# The Growth, Structure, and Transparency of Manitoba’s Tax Credit Regime

by

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**Abstract**

Tax credits occupy a significant but unevenly visible place in Manitoba's public finances. They reduce personal and corporate tax liabilities, provide household affordability relief, and support selected economic activities, yet their fiscal effects are not reported as clearly or consistently as direct program expenditures. As a result, the scale and composition of Manitoba's tax credit regime are difficult to assess through public fiscal documents alone.

This thesis examines the growth, structure, and transparency of Manitoba's tax credit regime over the past two decades. The analysis draws on Manitoba Finance data obtained through an access-to-information request, provincial budgets, Public Accounts, income tax forms, and comparative reporting practices in other Canadian jurisdictions. The regime is organized into three main components: the standard non-refundable personal income tax credit block, province-specific personal tax credits, and corporate tax credits.

The findings show that Manitoba's tax credit regime has expanded in both scale and complexity, but not according to a single pattern. The standard non-refundable block is broad and embedded in the structure of the personal income tax system, while province-specific personal credits and corporate credits are more closely tied to discretionary policy choices, program redesign, and sector-specific objectives. The analysis also shows that apparent changes in tax credit costs may reflect changes in delivery mechanisms rather than changes in the underlying level of public support.

The thesis argues that Manitoba's current reporting practices provide only a partial view of this regime. A more comprehensive tax expenditure reporting framework would improve the ability to measure, compare, and evaluate tax-based policy measures within the province's broader fiscal framework.

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# Chapter 1: Introduction

Public spending is typically imagined as something visible: hospitals built, classrooms staffed, and spending programs funded line by line in government accounting documents. Yet in Manitoba, hundreds of millions of dollars flow each year through a less visible channel. They do not appear as programs in departmental budgets, nor are they debated with the same intensity as new spending initiatives. Instead, they arrive as tax credits: fiscal commitments embedded in the tax system.

Over the past two decades, Manitoba's tax credit regime has expanded dramatically in both scale and complexity. This growth is not unique to Manitoba; tax credits have become a common instrument of provincial public policy across Canada. What began as a limited set of targeted measures has evolved into a large and diverse collection of personal and corporate income tax credits embedded throughout provincial tax legislation. Many of these measures now represent large, recurring fiscal commitments, yet their full fiscal cost is difficult to observe in any single public document. From a financial reporting standpoint, tax credits are spread across budgets, Public Accounts, and financial estimates, recorded sometimes as expenditure items or in many cases, not as clearly identifiable line items at all. The result is a regime that operates partially out of sight, complicating efforts to obtain a clear view of the province's fiscal position.

The growth of this regime has occurred alongside increasing fiscal pressure. Manitoba, like many other provinces in Canada, has faced persistent operating deficits, rising net debt, and mounting demands on public services over the past decade. At the same time, governments have increasingly used affordability measures to provide financial relief to households, often at significant fiscal cost. In this context, the cost, structure, and reporting practices of tax credits are a central issue of fiscal governance. How governments choose to classify and present these expenditures shapes what is visible to legislators and the public. Tax credits matter; they affect individual tax liabilities, business incentives, and the province's overall fiscal position.

This thesis argues that Manitoba's tax credit regime has become a substantive and structurally diverse fiscal instrument, but its fragmented reporting limits the ability of policymakers and the public to observe its full scale and composition. Its empirical contribution is to reconstruct and classify Manitoba's tax credit regime using administrative data that are not otherwise consolidated in public reporting documents. This reconstruction makes it possible to examine not only how large the regime has become, but also how its different components have grown over time.

**Project Objectives**

The primary research objective of this study is twofold. First, to measure and characterize the growth and structural composition of Manitoba's tax credit regime over the past 20 years; and second, to evaluate how modern accounting standards and reporting practices in Canada influence the visibility and interpretation of tax credits. Together, these objectives provide both a historical account of Manitoba's tax credit regime and a contemporary assessment of how that regime is reported.

It is important to clarify what this study does not seek to establish. The purpose of examining accounting and reporting practices is not to determine whether more transparent tax credit reporting would, by itself, increase or decrease the cost of Manitoba's tax credit regime. Nor does the study attempt to evaluate whether improved reporting would lead to better policy outcomes, greater program effectiveness, or more efficient use of public resources. The focus of the study is more limited: to assess how existing reporting practices shape the visibility, comparability, and interpretation of tax credits. Improved reporting may create the conditions for more informed scrutiny and evaluation, but this thesis does not argue it predetermines the direction of policy change or the substantive merits of any individual credit.

**Methods**

The study combines longitudinal analysis of Manitoba Finance tax credit data with document analysis of provincial budgets, Public Accounts, and tax expenditure reports from other Canadian jurisdictions. The quantitative analysis measures changes in the size and composition of Manitoba's tax credit regime over time, while the document analysis examines how modern accounting practices affect the visibility of those measures. Chapter 3 describes the dataset, classification framework, inflation adjustment, and comparative reporting approach in greater detail.

**Background**

Tax credits allow individual and corporate taxpayers to reduce the amount of tax they owe. In some cases, the size of these regimes is substantial. Macdonald (2017) estimated that the annual federal fiscal cost of personal income tax expenditures increased from $90.3 billion in 1992 to a projected $152.3 billion in 2018, in 2017 dollars, an increase of 69 per cent. Manitoba also exhibits substantial growth in the number of tax credits administered through the personal income tax system. The number of identifiable personal income tax credit entries on provincial CRA forms increased from 14 in 2001 to 49 in 2025. This count is best interpreted as evidence of the proliferation and increasing complexity of the tax credit regime rather than as a measure of its fiscal cost. The 49 personal-return credit entries can be divided into two broad groups. The first is the standard non-refundable block, which includes credits calculated at Manitoba's lowest personal income tax rate of 10.8 per cent. The second is a set of province-specific credits that pursue more targeted objectives, including affordability relief, property tax support, caregiving, education, and investment. This distinction provides the basis for the study's analysis of how Manitoba's tax credit regime has grown and how that growth is reported.

These tax credits vary considerably in scope, structure, and policy intent. Some are highly targeted and designed to address specific socio-economic objectives, while others provide broad-based tax relief. For example, the Fertility Treatment Tax Credit is narrowly focused on offsetting the costs of assisted reproductive treatments, whereas the Basic Personal Amount applies universally and exempts a base level of income from taxation. These differences in policy purpose are matched by differences in design. One of the most important design distinctions is whether a credit is refundable or non-refundable. Refundable credits, such as the Renters Affordability Tax Credit, can provide a tax refund even when an individual has no tax liability. Non-refundable credits, in contrast, only reduce taxes owed and cannot generate a refund.

Despite the size and diversity of Manitoba's tax credit regime, accounting for the full cost of these measures using provincially published accounting or budget documents is challenging. Budget and Public Accounts materials disclose limited information on the actual and estimated costs of individual tax credits. For example, the 2025 Estimates of Expenditure for the fiscal year ending March 31, 2026, provide individual line items for only 9 of the province's 61 income tax credits. In Manitoba's Public Accounts, tax credits have long been presented in highly aggregated form within broad appropriation categories, typically classified by accounting treatment rather than by individual program. A comprehensive, itemized list of tax credit expenditures is not provided in either Budget or Public Accounts documents.

Limited disclosure of itemized tax credit expenditures is partly attributable to public sector accounting conventions. Under Public Sector Accounting Standards section PS 3510, tax concessions that reduce tax revenue are not required to be recorded as expenses but are instead netted against total tax revenue. As a result, most tax credits are generally treated as tax concessions or foregone revenue rather than as direct program expenditures. These features explain why the thesis relies on administrative data rather than public fiscal documents alone to reconstruct the regime.

**Organization of Report**

The thesis is structured into seven chapters. Chapter 1 introduces the research problem, objectives, background, and organization of the thesis. Chapter 2 reviews the literature on tax expenditures, tax credit proliferation, accounting treatment, distributional effects, and fiscal multipliers. Chapter 3 describes the data and methods. Chapter 4 analyzes the structure and growth of Manitoba's tax credit regime. Chapter 5 examines Manitoba's accounting treatment of tax credits and compares Manitoba's reporting practices with those of other provinces. Chapter 6 discusses the main findings in relation to Manitoba's fiscal context. Chapter 7 concludes.

# Chapter 2: Literature Review

## Introduction

The study of tax credits falls within the broader literature on tax expenditures, a field spanning fiscal theory, public administration, and applied policy analysis. Tax credits have become a central feature of both federal and provincial fiscal regimes. The academic and policy literature treats tax credits through several partially distinct debates, including conceptual work on tax expenditures, distributional and behavioural analyses of specific tax credits, and studies of transparency and reporting standards. This literature review situates the present study within that body of work by drawing on five interrelated strands: 1) the historical and definitional evolution of tax expenditures and tax credits, 2) the political and institutional context that enabled their proliferation in Canada and across the provinces, 3) the accounting standards and reporting practices that shape their visibility in public finance today, 4) economic analysis of specific income tax credits, including cost-benefit, behavioural, and distributional studies, and 5) the fiscal multiplier literature, which helps clarify how tax credits differ from direct expenditures as instruments of macroeconomic policy.

## Evolution of Tax Expenditures

Understanding the historical context and evolution of tax credit expenditures is essential for situating contemporary tax credit regimes within fiscal policy frameworks. Over the twentieth century, tax systems around the world gradually recognized that certain provisions embedded in tax legislation functioned in ways analogous to direct government spending, despite being administered through the tax code. The formal recognition of this idea and its subsequent adoption by governments across the globe marked a pivotal moment in public finance, reshaping how tax expenditure measures are conceptualized, reported, and scrutinized.

The idea of tax expenditures emerged in the early 1960s in the United States and Germany, which were among the first countries to report tax expenditure budgets to enhance public transparency (Villela et al., 2010). In the United States, the concept is most associated with Stanley Surrey, a former Harvard Law Professor who, as Assistant Secretary of the Treasury for tax policy, noticed provisions of the Tax Code had similar functions to forms of direct government spending (Kleinbard, 2010; Avi-Yonah & Fishbien, 2023). Surrey began cataloguing these so-called tax subsidies, and his work gained public traction in 1967 when Treasury Secretary Joseph Barr revealed that several millionaires had paid no federal income tax due to tax preferences (Polackova Brixi et al., 2004).

