



**MINISTER
OF FINANCE**

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Legislative Building
Winnipeg, Manitoba R3C 0V8
CANADA

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**MINISTER
OF EDUCATION**

Room 168
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CANADA

APR 08 2021

Kam Blight
President, Association of Manitoba Municipalities
amm@amm.mb.ca

Alan M. Campbell
President, Manitoba School Boards Association
webmaster@mbschoolboards.ca

Dear Kam Blight and Alan M. Campbell:

We are responding to your joint request for implementation details on our government's commitment under the \$2,020 Tax Rollback Guarantee to begin phasing out education property taxes in 2021.

As announced in Budget 2021, our government will begin phasing out education property taxes by implementing the \$248 million Education Property Tax Rebate benefiting all 658,000 property taxpayers. In 2021, residential and farm property owners will receive a 25% Education Property Tax Rebate of their education property taxes payable. Other property owners (such as commercial, industrial, institutional, railways, pipelines and designated recreational) will receive a 10% Education Property Tax Rebate of their education property taxes payable.

The rebate will apply to the school division special levy, community revitalization levy, and the education support levy.

Property owners will continue to pay their education property taxes to school divisions. The Education Property Tax Rebate will be received by property owners before their property taxes are due, once enabling legislation is passed. No application will be necessary by property owners to receive the rebate.

All existing education property tax credits and rebates remain in place but they are proportionally reduced by 25%. The Education Property Tax Credit available on principal residences will be reduced from a maximum of \$700 to a maximum of \$525. However, the Rebate will be available on all residential property including nonprincipal residences. 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 proportionally by 25% (the percentage will decrease from 80% to 60% and the maximum amount will decrease from \$5,000 to \$3,750). However, the Rebate will apply to all farm properties including buildings that are not eligible for the Farmland School Tax Rebate.

As landlords, and not residential tenants, will be receiving the rebate, the rent guideline will be set at 0% in 2022 and 0% in 2023. Funds from the proportionally reduced tax credits paid by renters will be reinvested to enhance rent assist programs and low-income supports for Manitobans most in need, like persons with disabilities.

The phasing out of education property taxes will not impact Manitoba's commitment to provide a guaranteed increase of over \$1.6 billion in education funding over the next four years. As was announced on February 5, 2021, our government committed to a Property Tax Offset Grant equivalent to a two per cent property tax increase or \$22.8 million. This is over and above the \$20.8 million increase for the Funding of Schools Program.

Our government intends to increase the rebate to residential and farm property owners to 50% of the education property taxes payable for 2022. Future increases in rebates to other properties and all property types will be reviewed as part of the annual budget process.

We hope this helps provide clarification on our implementation plan for phasing out education property taxes and further information can be found at Manitoba.ca/edupropertytax.

Sincerely,



Honourable Scott Fielding
Minister of Finance



Honourable Derek Johnson
Minister of Municipal Relations



Honourable Cliff Cullen
Minister of Education