credit from several federal R&D tax credit base reductions; provides important offsetting tax credits for data processing and new rental housing construction; and enhances access to the 0% small business tax rate.

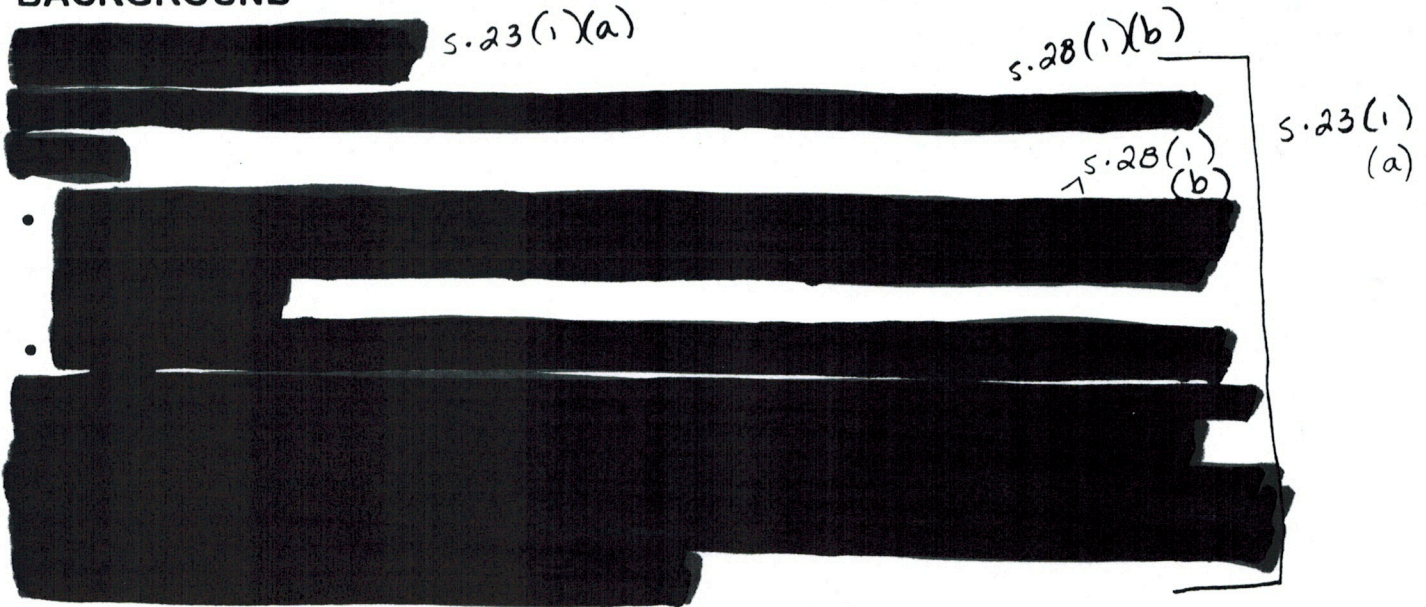
Businesses pay \$431 million less Manitoba taxes in 2013 than in 1999.

Combined, these savings are worth almost four times more to businesses than the impact of the PST rate change.

s. 23
(1)(a)

[REDACTED]

BACKGROUND



Manitoba's PST v GST/HST/QST

All provinces east of Manitoba are harmonized with the federal GST.

Under federal GST and provincial HST/QST the following goods and services are taxable but remain **non-taxable under Manitoba PST** (excluding Budget 2013 measures).

