

## **THE RETAIL SALES TAX ACT**

### **SALES TO NON-RESIDENTS OF MANITOBA**

This bulletin provides information on when businesses must apply retail sales tax (RST) on goods and services sold to non-residents of Manitoba.

#### **General information**

- Taxable goods or services purchased at a retail sale in Manitoba (for consumption or use) are subject to RST. Goods and services are “consumed or used” in Manitoba if the purchaser, or someone on his/her behalf, picks up the goods in the province. Goods and services delivered by the vendor, or by a common carrier on behalf of the vendor, to the purchaser’s premises out of province are not subject to RST.

The application of RST on sales to non-residents of Manitoba, then, depends on whether delivery of the purchased goods or services takes place in Manitoba or out of province.

- For information on taxable goods and services, see Bulletin 030 – Summary of Taxable and Exempt Goods and Services

#### **Delivery of goods or services in Manitoba**

- When a resident of another province, territory or country purchases taxable goods or services and takes delivery of them in Manitoba, the vendor must collect RST on the sale as though the purchaser were a resident in Manitoba.

#### **Proof of delivery outside Manitoba**

- When goods or services are sold RST exempt to a non-resident because the vendor delivered the goods (either sold or serviced) or shipped them by common carrier to the purchaser’s premises outside Manitoba, the vendor must support the exemption as follows:
  - Where the vendor or an employee of the vendor delivers the goods out of province, the vendor and the purchaser must sign a statement acknowledging that the goods were delivered out of province. The statement may be included on the sales invoice or prepared on a separate document and retained by the vendor.
  - Where the vendor engages a common carrier to deliver the goods out of province, the vendor must retain the common carrier’s bill of lading, or an equivalent document, to substantiate delivery of the goods outside Manitoba.

**Please note:** In this case, the RST exemption applies only when the vendor engages the common carrier. When the purchaser engages the common carrier, the vendor must collect the RST on the sale.

- Motor vehicle sales**
- For sales of motor vehicles that are required to be registered under The Highway Traffic Act, see Bulletin No. 012 – Motor Vehicle and Trailer Dealers.
- Refund on sales of motor vehicles, snowmobiles, ATVs or aircraft**
- Where a vendor is required to collect RST from a non-resident on the sale of a motor vehicle, snowmobile, ATV or aircraft and the item is removed within 30 days of purchase for permanent use outside Manitoba, the purchaser (non-resident) may be eligible for a refund of the RST paid. Vendors should advise the purchaser to contact the Taxation Division for refund information.
- Purchases by non-resident contractors**
- Vendors must collect RST on sales to non-resident contractors who purchase and take delivery of construction materials in Manitoba. If the contractor removes the materials for use outside the province, the contractor may be eligible for a refund of the RST paid. Vendors should advise the contractor to contact the Taxation Division for refund information.
- Purchases by non-resident retailers**
- Vendors must collect RST on goods and services that non-resident retailers purchase and pick up in Manitoba for resale purposes, **except** where the non-resident retailer is registered under Manitoba RST and quotes his/her RST number to the Manitoba vendor at the time of purchase. Non-resident retailers who wish to register under RST should contact the Taxation Division for information.

## FURTHER INFORMATION

This bulletin is intended to serve as a guideline and is not all-inclusive. For the specific wording of the law, please refer to the Act and Regulation stated below. Further information may be obtained from:

### Winnipeg Office

Manitoba Finance  
Taxation Division  
101 - 401 York Avenue  
Winnipeg, Manitoba R3C 0P8  
Telephone (204) 945-5603  
Manitoba Toll-Free 1-800-782-0318  
Fax (204) 948-2087  
E-mail: [MBTax@gov.mb.ca](mailto:MBTax@gov.mb.ca)  
Web site: [www.gov.mb.ca/finance/taxation](http://www.gov.mb.ca/finance/taxation)

### Westman Regional Office

Manitoba Finance  
Taxation Division  
311, 340 - 9th Street  
Brandon, Manitoba R7A 6C2  
Telephone (204) 726-6153  
Manitoba Toll-Free 1-800-275-9290  
Fax (204) 726-6763

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### Principal References in Legislation:

*The Retail Sales Tax Act of Manitoba (C.C.S.M. c. R130)*, Section 1(1), definition of “consumption,” “purchase,” “purchaser,” “retail sale,” “use,” “vendor” and Sections 3(1)(x), 3(8) and 3(17)  
*Manitoba Regulation (75/88R)*, Section 14(1)