

NOTICE TO MAGAZINE PUBLISHERS

The 2005 Budget announced that effective April 1, 2005, free distribution magazines are exempted from retail sales tax.

The exemption includes the cost to print free distribution magazines when printed externally, and the cost to purchase materials, such as paper, ink, bindings and covers, when printed internally. Magazine publishers will use their RST number to receive the exemption on the printing cost of their magazines or their purchases of materials.

To qualify for the exemption, free distribution magazines must meet all of the following conditions:

- printed and permanently bound with a cover
- published at regular intervals each year
- contain at least 10% technical, literary, editorial or pictorial content, other than pictorial advertising
- distributed to the public at no charge

Sales catalogues, advertising brochures and other advertising material are not considered to be magazines and remain taxable. Magazines provided to members of an organization where there is a membership fee are not considered to be free and also remain taxable.

For further information, please contact Manitoba Finance – Taxation Division:

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