Goods:

- New housing
- Gasoline and diesel fuel
- Home heating products (electricity, natural gas, wood)
- Children's clothing and footwear
- Used clothing, furniture and household goods under \$100
- Books
- Feminine hygiene products
- Vegetable and fruit plants, seeds and trees
- Organic fertilizers and topsoil
- Smoking cessation products

Services:

- Haircuts under \$50
- Construction services to real property (land and houses excluding mechanical/electrical systems)
 - Excavation, basements, foundation, piles and waterproofing
 - Concrete and asphalt work
 - Roofing and shingling including vents
 - Eaves troughs, soffits and fascia
 - Stucco, siding, plastering and other exterior finishing
 - Fencing and decks
 - Insulation
 - Masonry work
 - Drywall and paneling
 - Painting (interior/exterior homes/garages/fences)
 - Doors and windows including hardware and millwork
 - Flooring
 - Framing
- Real estate agency fees (also taxable in SK)
- Funeral services
- Postal services
- Investment services, (portfolio management fees), financial planning, tax/estate planning
- Transportation (taxi, bus, rail, air, courier and delivery)
- Moving and storage
- Parking
- Entertainment services admission to theatre, movies, circus, fairs, sporting events, concerts, parks, zoos including tickets to:
 - Winnipeg Jets

- Winnipeg Blue Bombers
- Winnipeg Goldeyes
- Winnipeg Symphony Orchestra
- Royal Manitoba Theatre Centre
- Manitoba Warehouse Theatre

admissions to:

- Winnipeg Folklorama
- Winnipeg International Children's Festival
- Winnipeg Fringe Festival
- Manitoba Folk Festival
- Manitoba-Morris Stampede
- Dauphin's National Ukrainian Festival
- Dauphin's Countryfest
- Winnipeg's New Music Festival
- Brandon's Royal Manitoba Winter Fair

Prepared by: Richard Groen

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SALES TAX RATE CHANGE

ISSUE

What sales tax rates are changing and which ones are remaining the same.

KEY MESSAGES

All the sales tax rates are increasing by 1/7 on July 1, 2013 with the exception of home heating, the heating and cooling of farm buildings and the operation of grain dryers as these rates are staying the same and they are at a lower rate than the 7%.

The reduced tax rate of 1.4% will remain unchanged on these items

BACKGROUND

Below is the list of rate changes and the revenue impact from each one:

- The general sales tax rate will change from 7% to 8% (full year revenue increase of \$277M, which includes the below changes),
- The reduced sales tax rate on mobile, modular and ready-to-move homes will change from 4% to 4.5% (full year revenue increase of \$100,000)
- The reduced sales tax rate for electricity used by qualifying manufacturers, mining companies and oil well operators will change from 1.4% to 1.6% (full year revenue increase of \$1.7M)
- The prorate vehicle tax rates will also change. These are the prorated tax rates paid by inter-jurisdictional truckers. Every year there is a declining rate but each of these rates are increasing by 1/7 (full year revenue increase of \$1M).

The reduced sales tax rate for home heating, heating and cooling farm buildings and operating farm grain dryers is remaining unchanged at 1.4% (the full year revenue reduction from not increasing this rate is \$2.4M).

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Assistant Deputy Minister
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MANITOBA BUILDING AND RENEWAL PLAN – EMPLOYMENT IMPACTS

- The 10-year Manitoba Building and Renewal Plan will establish a legislative requirement to allocate two points of the Retail Sales Tax in addition to the value of gas taxes toward infrastructure investment each year.
- In 2013/14 the total raised under this formula is estimated at \$748.7M. This amount is projected to rise each year to a high of \$1,133.5M in 2022/23.
- The Plan – along with the additional one point being added to the Retail Sales Tax are set to expire in July 2023/24.
- **Total revenues collected over the ten year period of the plan are \$10.173 billion.** Of this amount, \$6.661 B is projected from 2 points of PST and \$3.512B is projected from fuel tax as calculated under the GTAA.
- The Manitoba Bureau of Statistics uses employment multipliers for various types of economic activities. **In the case of the construction industry, a multiplier of 11.4 person years of employment per \$1.0M of investment is used by MBS.**
- The MBS multiplier along with the revenue projections of Manitoba Finance would support an estimate of **115,972 person years of employment** created over the next 10 years through the Plan.

Revenues \$10,173 million X (11.4 jobs/ \$million investment) = 115,972 jobs over the next ten years