Subsequently, a tax expenditure chapter was included in the 1968 U.S. Budget and years later the 1974 Congressional Budget Act was institutionalized, requiring the reporting of tax expenditures in the same way as direct public spending in the regular budget process (Villela et al., 2010; Surrey & McDaniel, 1979). The conclusion by Surrey that tax expenditures ought to be treated in similar fashion to direct government expenditure in public accounting practices spread across countries in the following decades. By 1983 countries such as Australia, Austria, Canada, France, and Spain had also begun cataloguing and reporting tax expenditures (Villela et al., 2010). By 1996, nearly all OECD member states had adopted systematic reporting practices, underscoring the extent to which tax expenditures had proliferated as a component of national budgets (Kraan, 2004).

Contemporary definitions of tax expenditures converge around a broad but contested interpretation: the provision of some deviation from a benchmark or normative tax structure that would otherwise be payable if no tax expenditure were to apply (Schick, 2004; OECD, 2010; Kraan, 2004; Villela et al., 2010; Kumar et al., 2024). In 1976, Surrey and McDaniel defined tax expenditures as departures from the normative tax structure, designed to favour a particular industry, activity, or class of person (Surrey & McDaniel, 1979). In defining the tax structure, Surrey and McDaniel distinguish between "the structural provisions necessary for implementation of a normal income tax" such as the definition of net income, accounting periods, the taxable unit, and rate schedules, and "the special preferences found in every income tax system" (Surrey & McDaniel, 1979, p. 228), which constitute those deviations designed to benefit particular groups or activities. Building on this normative framework, Canada uses a benchmark tax structure by identifying which elements of the normative tax base are treated as core structural features of their actual tax systems and which are classified as deliberate deviations (Kraan, 2004).

Identifying a tax expenditure requires specifying a benchmark tax system against which departures can be measured. That benchmark need not, however, represent an economically optimal tax system. One approach defines the benchmark normatively, by reference to a conception of an ideal tax system; another defines it more pragmatically around the fundamental structural features of the existing tax system. Boadway's (2007) criticism is particularly relevant to the former approach: because there is no consensus about what an optimal tax system should look like, defining tax expenditures by reference to such an ideal necessarily involves normative judgement.

> *"This is much easier said than done. There is no consensus on what an optimal tax system looks like, so basing the definition of a benchmark system on the ideal system is not possible. Moreover, even if there were a consensus on what an optimal tax system*

*should be in theory, judging which observed deviations from the optimal system are a matter of policy is not easy"* (Boadway, 2007, p. 101).

In some cases, identifying what is and what isn't a deviation is straightforward. For example, in Canada, a general reduction in a statutory personal income tax rate would typically be treated as a change to the benchmark rate structure rather than as a tax expenditure, since tax rates and brackets are generally considered structural features of the tax system. In other cases, however, the distinction is far less clear. Certain provisions occupy a grey area where experts may disagree on whether they reflect fundamental structural features of the tax system or deliberate policy departures. This ambiguity is evident when considering items that fall within broad economic definitions of income but have historically been excluded from taxation and are thus often treated as part of the benchmark rather than as tax expenditures.

In Canada, the Department of Finance considers five key elements in its benchmark tax base: 1) tax rates and income brackets, 2) tax unit, 3) taxation period, 4) treatment of inflation, and 5) avoidance of double taxation (Seguin & Burr, 2004; Government of Canada, 1995). Canada recognizes and demonstrates the subjective and judgement-based process of defining tax expenditures, noting how in some cases, oddly, a tax credit can fall short of constituting a tax expenditure. For example, since the dividend tax credit reduces or eliminates incidences of double income taxation, it is considered part of the benchmark system (and while considered a tax credit, is not considered a tax expenditure). Some believe the differences in values among tax practitioners are so vast that no consensus on the benchmark will ever be achieved (Burman, 2003). This is a trend seen across the globe. As of 2010, Japan and Korea identified tax expenditures by reference to deviations from principles not explicitly articulated, and other countries state their methodologies with varying specificity and unique choices of benchmark standards (OECD, 2010).

Academics note the 1987 tax reforms as a critical inflection point for tax policy in Canada, marked by a simplification of tax brackets, replacement of deductions and exemptions as non-refundable tax credits, and consolidation of refundable tax transfers (Kesselman, 1992; Boadway & Kitchen, 1999). The reforms converted a swath of demogrant deductions and exemptions into non-refundable tax credits, now staples of the T1 form (basic personal amount, spouse amount, amount for dependant children, etc). Non-refundable credits also multiplied across recognition of multiple categories (age, disability, medical, donation, tuition).

Tax expenditures can take various forms. The most common include deductions, exemptions, credits, allowances, or deferrals. This study narrows focus on tax credits, which are amounts deducted from tax liability (Kraan, 2004; Villela et al., 2010). Tax credits differ from other types of tax expenditures in their structure and design. Tax credits specifically reduce the amount of tax liability and apply only after taxable income is applied to income tax brackets and rates. Common examples in Canada include the Basic Personal Amount, the Medical Expense Tax Credit, and the Disability Expense Tax Credit. Tax credits are subtracted directly from tax liability (and not taxable income).

Tax credits are typically delivered in one of two forms: refundable and non-refundable. Non-refundable tax credits can only be used to reduce tax liability to zero. Refundable tax credits can be used to reduce tax liability below zero, which becomes a tax refund. Tax credits, if not used in the tax year in which they are earned, can sometimes be carried forward so as not to restrict the benefit to the year in which it is earned. Tax credits, like other tax expenditures, are widely used to pursue social and economic objectives, including poverty reduction, health support, industry investment, and affordability relief (Villela et al., 2010).

**Proliferation of Tax Credits: Institutional and Political Considerations**

The expansion of tax credits in Manitoba and other Canadian provinces can be partially attributed to developments of tax collection agreements. Tax collection agreements are arrangements whereby the federal government administers and collects provincial taxes on behalf of provinces. Since the mid-twentieth century, tax collection agreements have evolved through renegotiation, providing both orders of government with effective mechanisms for the administration of income taxes. (Department of Finance Canada, 2000). Over time, these agreements have continued to reduce the administrative burden and duplication on tax filers and are aimed at “the economical and efficient application of taxes in Canada” (Gagné-Dubé, 2023, p. 739).

Throughout the late-20th century, provinces became increasingly dissatisfied with the lack of flexibility in setting tax policy within the tax-on-tax approach, in which provincial personal income tax was calculated as a percentage of basic federal tax (LeBlanc, 2004). In this arrangement, provinces had little jurisdiction over tax rates and brackets, deductions, exemptions, or tax credits. Ontario, most opposed to this arrangement, signaled their displeasure in their 1997 Budget, threatening to withdraw from the existing arrangement (Macnaughton, 1999).

During renegotiation of federal-provincial tax collection agreements in 1999, the federal government agreed to let provinces levy personal income taxes directly on taxable income rather than as a percentage of federal tax. This reform, implemented by 2000, gave provinces the option of levying their personal income taxes either on taxable income or on basic federal tax and control over any number of refundable tax credits (Department of Finance Canada, 2000). These changes eased tensions between levels of government and represented a win for provinces in their struggle for autonomy over provincial tax policy. While granting provinces greater flexibility to alter their tax structure represented a welcome shift in federal-provincial tax-policy orientation (Mintz & Poschmann, 1999), it also provided for the expansion of provincial tax credit regimes.

By transitioning from the federal tax-on-tax system to the tax-on-income system, provinces secured greater autonomy over provincial tax rates, brackets, and refundable and non-refundable credits. While the reforms enhanced efficiency and harmonization in tax administration (Gagné-Dubé, 2023; Department of Finance Canada, 2000), they also redefined federal–provincial fiscal relations by granting provinces a more meaningful role in shaping their tax systems. The new agreements provided the institutional foundation for the growth and diversification of tax credits that continues to characterize the fiscal landscape of Canadian provinces.

A longitudinal, interprovincial scan of income tax forms is consistent with this interpretation. Across selected tax years, most provinces show evidence of an expanded or sustained use of personal credits shown by provincial income tax forms (specifically, provincial forms 428 and 479). Between 2001 and 2025, the number of personal income tax credits identified on Manitoba's provincial income tax forms increased substantially, rising from 14 identifiable credits in 2001 to 49 in 2025. British Columbia, for example, increased from 30 credits identified in 2001 to 39 in 2025, while Saskatchewan increased from 28 to 34, Newfoundland and Labrador from 24 to 32, Prince Edward Island from 24 to 28, and Nova Scotia from 27 to 32. These figures suggest that Manitoba is part of a broader trend of tax credit proliferation following the move toward greater provincial income tax autonomy, while also showing that Manitoba is distinctive in the magnitude of its growth.

This scan also complicates any simple claim that all provinces experienced a steady or uniform increase. Ontario and Alberta, for example, do not show the same upward trajectory in the count of credits offered over time. Ontario had a relatively large number of credits on its 2001 forms, with the count remaining relatively stable over time. Alberta also remained comparatively stable over the period. The counts suggest that tax credit regime expansion is not linear. These regimes may expand, contract, or consolidate. A credit may also disappear from the income tax form not because underlying policy support has ended, but because it has been moved into a different benefit, rebate, or reporting structure.

While the Manitoba case can be understood as a part of a broader provincial trend, the province remains distinctive in its growth pattern. Its tax credit regime expanded substantially between the mid-2000s and early 2010s and remained among the largest in the provincial comparison through the 2020s. By 2025, Manitoba had 49 personal credits that could be claimed on the personal income tax return, higher than any other province included in the comparison. This does not mean that Manitoba is the only province that relies heavily on tax credits, nor does it mean that Manitoba's regime is more cost effective or costly than its counterparts. The province's experience does however reflect a wider inter-provincial pattern of public policy delivery through the tax system, while also illustrating how complex such regimes can become when credits accumulate across household support, property tax relief, education, caregiving, political contributions, cultural industries, green energy, and business incentive objectives.

There are some important limitations to this comparison. The figures count credits and reductions identified on CRA provincial forms calculating income tax credits; they do not measure fiscal cost, claimant distribution, or program effectiveness. For this reason, the inter-provincial count should be interpreted as a measure of form-level visibility and program complexity rather than a complete measure of tax expenditure activity.

The shift from tax-on-tax to tax-on-income therefore provides an institutional explanation for the expansion of provincial tax-credit capacity: provinces acquired substantially greater discretion to design their own credits. Institutional capacity, however, does not by itself explain why governments chose to exercise that discretion. The literature also identifies political incentives that may help explain governments' use of tax expenditures. Tax expenditures can be a politically practical alternative to direct spending because they allow governments to deliver benefits through the tax system while avoiding some of the visibility associated with traditional program expenditure. This logic is central to Howard's (1997) concept of the "hidden welfare state," which describes how social policy objectives can be pursued through the fiscal system in ways that are less visible to the public than direct spending programs. As Howard notes, "few people connect tax expenditures with social policy, believing instead that these loopholes benefit only powerful corporations and wealthy individuals" (Howard, 1997, p. 3).

