

# 2025 Manitoba budget: Tax highlights

March 20, 2025

## In brief

On March 20, 2025, Manitoba's Minister of Finance, Adrien Sala, presented the province's budget. The budget does not change corporate or personal income tax rates, but does:

- increase the thresholds at which employers are subject to the health and post-secondary education tax levy, starting January 1, 2026
- freeze indexation of the province's basic personal amount and personal income tax bracket thresholds, retroactive to 2025
- announce the government's intention to address the avoidance of land transfer tax through use of legal structures that separate legal and beneficial ownership of property
- apply retail sales tax on cloud computing services, effective January 1, 2026

This *Tax Insights* discusses these and other tax initiatives outlined in the budget.

Due to the uncertainty around the timing and extent of US tariff policy changes<sup>1</sup> that could significantly affect Manitoba's economy, the budget does present a "contingency budget" to account for these US tariffs and any Canadian retaliatory measures.

## In detail

### Business tax measures

#### Corporate income tax rates

Manitoba's corporate income tax rates have not changed and will remain as shown in the table below. The table also shows combined federal/Manitoba corporate tax rates.

<sup>1</sup> To help your business navigate this current tariff situation, see our:

- *Tax Insights* "[US tariffs and Canadian countermeasures: How will it affect Canadian businesses?](#)" (March 7, 2025 update) at [www.pwc.com/ca/taxinsights](http://www.pwc.com/ca/taxinsights) for strategies that can help Canadian businesses adapt to these and any potential new tariffs
- [Tariffs, Trade and Policy Resource Centre](#) for information to help your business assess and manage these tariffs

Federal and Manitoba corporate rates		Manitoba		Federal + Manitoba	
		2024	2025	2024	2025
General and M&P income		12%		27%	
Canadian-controlled private corporations (CCPCs)	Active business income to \$500,000	0%		9%	
	Investment income	12%		50.67%	

### Health and post-secondary education tax levy (payroll tax)

Effective January 1, 2026, the budget increases the thresholds at which employers are subject to this payroll tax, as shown in the table below. The tax is imposed on wages paid by employers with a permanent establishment in the province. Associated employers with annual payroll of less than \$5 million would save up to \$10,750 in payroll tax annually.

Rate	Before January 1, 2026		After December 31, 2025	
	Total payroll <sup>1</sup>	Payroll tax	Total payroll <sup>1</sup>	Payroll tax
2.15%	Over \$4,500,000	Payroll x 2.15%	Over \$5,000,000	Payroll x 2.15%
4.3%	\$2,250,000 to \$4,500,000	(Payroll - \$2,250,000) x 4.3%	\$2,500,000 to \$5,000,000	(Payroll - \$2,500,000) x 4.3%
0%	\$0 to \$2,250,000	\$0	\$0 to \$2,500,000	\$0

1. Associated employers must aggregate their payroll costs to apply the thresholds.

### Cultural industries printing tax credit (CIPTC)

The CIPTC, which provides eligible businesses with a 35% refundable tax credit on salary and wages paid to Manitoba employees, is made permanent; it was scheduled to expire on December 31, 2024.

### Mining tax

The budget eliminates:

- the special additional 0.5% tax rate that applies on the profit of all mining operators (currently paid, but refundable)
- the requirement for the Minister of Finance to designate a new mine or major expansion

### Corporation capital tax

The budget eliminates corporation capital tax paid by crown corporations, effective for fiscal years beginning after March 31, 2025.

## Personal tax measures

### Basic personal amount (BPA)

The budget freezes indexation of the province's BPA, retroactive to the 2025 taxation year. Accordingly, Manitoba's BPA will remain \$15,780 for 2025 (if it had been indexed, it would have increased to \$15,969 and provided a provincial tax savings of up to \$20).

## Personal income tax rates

The budget does not change Manitoba's personal income tax rates, but does freeze indexation of the province's tax bracket thresholds, retroactive to the 2025 taxation year. Accordingly, the province's tax brackets and rates for 2025 are as follows:

	2024	2025
Bracket	> \$100,000	
Rate	17.40%	
Bracket	\$47,000 to \$100,000	
Rate	12.75%	
Bracket	\$0 to \$47,000	
Rate	10.80%	

The budget notes that a Manitoba taxpayer with more than \$100,000 in taxable income would pay up to an additional \$87 in 2025 as a result of not indexing the province's tax bracket thresholds and BPA.

## Top personal tax rates

Top combined federal/Manitoba personal income tax rates are shown below. These rates apply to individuals with taxable income above \$253,414 in 2025 (\$246,752 in 2024).

Top combined federal/Manitoba rates		2024	2025
Ordinary income & interest		50.40%	
Capital gains		25.20%	
Canadian dividends	eligible	37.78%	
	non-eligible	46.67%	

## Volunteer firefighter and search and rescue tax credit

The budget doubles the province's volunteer firefighter and search and rescue amount to \$6,000, effective the 2025 taxation year, increasing the maximum annual value of the credit to \$648.

## Renters affordability tax credit

For the 2026 tax year, the budget increases the maximum annual renters affordability tax credit to \$625 (from \$575), and the seniors' top-up to \$357 (from \$328). These increases will continue in future years to restore the credit amounts to their previous levels of \$700 and \$400, respectively.

## Other tax measures

### Land transfer tax

The budget announces that the government is considering legislative changes that are intended to prevent the avoidance of land transfer tax through use of legal structures that separate legal and beneficial ownership of property.

## Retail sales tax (RST)

The budget announces that:

- RST will apply on cloud computing services (e.g. subscriptions to software, data storage and remote computer processing), effective January 1, 2026
- an online service will be implemented in 2025 to facilitate verification that a business is registered for RST (a similar registry will be developed for tobacco tax)

## School tax (homeowners affordability tax credit)

For the 2026 property tax year, the budget increases the maximum homeowners affordability tax credit to \$1,600 (from \$1,500).

## Let's talk

For a deeper discussion of how these tax measures affect you or your business, please contact:

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