

# Information Notice

**NOTICE**  
**The Retail Sales Tax Act**  
**Issued July 2012**

## TRAVEL AGENCIES SELLING TAXABLE INSURANCE CONTRACTS

The 2012 Budget announced that effective July 15, 2012 retail sales tax will apply on certain insurance contracts.

**Taxable insurance contracts** include trip cancellation insurance, baggage insurance and group insurance (except plans that cover direct health care costs) when sold to Manitoba residents. Trip interruption insurance is not taxable. Please see Information Bulletin 061 – *Insurance*, (available at the web-site and offices listed below) for further information on how the tax applies to insurance contracts.

**Registration requirements** - Businesses, including travel agencies, must register to collect and remit the retail sales tax on the sale of these insurance contracts. (The \$10,000 small business registration exception does not apply to vendors of taxable insurance contracts). Some insurance companies have agreed to collect and remit the tax on contracts billed by their brokers/agents. In cases where all the insurance companies a travel agency represents will be remitting the tax to Manitoba Finance, there is no requirement for the travel agency to register (unless they have other taxable sales). However, for those insurance companies that are not collecting the tax, the travel agency is required to register to collect and remit the tax – on taxable insurance contracts and any other taxable goods and services they sell. Travel agencies are advised to review their arrangements with the insurance companies they deal with.

To register, businesses are encouraged to use the Taxation Division's online service at [manitoba.ca/TAXcess](http://manitoba.ca/TAXcess). Application forms are also available on the web-site and Taxation Division offices listed 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  
314, 340 - 9th Street  
Brandon, Manitoba R7A 6C2  
Fax (204) 726-6763

## **ONLINE SERVICES**

Our Web site at [manitoba.ca/finance/taxation](http://manitoba.ca/finance/taxation) provides tax forms and publications about taxes administered by Taxation Division, and a link to Manitoba's laws and regulations. Forms and publications can also be obtained by contacting the Taxation Division.

Our online service at [manitoba.ca/TAXcess](http://manitoba.ca/TAXcess) provides a simple, secure way to apply for, and to file, pay and view your Taxation Division tax accounts.