This political appeal is also emphasized by von Haldenwang et al. (2021), who argue that tax expenditures allow governments to "spend without spending." Governments seeking to present themselves as fiscally restrained can provide targeted relief to preferred groups while avoiding some of the political criticism associated with new expenditure programs. Similarly, governments committed to tax reduction or smaller government can use tax expenditures to deliver subsidies or benefits while sustaining the appearance of limiting the size of the state. In this sense, tax expenditures are politically flexible: they can serve both governments seeking to expand support discreetly, and governments seeking to frame policy intervention as tax relief rather than spending.

**Accounting Treatment of Tax Credits**

The public finance literature examines how tax credits are treated in government financial reporting. In Canada, provincial public accounting practices follow Public Sector Accounting Board (PSAB) standards which set the reporting criteria and guidelines for tax revenues and related refundable and non-refundable tax credits. Specifically, section PS 3510 of PSAB standards entitled "Tax Revenue" provides the authoritative guidance on how to recognize and report tax revenues in public accounting documents. PS 3510 provides guidance for distinguishing between tax concessions and transfers made through the tax system. Tax concessions are defined as "preferential provisions of the tax law that are only available to taxpayers and can include exemptions, deductions, deferrals and credits that affect the level and distribution of tax" (BDO Canada, 2013).

Tax concessions are not recognized as expenses. Rather, tax revenue is reported net of the concession, and the concession is therefore embedded within the reported revenue amount. Consequently, the financial statements do not necessarily present either a separate aggregate cost of tax concessions or the cost of individual concessions. Transfers made through the tax system are treated differently: they are recognized as expenses rather than reductions in tax revenue. Transfers delivered through the tax system must be recognized as expenses, not reductions in tax revenue. Governments must disclose their costs in public accounting documents. PS 3510 defines transfers made through the tax system as "financial benefits provided or determined through a tax system that are made for a purpose other than the relieving of taxes previously paid or currently owing" (BDO Canada, 2013).

PS 3510's scope does not mandate any detailed public disclosure of the aggregate amount of tax concessions within public reporting documents. The British Columbia Auditor General report bluntly states, "there is no requirement in accounting standards or legislation for the government to disclose tax expenditures [referring to tax concessions] in either its budget or its financial statements" (Office of the Auditor General of British Columbia, 2018). In other words, a government's annual financial report will show tax revenues net of any credits or exemptions, but unlike direct spending programs, it typically will not itemize how much revenue was forgone due to each credit or deduction.

The standard prohibits "grossing up" tax revenue for tax concessions, meaning a government cannot, in its audited statements, report tax revenue as if it collected all taxes before credits and then show an expense for the credits (except in the case of refundable credits, which are treated as transfers). This approach avoids overstating both revenues and expenses, but it has the side effect that most tax expenditures remain implicit in the financial reports. A reader of the financial statements will see only net tax revenue. Unless there are notes or separate schedules (which PSAB does not require), readers cannot determine how much revenue was forgone through a specific credit.

The adequacy of PSAB standards in this area has been a subject of discussion among public finance experts. On one hand, PS 3510 enforces clarity and consistency in accounting for tax credits, which is crucial for comparability across jurisdictions. On the other hand, simply netting most tax expenditures against revenue (with no required note detailing them) can make government programs delivered through the tax code less visible and subject to less scrutiny than direct spending programs (Kleinbard, 2010).

The Office of the Auditor General of Canada has pointed out that tax-based expenditures, being statutory and often open-ended, bypass the annual appropriation process that Parliament or legislatures use to review spending (Auditor General of Canada, 2015). They affirm that tax expenditures should be reported alongside spending with future cost projections and evaluations to support oversight. The Auditor General welcomed the inclusion (since 2012–13) of the federal tax expenditures report at the time of the budget estimates, noting it as a "step in the right direction" (Office of the Auditor General of Canada, 2015, p. 6).

However, the literature does not show that transparency alone would reduce the number or cost of tax expenditures. A stronger governance claim is that reporting creates the conditions for review. Heady and Mansour (2019), for example, argue that reporting allows governments and legislatures to identify the policy objectives pursued through the tax system and the fiscal cost of those measures. OECD work on budget institutions similarly argues that disclosure of tax expenditures creates a focal point for analysis, supports parliamentary oversight, and invites scrutiny from auditors and fiscal councils (OECD, 2025).

Redonda and Neubig (2018) emphasize that tax expenditure reports should identify the policy purpose, duration, intended beneficiaries, and estimated cost of major measures. Redonda, von Haldenwang, and Berg (2023) similarly argue that weak or non-existent reporting increases the risk that tax expenditures remain opaque and receive less scrutiny than direct spending. Lester's (2012) analysis makes the same point in institutional terms: federal tax expenditures should be integrated into the expenditure management system through departmental responsibility, strategic reviews, and evaluation requirements.

In this sense, transparency should be understood as a necessary prerequisite for meaningful oversight and potential reform. Reporting makes tax expenditures visible, but reductions or reforms depend on whether governments pair disclosure with formal review mechanisms, departmental accountability, and regular evaluation.

**Behavioural Analysis and Distributional Structure of Tax Credits**

Another strand of tax credit literature examines the economic, distributional, and behavioural effects of tax credits. Economists have frequently raised concerns about the regressive structure of non-refundable credits, which disproportionately benefit higher income individuals who have sufficient tax liability to claim the full amount. For example, when investigating federal non-refundable clean-energy credits in the United States, Borenstein and Davis provide non-refundability as an explanation for low credit amounts among lower income quintiles (Borenstein & Davis, 2015). Joanne Sauder's 2014 evaluation of the Saskatchewan Fitness Tax Credit also raised equity concerns in relation to income, finding greater percentages of claimants belonged to higher income classifications. (Sauder, 2014)

Macdonald's (2017) analysis of federal personal income tax expenditures in Canada reinforces this point at a broader scale. Examining 64 federal personal income tax expenditures, Macdonald finds that most benefits flowed to the upper half of income earners, with only a small number of measures primarily benefiting the lower half of the income distribution. This analysis is useful because it shifts attention from the objective of a tax expenditure to its actual distributional outcome. A tax credit may be justified on the basis of education, savings, caregiving, health, or investment, but its benefits may still be concentrated among taxpayers with higher incomes. This is especially relevant for non-refundable credits, since low-income individuals may be eligible in principle but unable to claim the full value.

Similarly, Batchelder et al. (2006) point out the "fluctuation penalties" for people with variable incomes. They pay higher taxes in high-income years but don't get equivalent relief in low-income years (when income is low and there's no tax liability; a non-refundable credit provides little to no benefit). In contrast, refundable credits can smooth out support and make credits more equitable and effective. Stevens and Simpson draw similar conclusions, noting that an important part of the problem with the existing set of federally offered non-refundable tax credits (as it relates to elements of equity) is that they provide "limited assistance to the low-income families most in need of assistance" (Stevens & Simpson, 2017, p. 120). A case study of the poor targeting of tax credits was evaluated by Neill and Snoddon's (2022) study of the elimination of Ontario's Tuition and Education tax credits, whose benefits are aimed at post-secondary students. The pair note how these credits were "provided at best eight months after [tuition] fees became due, and sometimes only after graduation" (Neill & Snoddon, 2022, p. 608), reinforcing how structurally, despite sound policy objectives, tax credits can miss the mark in execution.

**Tax Credits as Fiscal Multipliers**

Up to this point, the literature shows that tax credits can be understood as spending-like instruments delivered through the tax system. They allocate public resources, subsidize selected activities, and distribute benefits to households and firms. However, the equivalence between tax credits and direct spending is incomplete. Tax credits may resemble expenditures from the perspective of budgetary cost and public accountability, but they are not necessarily equivalent to direct expenditures from the perspective of macroeconomic stabilization. The relevant question is whether personal and corporate income tax measures, including tax credits, produce the same effect on real output as other forms of fiscal stimulus.

The fiscal multiplier literature helps explain this distinction. A fiscal multiplier measures the change in output associated with a dollar change in government spending, tax reduction, or transfer. Batini et al. (2014) emphasize that multipliers vary by policy instrument, economic conditions, monetary policy, and the state of the business cycle. Whalen and Reichling (2015) similarly argue that the size of the multiplier depends partly on the direct effect of a fiscal measure on aggregate demand. Direct government spending enters demand relatively quickly through purchases, wages, capital projects, and program expenditures. Many tax credits, however, work through a more indirect behavioural chain. The taxpayer must first receive the benefit, and then decide whether to spend, save, or invest the gain.

This is why the literature shows that broad tax-based measures often have weaker short-run multipliers than direct expenditures. Zubairy (2010), for example, estimates that government spending has a larger immediate multiplier than tax cuts, although tax measures may build over time through investment channels. This point is reflected in Canadian policy sources. For example, in Budget 2016, when assigning fiscal multipliers, Finance Canada assigned higher multipliers to housing and infrastructure related measures than personal income tax measures, noting that "while a reduction in personal income taxes results in a dollar-for-dollar increase in household disposable income, it does not immediately translate into higher spending" (Department of Finance Canada, 2016). More recent Parliamentary Budget Officer's estimates follow a similar ranking, with infrastructure and low-income household measures producing larger first-year effects than personal and corporate income tax measures (Parliamentary Budget Officer, 2024).

The implication of this strand of literature is not to assign Manitoba's tax credit regime to one overall fiscal multiplier; the regime is too heterogeneous for that. A low-income refundable credit, a broad non-refundable credit, a property tax credit, and a corporate investment credit all operate through different channels. The size of the multiplier for individual tax credits within Manitoba's regime would depend on key design features such as refundability, targeting, timing, and whether they support consumption, investment, or activities that would have occurred anyway.

## Chapter 3: Data and Methods

This chapter sets out the data and methods used to study the growth, structure, and reporting of Manitoba's tax credit regime. The study has two objectives. The first is to measure and describe how Manitoba's tax credit regime has changed over the past two decades. The second is to examine how accounting standards and reporting practices affect the way these measures appear in Manitoba's public fiscal documents. To address these objectives, the chapter outlines the research design, then describes the dataset, classification approach, quantitative methods, and comparative document review.

The study combines longitudinal fiscal analysis with institutional and comparative document analysis. The quantitative analysis examines tax credits as fiscal measures whose size, composition, and reported cost can be tracked over time. Because tax credits differ in design and accounting treatment, the study separates Manitoba's regime into three categories: the standard non-refundable block of personal income tax credits, province-specific personal tax credits, and corporate tax credits. This classification reflects differences in design, administration, and fiscal interpretation. The standard non-refundable block is closely connected to the structure of the personal income tax system, while province-specific personal credits and corporate credits are more closely linked to discretionary policy choices.

