

FAQ: Homeowners Affordability Tax Credit and Manitoba School Tax Rebate

1. What changes are being made to school tax rebates and credits on property tax statements for 2025?

- The Manitoba School Tax Rebate, which provided a 50% rebate on school taxes for residential and farm properties, and a 10% rebate on school taxes for other properties, is being eliminated for all properties except farm properties. Farm properties will continue to receive the 50% rebate in 2025.
- Farmland School Tax Rebate (which is a different program implemented by Manitoba Agricultural Services Corporation) will continue in 2025.
- The Education Property Tax Credit (EPTC) is being replaced by the Homeowners Affordability Tax Credit (HATC), which will have a maximum credit amount of \$1,500. More details are provided in the following questions.

2. When will the changes be implemented?

- The changes will be in effect for the 2025 tax year.

3. Will the HATC apply to principal residences only?

- Yes, HATC will apply to principal residences only. It does not apply to any other properties (rental properties, secondary residences/cottages, commercial properties, etc.).

4. Will it be the municipality's responsibility to determine who gets the HATC?

- Yes. Properties currently getting EPTC can be automatically moved over to HATC if there is no ownership change. New owners will continue to have to designate their principal residence with their municipality in order to have the HATC applied to their property tax statement.

5. Will the province modify the existing EPTC form to reflect the change?

- A modification may be required. This is currently under review and more information will be provided.

6. Will property owners still have the option to claim the HATC when filing their income tax return, instead of taking it as an advance on their tax bill?

- Yes. The HATC can be claimed on the income tax return if it is not received on the property tax statement.

7. Do municipalities need to start notifying property owners?

- Municipalities may notify new property owners about the need to designate their principal residence at any time.

8. Do municipalities need to start making changes to their systems?

- Municipal and Northern Relations has advised municipal software providers about the change from EPTC to HATC. Municipalities are encouraged to update any references to EPTC in their budgets or other documents for 2025 to refer to the HATC instead.

9. Do municipalities need to start having new owners declare their principal residence at this time?

- As noted above, owners currently receiving the EPTC can be automatically rolled over to the HATC, without needing to re-designate their principal residence. This is similar to previous years' approach to applying the EPTC on a continuing basis without an annual re-designation.
- New owners can designate their principal residences at this time.

10. How will the HATC be calculated?

- In general, the HATC will function the same as the EPTC, with the key difference being that the maximum credit is \$1,500 (instead of the current EPTC \$350).
- The Manitoba School Tax Rebate no longer applies to residences, so there will not be a percentage of school taxes deducted before the HATC is applied.

11. If a principal residence's school taxes are less than \$1,500, will the excess HATC be applied to municipal taxes?

- No, the HATC only applies to school taxes.

12. How will the Manitoba School Tax Rebate on farm properties be calculated?

- There are no changes to how the School Tax Rebate on farm properties works. It continues to be 50 per cent of gross school taxes and will continue to be applied directly on the property tax statement as in 2024.
- If the property has both farm and the designated principal residence, the HATC will apply to the residence's school tax, and the farm portion of the property will continue to receive the 50% School Tax Rebate.
- As noted above, no other property types will receive School Tax Rebates in 2025.
- The Farmland School Tax Rebate will continue in 2025 and be up to 40% of school tax to a maximum of \$2,500.