

THE RETAIL SALES TAX ACT:

STREAMING SERVICES AND ONLINE PLATFORMS

This bulletin provides explains how Retail Sales Tax (RST) applies to streaming services and sales made by online sales platforms and online accommodation platforms.

SECTION 1: STREAMING SERVICES AND MEDIA PURCHASES

A streaming service is a subscription that provides the right, whether exercised or not, to download, view or access, by means of an electronic device one or more of the following telecommunications:

- Music
- An audio program (including podcasts or radio broadcasts but excluding audiobooks)
- Television programs, movies or other video

Please Note: Electronic devices include computers, mobile phones, smartphones, tablets, portable media players and TV-based or automobile-based media receivers.

RST applies on streaming services and media purchases of music (including individual songs), audio programs (excluding audiobooks), television programs, movies or other video and ring tones (including text tones and other alert tones) sold to purchasers that are ordinarily resident in Manitoba.

If a streaming service is sold in conjunction with tax-exempt goods or services, RST must be collected on the full selling price unless the billing segregates the taxable and tax-exempt items.

Streaming services and media content that are provided as part of a purchaser's participation in any of the following programs or activities and are provided only to participants of the program or activity by the person offering that program or activity are not subject to tax to the participants:

- An educational program provided by a school or other educational institution. For example, online videos or lectures provided as part of a course offered by a university.
- A training or instructional program designed to develop or improve the knowledge, skills or abilities needed by individuals for a particular trade, occupation or profession. For example, online instructional videos that are

- purchased for professional development requirements.
- A lecture, presentation, seminar, webinar, conference, workshop or similar activity designed for educational purposes.

This includes livestreams or recordings of the above activities that can be accessed at a later date.

Streaming service providers and other vendors of media content must register as a vendor and collect and remit RST on their sales to Manitoba customers. See Bulletin No. 004 - Information for Vendors for more information.

SECTION 2: ONLINE SALES PLATFORMS

An online sales platform is a website, app or other internet-based marketplace that enables or facilitates the retail sale of goods and the collection of payment on behalf of an online seller. Online sales platforms include third-party marketplaces whose primary function is to provide local, on-demand delivery of restaurant meals and other items.

An online seller is a person who sells taxable goods (including extended warranties) or a taxable service by way of an online sales platform.

RST applies to all taxable retail sales made through online sales platforms.

RST must be collected on charges or fees in connection with a taxable sale made through an online marketplace whether paid to the online seller or online sales platform operator if the purchase cannot be made without paying the charge or fee. Delivery charges and fees are taxable unless the goods can be pickup from the premises of the seller (such as restaurant meals).

The online sales platform operator is responsible for the proper collection of RST, including determining the tax status of goods and related taxable services for sale, and is required to collect and remit RST on all taxable sales made through their platforms, regardless of whether the online seller is registered as a vendor or the goods are shipped to the purchaser in Manitoba from an address outside of Canada. Please refer to Bulletin No. 030 - Summary of Taxable and Exempt Goods and Services for additional information on determining the tax status of goods and services.

Please note: Online sales platforms that do not collect payment on behalf of the online seller through their platforms do not have RST-related obligations in respect of those sales.

If the RST related to a sale made by an online seller through an online sales platform operator has been collected and remitted by the platform operator, the online seller has no RST-related obligation in respect of that sale.

An online sales platform operator is not required to remit RST in respect of a car rental and any taxable service related to the rental made by means of that platform if the RST is remitted by the online seller.

Online sales platform operators must register as a vendor and collect and remit RST on their taxable sales to Manitoba customers. See Bulletin No. 004 - Information for Vendors for more information.

SECTION 3: ONLINE ACCOMMODATION PLATFORMS

An online accommodation platform is a website, app or other internet-based marketplace that enables or facilitates the retail sale of lodging located in Manitoba and the collection of payment on behalf of the person providing the lodging.

The online accommodation platform operator is responsible for the proper collection of RST, and is required to collect and remit RST on all taxable sales of lodging made through their platforms, regardless of whether the online seller is registered as a vendor.

RST must be collected on any charge or fee, including booking fees or cleaning fees, in connection with a taxable sale of lodging made through an online accommodation platform whether paid to the online seller or online marketplace operator if the purchase cannot be made without paying the charge or fee.

A flat-rate reservation cancellation fee for a cancellation made in advance of arrival is not taxable. However, fees equivalent to charges for a room night (or nights) imposed for late cancellations or no-shows are subject to tax.

Please note: Online platforms providing classified advertising or listing services, that do not collect payment on behalf of the individual or business offering lodging through their platforms, are not considered to be online accommodation platforms for RST purposes.

If the RST related to a sale of lodging made by an online seller through an online marketplace has been collected and remitted by the accommodation platform operator, the online seller has no RST-related obligation in respect of that sale.

A provider of lodging sold only by means of an online accommodation platform is not required to be registered as a vendor or remit tax in respect of those sales if the tax is remitted by the operator of the platform.

Lodging provided in a single location for a continuous period of at least one month is exempt from RST.

Online accommodation platform operators must register as a vendor and collect and remit RST on their taxable sales. See Bulletin No. 004 - Information for Vendors for more 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 Retail Sales Act Tax and Regulations. Further information may be obtained from:

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E-mail: MBTax@gov.mb.caWeb Site: <https://www.manitoba.ca/finance/taxation/>**Westman Regional Office**

Manitoba Finance

314, 340-9th Street

Brandon, Manitoba R7A 6C2

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ONLINE SERVICES:

Our Web site [here](#) provides tax forms and publications about taxes administered by Manitoba Finance and a link to Manitoba's laws and regulations. Forms and publications can also be obtained by contacting Manitoba Finance.

TAXcess, our online service [here](#) provides a simple, secure way to apply for and to file, pay and view your Manitoba tax accounts.