The document analysis draws on the tax expenditure literature and public sector accounting materials. It examines Manitoba's reporting practices in relation to Public Sector Accounting Board standards, especially the distinction between tax concessions and transfers delivered through the tax system. The chapter also uses a comparative jurisdictional scan to assess how Manitoba's reporting practices compare with those in other Canadian provinces. The purpose of this comparison is not to rank provinces, but to identify practices that make tax credits more visible and to show where Manitoba's current reporting framework leaves gaps.

The main dataset was obtained from Manitoba Finance through a request under The Freedom of Information and Protection of Privacy Act. The dataset is an Excel file containing annual information on personal and corporate income tax credits delivered through the tax system. For most credits, the dataset covers the 2003 to 2023 tax years. For personal credits, it includes both reported dollar amounts and the number of claimants. For corporate credits, it includes reported dollar amounts. The dataset captures nearly all personal and corporate tax credits offered during the period of study, with three identified omissions; the riparian tax credit (offered from 2003 to 2018), adoption expenses, and the allowable amount of medical expenses for other dependants were the only three tax credits identified as being omitted from the retrieved dataset. With these exceptions, the dataset provides the basis for measuring the growth and composition of Manitoba's income tax credit regime.

Several adjustments and interpretive cautions are required before the data can be used. First, all monetary values are converted into real terms using the Consumer Price Index for Canada, all-items, with 2002 as the base year to distinguish nominal increases from inflation-adjusted growth. Second, the dataset is disaggregated according to the study's three-part classification framework: the standard non-refundable block, province-specific personal credits, and corporate credits. Within each category, descriptive statistics and graphical analysis are used to examine trends in reported cost, number of credits, number of claimants where available, and program composition. Year-over-year decomposition is then used to identify the largest contributors to changes in aggregate costs.

The most important limitation concerns the interpretation of the standard non-refundable block. The dollar values associated with the standard non-refundable block do not necessarily represent net fiscal cost to government. Instead, they reflect the value of credits claimed before accounting for whether taxpayers had enough tax payable to use the full amount. For this reason, the analysis distinguishes between "credits available" and realized fiscal cost. Non-refundable credit values are interpreted as indicators of structural scale, tax base coverage, and distribution rather than as precise measures of revenue foregone. Province-specific personal credits and corporate credits are treated differently, since the reported values reflect realized costs to government.

The Basic Personal Amount (BPA) is an example of why these distinctions matter. The BPA allows taxpayers to earn a basic level of income before provincial income tax applies. In 2023, Manitoba's BPA was $15,000. In the dataset, the BPA appears as approximately $16.2 billion in claimed credit amounts, or about $1.7 billion after applying Manitoba's 10.8 per cent non-refundable credit rate. The dataset also records approximately 1.1 million claimants, producing an average claim close to $15,000. However, this should not be interpreted as a $1.7 billion fiscal cost. Some filers had taxable income below $15,000 and therefore could not use the full value of the credit. The BPA figures are therefore best understood as a measure of the credit's structural scale within the personal income tax system, not as a precise estimate of revenue forgone.

Other data considerations relate to timing and structure. For most tax years, the dataset includes in-year assessments and late assessments processed up to December 31 of the following processing year. For example, 2022 tax-year data include filings processed up to December 31, 2024. The 2023 tax-year data are an exception because the full assessment window had not yet closed when the data were extracted; these values are current to June 2025. In the dataset, "N/A" indicates that a credit was not available to claim in a given year. For corporate tax credits, reported amounts reflect claims attributed to the current tax year, including adjustments related to prior taxation years.

The qualitative analysis is based on a review of Manitoba's budgets, Public Accounts, and Estimates of Expenditure. These documents are examined to determine how tax credits are classified, aggregated, and disclosed within Manitoba's financial reporting framework. Particular attention is paid to whether credits appear as revenue reductions or expenditure items, how they are allocated across appropriations, and whether they are itemized or reported in aggregate. This analysis is guided by PSAB's distinction between tax concessions and transfers made through the tax system.

To place Manitoba's practices in context, the study also conducts a jurisdictional scan of public budget documents, Public Accounts, and tax expenditure reports from other Canadian provinces. Each jurisdiction is assessed based on whether it reports transfers made through the tax system, tax concessions, and the standard non-refundable block, as well as the level of detail and consolidation in its reporting. This comparison provides a basis for identifying transparency gaps and potential improvements to Manitoba's reporting framework.

Together, these methods allow the study to connect empirical trends in tax credit growth with the accounting and reporting practices that shape how those trends are observed. The quantitative analysis measures the size, composition, and evolution of Manitoba's tax credit regime, while the qualitative analysis explains why some parts of that regime are more visible in public documents than others.

# Chapter 4: Analysis of Manitoba's Tax Credit Regime

## Introduction

Tax credits have become increasingly important mechanisms for delivering public expenditure, targeted economic incentives, and household tax relief through the provincial tax system. Taken collectively, these measures represent a substantial fiscal commitment, although their fiscal interpretation differs across credit types. Some are recorded as realized expenditures, while others appear as credits available or revenue reductions rather than direct fiscal costs. In the 2025 tax year, Manitoba offered 61 tax credits: 49 personal tax credits and 12 corporate tax credits. Of the 49 personal credits, 25 form the standard non-refundable block and are calculated using Manitoba's lowest personal income tax rate of 10.8 per cent. The remaining 24 are classified as province-specific or other non-block personal credits.

The purpose of this section is to quantify the components of Manitoba's tax credit regime and establish a clear analytical classification framework for the dataset examined in this study. This provides a basis for assessing growth and for grouping credits into analytically useful categories. To that end, this study places tax credits in three core categories: the standard non-refundable block of personal tax credits, the province-specific personal tax credits, and the corporate tax credits.

## The Standard Non-Refundable Block

The credits referred to in this study as 'the standard non-refundable block' share a distinct institutional origin and calculation method that make them distinct from all the other personal tax credits, referred to here as province-specific personal credits. The origin of the standard non-refundable block is rooted in the federal–provincial Tax Collection Agreements (TCAs), which govern the administration of provincial income taxes in Canada. Under these agreements, provinces are required to adopt the federal definition of taxable income, referred to as the "Common Tax Base", as determined under Part I of the federal Income Tax Act. As a result, provinces are largely constrained from altering the tax base directly. Instead, provincial tax policy must operate within a framework in which deviations from the common base occur primarily through the use of tax credits.

The TCA recognizes this structure by defining a "Provincial Non-Refundable Tax Credit Block," consisting of a set of tax programs that either mirror federal non-refundable credits or follow a harmonized structure with provincially determined parameters (Government of Manitoba & Government of Canada, 2004). These credits are grouped into categories based on whether they are identical to federal provisions, share the same structure but differ in value, or maintain similar policy intent with modified eligibility criteria. Importantly, the agreement stipulates that provincial tax measures should not materially alter the common tax base except through the provision of relief by way of a credit. This institutional constraint effectively channels provincial tax policy into the design and modification of tax credits, rather than changes to the underlying tax base itself.

In practical terms, this framework explains why the non-refundable block exhibits a high degree of structural stability over time. These credits are administered through the personal income tax system on form MB428 and are calculated by multiplying their nominal values by Manitoba's lowest marginal income tax rate (currently 10.8 per cent). While provinces retain some flexibility to adjust the parameters of these credits, such as increasing the base value of one of the credits within the block, their underlying structure remains closely tied to the federal system. As a result, the non-refundable block functions as a cohesive and institutionalized component of the provincial tax system, rather than a collection of independently designed policy instruments.

This institutional origin distinguishes the non-refundable block from province-specific tax credits, which operate outside the constraints of this harmonized framework. Unlike the block credits, province-specific credits are not bound in the same way to federal equivalents and are instead designed as more discrete policy tools targeting specific economic or social objectives. While the non-refundable block reflects the legacy of federal–provincial tax harmonization and administrative efficiency, province-specific credits reflect a greater degree of provincial autonomy.

It should be noted that non-refundability alone is not sufficient to classify a credit as part of the non-refundable block. As shown in later sections, several non-refundable credits exist outside of the non-refundable block, despite sharing the same refundability status. Rather, the defining characteristics of the non-refundable block are its institutional origin within the TCA framework, its method of calculation, and its administration as part of a harmonized set of credits embedded within the personal income tax system.

**Personal Tax Credits**

Tables 1 and 2 present Manitoba's 49 personal income tax credits offered in the 2025 tax year, organized by refundability. The tables highlight the first structural distinction within personal tax credits: those that are refundable and may generate payments to claimants even in the absence of tax liability, and credits that are non-refundable and may only reduce tax otherwise payable.

**Table 1: Manitoba Non-Refundable Personal Tax Credits, 2025 Tax Year**

| | |
|---|---|
| **1** | Basic personal amount |
| **2** | Age amount |
| **3** | Spouse or common-law partner amount |
| **4** | Amount for an eligible dependant |
| **5** | Amount for infirm dependant age 18 or older |
| **6** | CPP/QPP contributions |
| **7** | CPP/QPP contributions (self-employed) |
| **8** | Employment insurance premiums |
| **9** | Employment insurance premiums (self-employed) |
| **10** | Volunteer firefighters' amount |
| **11** | Search and rescue volunteers' amount |
| **12** | Fitness amount |
| **13** | Children's arts amount |
| **14** | Adoption expenses |
| **15** | Pension income amount |
| **16** | Caregiver amount |
| **17** | Disability amount for self |
| **18** | Disability amount transferred from a dependant |
| **19** | Interest paid on your student loans |
| **20** | Tuition and education amounts |
| **21** | Tuition and education amounts transferred from a child or grandchild |
| **22** | Amounts transferred from your spouse or common-law partner |
| **23** | Family tax benefit |
| **24** | Medical expenses |
| **25** | Allowable amount of medical expenses for other dependants |
| **26** | Donations and gifts |
| **27** | Dividend tax credit |
| **28** | Political contributions tax credit |
| **29** | Labour-sponsored funds tax credit |
| **30** | Foreign tax credit |
| **31** | Small business venture capital tax credit |
| **32** | Mineral exploration tax credit |
| **33** | Minimum tax carryover |
| **34** | Odour control tax credit |

*Note.* Compiled by author from Canada Revenue Agency Form MB428, *Manitoba Tax*.

For classification purposes, ‘personal-return credit’ refers to a credit claimable through the individual income tax system; it does not necessarily imply that the credit is household-oriented. Individuals carrying on unincorporated businesses may claim certain business-oriented credits through the T1 system. Some of these programs may also have corporate claimants and therefore appear in both the personal- and corporate-return inventories.

The non-refundable credits consist primarily of broad-based income tax offsets and demographic relief measures. These include foundational elements of the personal income tax base, such as the BPA, as well as credits recognizing family status, age, disability, pension income, and statutory contributions such as Canada Pension Plan and Employment Insurance premiums. Because these credits cannot reduce tax liability below zero, their fiscal impact depends on the claimant’s level of taxable income.

**Table 2: Manitoba Refundable Personal Tax Credits, 2025 Tax Year**

| | |
|---|---|
| **1** | Personal tax credit |
| **2** | Homeowners affordability tax credit |
| **3** | Renters affordability tax credit |
| **4** | Seniors school tax rebate |
| **5** | Primary caregiver tax credit |
| **6** | Fertility treatment tax credit |
| **7** | Paid work experience tax credit |
| **8** | Green energy equipment tax credit (manufacturer) |
| **9** | Green energy equipment tax credit (purchaser) |
| **10** | Book publishing tax credit |
| **11** | Cultural industries printing |
| **12** | Community enterprise development |
| **13** | Teaching expense tax credit |
| **14** | Rental housing construction tax credit |
| **15** | Employee share-purchase tax credit |

*Note.* Compiled by author from Canada Revenue Agency Form MB479, *Manitoba Credits*.

Many province-specific refundable credits are targeted policy measures tied to a qualifying expenditure, activity, or circumstance. Refundability allows the value of the measure to be received even where the claimant has little or no current tax liability. For business investment credits, this can extend the incentive to new, loss-making, or capital-intensive firms that incur eligible expenditures before generating taxable profits; for household credits, refundability can similarly allow benefits to reach lower-income claimants with limited tax liability. In this respect, refundable credits can operate more like transfers or direct subsidy programs than conventional reductions in taxes otherwise payable.

**Corporate Tax Credits**

Table 3 presents Manitoba's 12 corporate tax credits offered in the 2025 tax year, categorized by refundability. Unlike the personal income tax system, there exists no institutional equivalent to the non-refundable block for corporate credits; they are all province-specific in design and operate as discrete policy instruments within Manitoba's corporate tax framework.

**Table 3: Manitoba Corporate Income Tax Credits, 2025 Tax Year**

| Tax Credit | Refundability |
|---|---|
| Manufacturing Investment | 7% Refundable / 1% Non-refundable |
| Film and Video Production | Refundable |
| Research and Development | Refundable |
| Rental Housing Construction Incentive | Refundable |
| Paid Work Experience | Refundable |
| Interactive Digital Media | Refundable |
| Small Business Venture Capital | Non-Refundable |
| Cultural Industries Printing | Refundable |
| Book Publishing | Refundable |
| Child Care Centre Development | Refundable |
| Green Energy Equipment | Refundable |
| Community Enterprise Development | Refundable |

*Note.* Compiled by author from Canada Revenue Agency Form T2SCH5, *Tax Calculation Supplementary – Corporations*.

A defining feature of Manitoba's corporate tax credit regime is the predominance of refundability. Apart from the non-refundable Small Business Venture Capital Tax Credit and the partially refundable Manufacturing Investment Tax Credit, all corporate credits are generally refundable. This means that eligible corporations may receive payments even if their corporate income tax liability is insufficient to absorb the full value of the credit. As a result, most corporate tax credits function less as tax reductions and more like expenditure-like incentives delivered through the tax system.

The credits are designed to influence investment, production, and economic development. Several support capital formation and industrial activity, while others promote specific industries such as film, video games, book publishing, and printing. Additional credits aim to address broader economic objectives, including rental housing construction, child care centre development, and community enterprise investment.

**Quantitative Analysis of the Standard Non-Refundable Block**

The non-refundable block is the set of personal non-refundable income tax credits administered through the federal–provincial tax-on-income framework, calculated by multiplying applicable nominal amounts by Manitoba's lowest marginal tax rate, and reported collectively on form MB428. For the 2025 tax year, Manitoba had 25 tax credits in the non-refundable block (see Table 4).

Credits within the non-refundable block provide for a wide range of policy goals, from general tax relief (e.g. BPA) to demogrant credits (e.g. age amount, amount for eligible dependant, pension amount), to boutique credits (e.g. fitness amount, children's arts amount, tuition and education amounts). As non-refundable credits, they can only reduce an individual's tax liability to zero, not generate a refund. A brief description of each credit is provided in Appendix A. This section quantifies growth of the non-refundable block over time, measured by both number of credits offered and amounts of credits generated.

**Table 4: Tax Credits in the Standard Non-Refundable Block, 2025 Tax Year**

| No. | Tax Credit |
|---|---|
| 1 | Basic personal amount |
| 2 | Age amount |
| 3 | Spouse or common-law partner amount |
| 4 | Amount for an eligible dependant |
| 5 | Amount for infirm dependant age 18 or older |
| 6 | CPP/QPP contributions |
| 7 | CPP/QPP contributions (self-employed) |
| 8 | Employment insurance premiums |
| 9 | Employment insurance premiums (self-employed) |
| 10 | Volunteer firefighters' amount |
| 11 | Search and rescue volunteers' amount |
| 12 | Fitness amount |
| 13 | Children's arts amount |
| 14 | Adoption expenses |
| 15 | Pension income amount |
| 16 | Caregiver amount |
| 17 | Disability amount for self |
| 18 | Disability amount transferred from a dependant |
| 19 | Interest paid on your student loans |
| 20 | Tuition and education amounts |
| 21 | Tuition and education amounts transferred from a child or grandchild |
| 22 | Amounts transferred from your spouse or common-law partner |
| 23 | Family tax benefit |
| 24 | Medical expenses |
| 25 | Allowable amount of medical expenses for other dependants |

*Note.* Compiled by author from Canada Revenue Agency Form MB428 Manitoba Tax.

A breakdown of the credits available and number of claimants of these credits is provided in Table 5. By a vast margin, the BPA comprises most of total credits available to claim, totaling roughly $1.7 billion. As previously stated, the BPA protects a threshold of income from tax. The second largest credit is Canada Pension Plan contributions for non-self-employed individuals at $133 million worth of credits available to claim and third is the age amount at $54 million worth of credits available to claim.

**Table 5: Non-Refundable Block Credits: Credits Available and Number of Claimants, 2023 Tax Year**

| | Credit | Credits Available | Number of claimants | Share of credits |
|---|---|---|---|---|
| 1 | Basic personal amount | $1,746,388,956 | 1,083,681 | 77.11% |
| 2 | CPP/QPP contributions - T4 | $133,395,745 | 614,215 | 5.89% |
| 3 | Age amount | $54,167,583 | 173,472 | 2.39% |
| 4 | Tuition and education amount self | $53,988,389 | 72,659 | 2.38% |
| 5 | Disability amount self | $51,271,781 | 76,724 | 2.26% |
| 6 | Spouse amount | $47,765,780 | 60,855 | 2.11% |
| 7 | Employment insurance premiums | $45,177,467 | 631,837 | 1.99% |
| 8 | Eligible dependant | $40,283,833 | 42,022 | 1.78% |
| 9 | Pension amount | $22,607,742 | 212,983 | 1% |
| 10 | Family tax benefit | $17,826,683 | 553,047 | 0.79% |
| 11 | Disability from dependant | $17,195,430 | 17,746 | 0.76% |
| 12 | Tuition transferred from child | $8,053,773 | 14,930 | 0.36% |
| 13 | CPP/QPP contributions – self-employed | $6,554,488 | 67,820 | 0.29% |
| 14 | Fitness amount | $3,225,613 | 48,195 | 0.14% |
| 15 | Caregiver amount | $2,054,816 | 5,832 | 0.09% |
| 16 | Tuition transferred from spouse | $1,679,885 | 4,193 | 0.07% |
| 17 | Children's arts amount | $993,761 | 16,414 | 0.04% |
| 18 | Medical expenses | $810,608 | 3,449 | 0.04% |
| 19 | Amount for infirm dependants age 18 or older | $310,202 | 763 | 0.01% |
| 20 | Interest paid on student loans | $114,010 | 1,574 | 0.01% |
| 21 | Volunteer firefighter amount and search and rescue | $54,432 | 168 | 0% |

*Note.* Adoption expenses and the allowable amount of medical expenses for other dependants are part of the standard non-refundable block but are not separately captured in the dataset. The volunteer firefighters' amount and search and rescue volunteers' amount are reported together. CPP/QPP contribution labels reflect the dataset categories.

Once again, it is worth clarifying that these findings do not necessarily mean, for example, that due to the BPA, the province forewent $1.7 billion in tax revenue. While approximately 1.1 million taxpayers in Manitoba claimed the BPA, individuals with incomes below its threshold would not have the tax liability to offset its full amount. It is unknown how much of the $1.7 billion is applied against tax owing. That said, exempting each taxpayer from paying any tax on the first $15,000 of earned income is bound to generate a considerable amount of tax relief.

**Figure 1: Non-refundable block, Credits Available (in Real 2023 Dollars)**

Deflated using Canada CPI (2002=100)

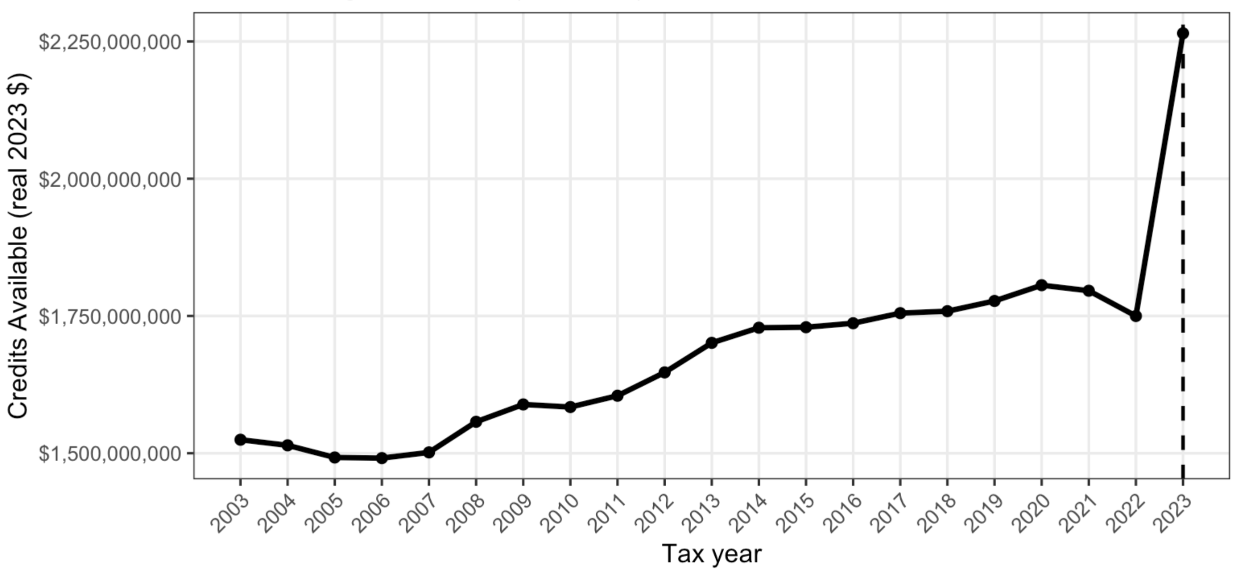


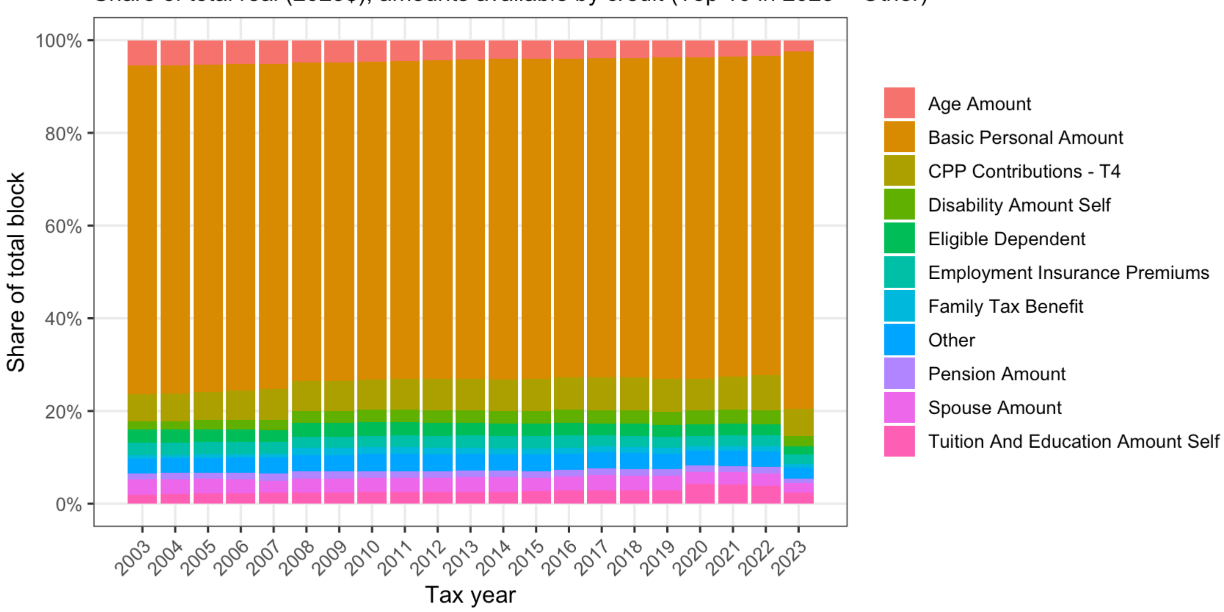

Figure 1 tracks the evolution of the total inflation-adjusted (2023 dollar) value of the non-refundable block from 2003 to 2023. The value of the block experienced modest, stable growth from 2007 to 2020, before decreasing slightly in 2021 and 2022 despite an increase in nominal growth due to higher rates of inflation. In 2023, however, the total value surged from roughly $1.75 billion to $2.25 billion, an unprecedented $500 million increase in a single year. To put this in perspective, the 2023 increase alone exceeded all cumulative growth over the previous twenty years combined. This spike is attributable to the amendments made under the Budget

Implementation and Tax Statutes Amendment Act, 2023, which raised the BPA from $10,855 to $15,000 in the 2023 tax year.

Figure 2 illustrates how the non-refundable block has remained structurally stable over time, with most of its composition consistently driven by a small number of large credits. Since the inception of the block, the BPA dominates the block, accounting for roughly two-thirds to three-quarters of total composition in most years. A second tier of credits (i.e. CPP contributions credit, age amount, pension amount, spouse amount, and disability amount) together accounts for most of the remaining cost. Each of these programs maintains a relatively stable share over time with relatively little change to their structure. The eligible dependant, employment insurance premiums, family tax benefit, and tuition and education amounts contribute only marginally to total composition.

**Figure 2: Composition of the Manitoba PIT Non-refundable Block Over Time**

Share of total real (2023$), amounts available by credit (Top 10 in 2023 + Other)




Notes: Non-refundable credit amounts are converted to a tax-reduction proxy using the 10.8% credit rate, then deflated using Canada CPI (2002=100). Bars sum to 100% each year.

The number of credits offered in the non-refundable block has not changed dramatically over the past two decades. In 2003, 20 credits in the block were offered. In 2007, the fitness amount was introduced; in 2011, the children's arts amount was introduced; and in 2015, the volunteer firefighter and search and rescue amounts were introduced.

The dollar benefit and indexation status of these credits are determined by policy decisions and legislation. As previously mentioned, the BPA was increased from $10,855 to $15,000 in the 2023 tax year. In 2024, the credit was income-tested and in 2025, indexation of the credit was paused, suggesting a high degree of dynamism in the credit. However, other credits in the block do not receive such attention. For example, the age and spouse amounts, as well as the fitness and children's arts amounts have not been changed in over 10 years.

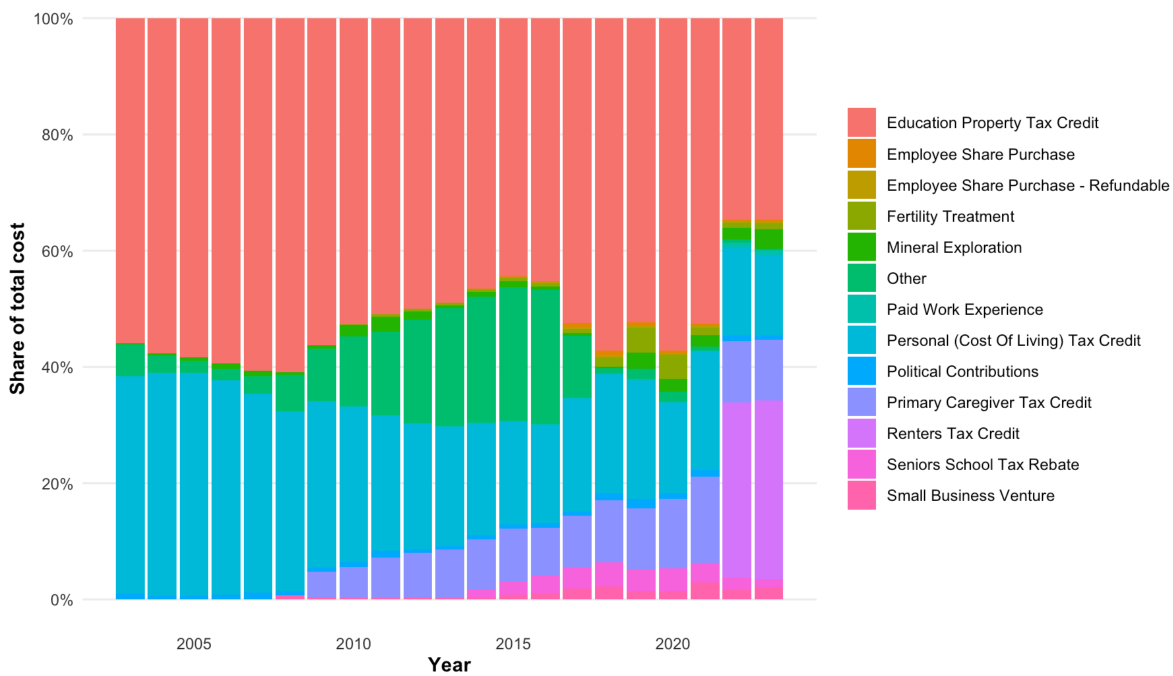
**Quantitative Analysis of the Province-Specific Personal Tax Credits**

Province-specific personal tax credits refer to Manitoba-specific credits outside the standard non-refundable block, including refundable and non-refundable credits designed for provincial policy objectives.  For example, the Homeowners Affordability Tax Credit and Renters Affordability Tax Credit offset costs associated with owning a home or renting an apartment, respectively. The Small Business Venture Capital Tax Credit, Community Enterprise Development Tax Credit, and Labour-Sponsored Funds Tax Credit facilitate investment in various businesses and funds. Others remain more targeted in scope. For example, the Fertility Treatment Tax Credit reduces the financial burden of expenses related to infertility, such as IVF, medications, and surrogacy costs, while tax credits such as the Cultural Industries Printing Tax Credit and the Book Publishing Tax Credit support specific creative and knowledge-based industries.

A brief description of each credit is provided in Appendix B. Collectively, province-specific tax credits operate as targeted expenditure programs delivered through the tax system. This section quantifies growth of this subset of credits over time, measured by both number of credits offered and real cost. This section also illustrates the volatile nature of this subset of credits which do not share the rigid, institutionalized qualities of the non-refundable block of credits. The number of province-specific tax credits offered over time increased from 6 to 19 from 2003 to 2016. From then on, the number of credits offered plateaued around 19-21 coinciding with the introduction and elimination of credits. For the 2025 tax year, the number of province-specific tax credits stands at 24.

The composition of the province-specific tax credits is illustrated in Figure 3. The figure highlights how a select number of credits assume most of the composition of all the province-specific tax credits. In the early years of the series, costs were highly concentrated in the Education Property Tax Credit and the Personal (Cost of Living) Tax Credit, which together accounted for nearly all expenditures. Although the Education Property Tax Credit remained the largest individual component throughout the period, its share declined from more than half of total costs in the early 2000s to roughly one-third by 2023. At the same time, the composition became increasingly diversified as the Primary Caregiver Tax Credit, Personal Tax Credit, Seniors' School Tax Rebate, and other smaller credits gained some, but still relatively limited importance. The most pronounced recent change was the rapid growth of the Renters Tax Credit, which represented approximately one-third of total costs by 2023 following a restructuring of housing-related tax credit support. Overall, the figure illustrates a shift away from a tax credit regime dominated by two broad measures toward a more diversified one in which costs are distributed across a wider range of targeted credits.

**Figure 3: Composition of Province-Specific Tax Credit Costs Over Time**
Share of total real cost: Top 12 credits in 2023 plus Other

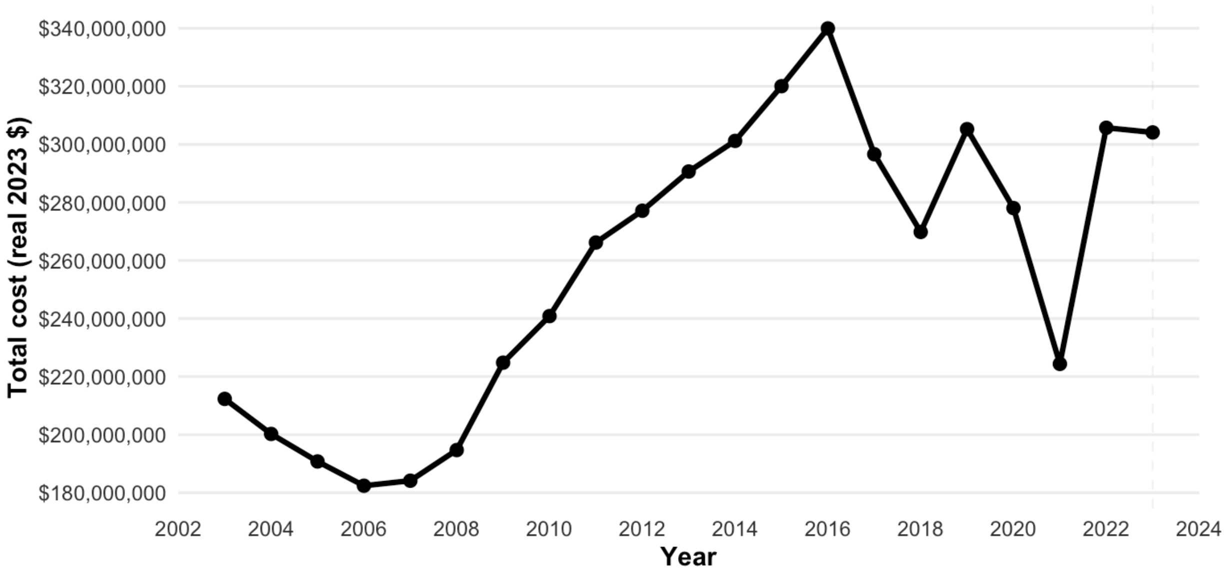



Notes: Bars sum to 100% each year; shares calculated using real 2023-dollar costs.

The real cost of province-specific tax credits is shown in Figure 4. The series is characterized by four distinct phases. First, the period from 2003 to 2007 exhibits moderate contraction in the real cost of several credits. Second, the expansionary period of sustained growth between 2008 and 2016 coincides with both the introduction and scaling-up of several province-specific credits. Third, the period from 2017 to 2021 is marked by heightened volatility, with large year-to-year swings in total costs not seen in previous years caused by the elimination and restructuring of high-cost credits. Finally, from 2022 onward, expenditures stabilize at a level below the 2016 peak but well above early-2000s levels, suggesting a brief period of policy stabilization.

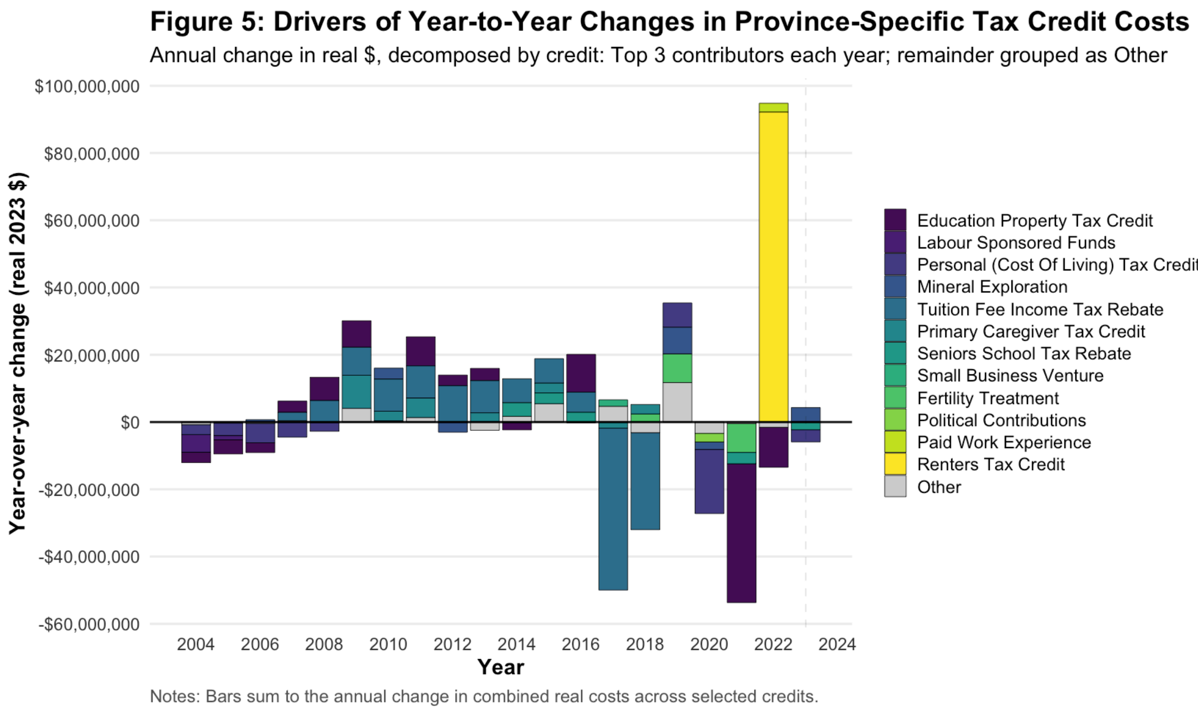
**Figure 4: Growth of Province-Specific Personal Tax Credits**

Inflation-adjusted using Canada CPI (2002=100)




Notes: Values are expressed in constant 2023 dollars.

Figure 5 provides a decomposition of annual changes in province-specific personal tax credit expenditures, revealing that year-to-year fluctuations are commonly the result of year-to-year fluctuations in the cost of a small number of high-cost programs. This trend suggests that changes in Manitoba's province-specific credits are episodic rather than gradual.




The early years of the series (2003 to 2006) are characterized by modest but persistent contraction (roughly $5 - $10 million per year) in province-specific tax credit expenditure. The decomposition indicates that these reductions were driven primarily by contractions in the Education Property Tax Credit (EPTC), the Labour-Sponsored Funds Tax Credit, and the Personal (Cost of Living) tax credit. The decrease in the EPTC is consistent with the reduction in Education Support Levy rates announced in Budget 2002, as lower school property taxes reduced the need for offsetting tax relief provided through the credit. Concurrent decreases in the other two credits reflect a combination of decreased uptake and inflation-adjustment effects. This period also corresponds to a phase of limited credit creation, during which the province limited the number of new credits introduced.

Beginning in 2007 and through 2016, the figure reflects a decade of uninterrupted expansion driven largely by cost increases in the EPTC, the Personal Tax Credit, and the Tuition

Fee Income Tax Rebate. In 2011, the real cost of these three credits collectively increased by roughly $25 million. Notably, the Tuition Fee Income Tax Rebate ranked among the top three contributors to annual growth for nine consecutive years.

After 2016, the series enters a period of sustained volatility. The sharp declines in 2017 and 2018 are driven overwhelmingly by the elimination of the Tuition Fee Income Tax Rebate, which grew to become one of Manitoba’s most expensive tax credit programs ($62 million in 2016). Then in 2019, the Personal Tax Credit, Mineral Exploration Tax Credit, and Fertility Treatment Tax Credit supported nearly $40 million of growth in this component of the regime. Once again, 2020 and 2021 represent a return to consecutive years of sharp contraction, due to income effects associated Personal Cost of Living Tax Credit and institutional changes associated with the EPTC, respectively.

Beginning in 2021, Manitoba introduced the Education Property Tax Rebate (EPTR) while proportionately reducing existing education-property-tax credits and rebates as the new rebate was phased in. Consequently, part of the decline observed in the income-tax-credit series reflects a change in the mechanism through which property-tax relief was delivered rather than an equivalent reduction in total provincial support. Provincial budget documents report EPTR expenditures by property class. Education Property Tax Rebates associated with residential-class properties totalled $179.3 million in 2021, $269.0 million in 2022, and $358.6 million in 2023, representing approximately 73, 77, and 79 per cent of total EPTR expenditures in those years, respectively. (Government of Manitoba, 2022). Therefore, while the reduction of the EPTC decreased education property tax related support by $41.2 million in 2021, the introduction of the EPTR supported $179.3 million of new property tax related support to residential properties.

Although the provincial aggregate data do not permit the residential rebate total to be divided precisely among owner-occupiers, rental-property owners, and corporate owners, previous analyses provide additional evidence on the distributional implications of the program. McCracken (2021) notes that renters did not receive EPTR payments directly while landlords could receive rebates associated with rental properties, while Zerbe (2022) emphasizes that the percentage-based structure generated larger dollar rebates for owners of more valuable properties. These studies help clarify the distributional implications of the program without providing a complete ownership-type decomposition of aggregate residential EPTR expenditures.

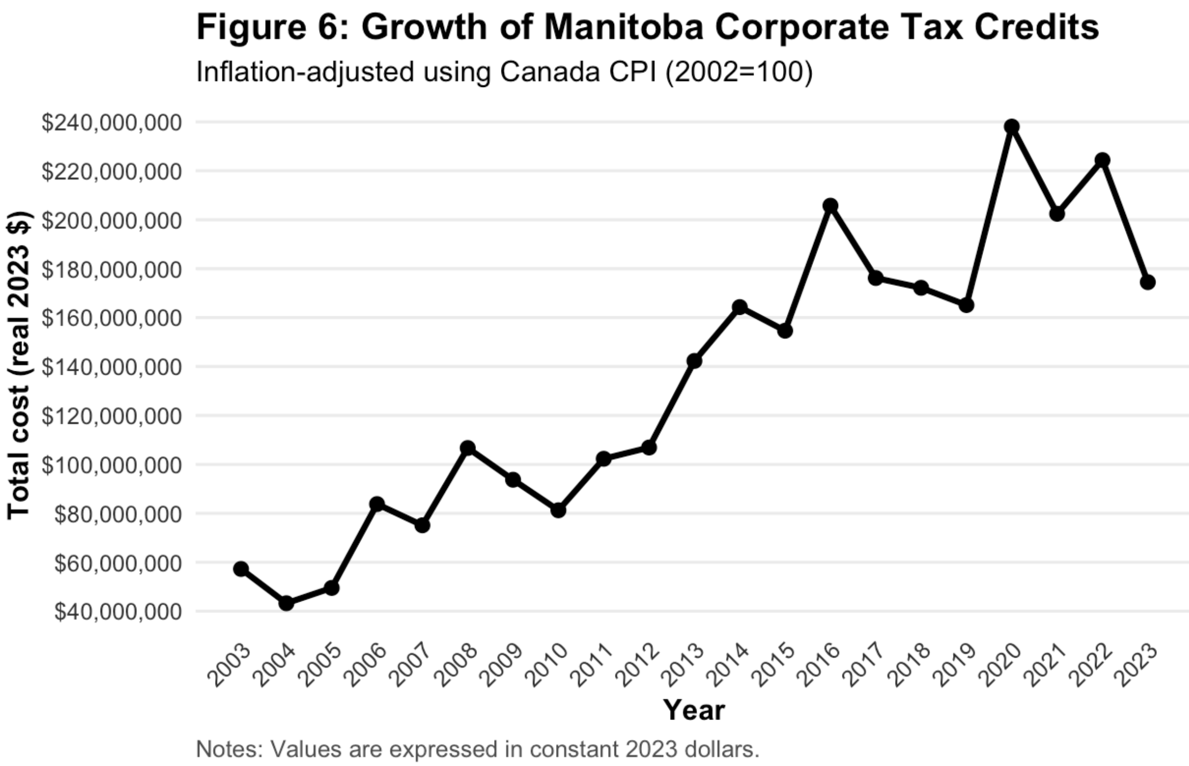
Furthermore, in 2022, the province separated the renters component of the EPTC and began to deliver it as a standalone credit, contributing $84 million in growth. Budget 2022 indicated that the new structure made up to 45,000 households newly eligible for the credit, including up to 11,000 non-EIA Rent Assist households and 34,000 social housing households (Government of Manitoba, 2022).

Overall, the province-specific component of the tax credit regime is demonstrably flexible, unlike the non-refundable block. Despite relatively smooth trends in the first 15 years of the series, since 2017 and the elimination of the Tuition Fee Income Tax rebate, the province has more than ever demonstrated the malleable nature of the province-specific credits. This is made most clear by the restructuring of the property and housing-related tax credits in the early 2020s, shuffling the delivery method and adjusting levels of support.

**Quantitative Analysis of the Corporate Tax Credits**

Corporate tax credits are a distinct component of the Manitoba tax credit regime. Unlike personal tax credits, there is no non-refundable block counterpart. As such, the structure of the corporate tax credit component is not an inherited result of a transition from a tax-on-tax system like the non-refundable personal credits, but the result of deliberate policy choices made by the province to incentivize firm behavior. These are found on form T2SCH5 *Tax Calculation Supplementary – Corporations*, and are overwhelmingly refundable, positioning them less as tools to reduce tax liability and more as targeted expenditure programs delivered through the tax system. A complete list and description of each corporate tax credit is provided in Appendix C. The purpose of this section is to quantify Manitoba's corporate tax credits and examine how they have evolved over the past two decades.

The corporate tax credits offered in the 2025 tax year are shown in Table 3. As mentioned previously, credits are designed to influence investment, production, and economic development. Figure 6 illustrates a clear long-run expansion in the real cost of Manitoba's corporate tax credits, rising from approximately $60 million in 2003 to roughly $180 million in 2023. In real terms, this represents an increase of nearly $120 million, or approximately a tripling of the corporate tax credit envelope over the two-decade period. This growth is, however, turbulent. In the series there are as many instances of contractions as there are increases.

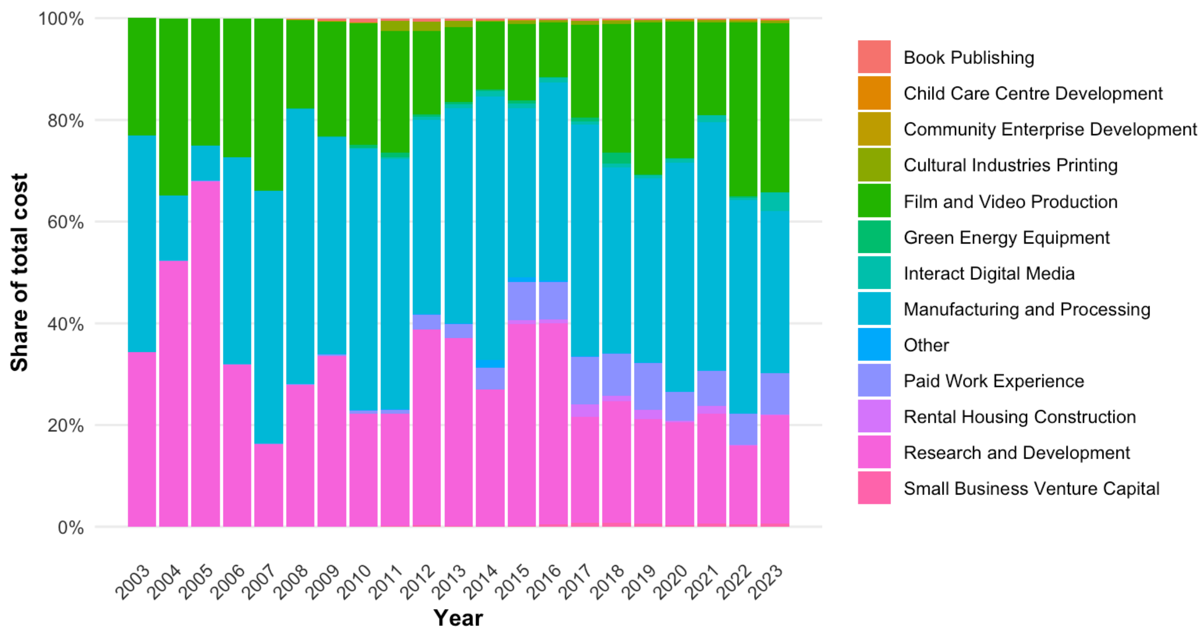



These credits have been in a sustained period of heightened volatility since 2015 where real costs have not stabilized for more than three years. The magnitude of these year-to-year changes, in the range of $30–75 million, suggests that the cost of corporate tax credits is driven by project-based claims rather than a natural growth pattern as industry slowly expands in the province. As such, while the overall trajectory is upward, the series reflects a regime extremely sensitive to the timing and scale of investments in the industries of which the credits support.

There exist three core credits which have assumed nearly all the cost of the entire regime since 2003; The Film and Video Production Tax Credit, the Manufacturing Investment Tax Credit, and the Research and Development Tax Credit (see Figure 7). Collectively, these three credits have assumed over 90 per cent of the total cost of Manitoba corporate tax credits in each year over the length of the series.

**Figure 7: Composition of Corporate Tax Credit Costs Over Time**

Share of total real cost (Top 12 credits in 2023 + Other)



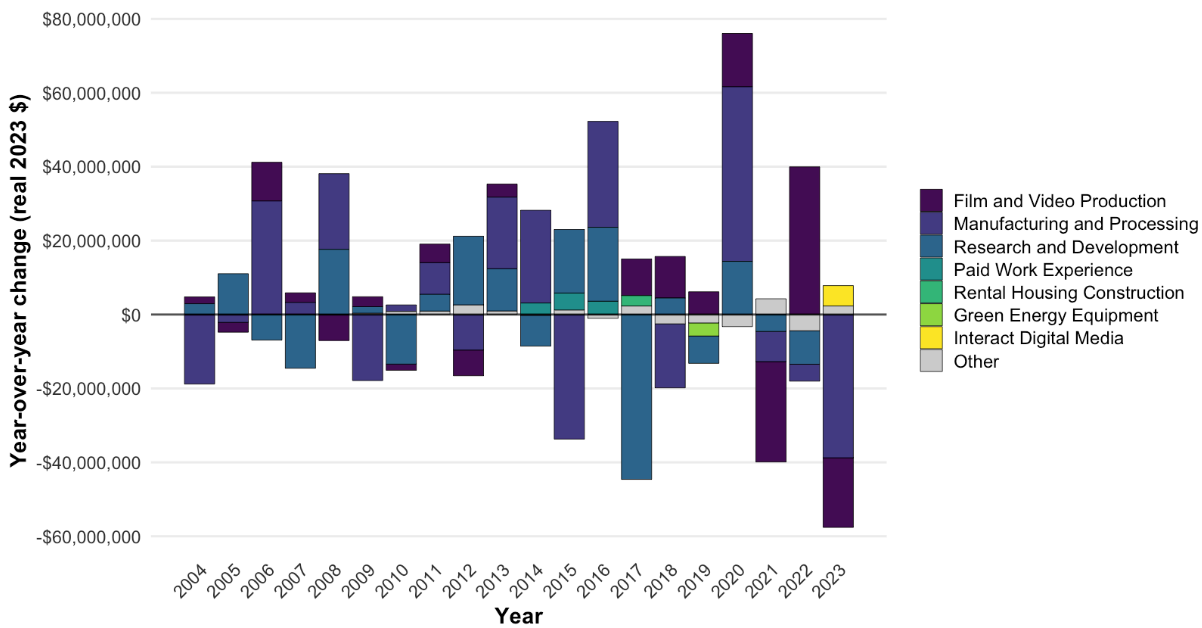

Notes: Bars sum to 100% each year; shares calculated using real (2023$) costs.

As such, changes in the aggregate cost of the regime typically occur due to changes in the claim amounts of these credits. Figure 8 below provides such analysis, demonstrating that year-to-year fluctuations are almost exclusively due to those three core credits, which repeatedly appear as the primary contributors to both increases and decreases over the period.

The increase observed in 2020 may appear counterintuitive given the economic disruption associated with the COVID-19 pandemic, however, much of the impact of the pandemic and resulting decrease in investment may have bled into 2021 since corporate tax years are associated with corporate fiscal year end dates. As a result, it is likely that reductions in the film and video production tax credit in 2021 are the result of pandemic-related disruptions in the film and video industry in 2020. Similarly, it’s likely that the increases in each of the core three credits in 2020 were due to eligible expenditures and activities incurred or performed prior to March 2020.

**Figure 8: Drivers of Year-to-Year Changes in Corporate Tax Credit Costs**

Annual change in real $, decomposed by credit (Top 3 contributors each year; remainder grouped as 'Other')




Notes: Bars sum to the annual change in combined real costs across the selected corporate credits.

Across the entire series, the Manufacturing and Processing Investment Tax Credit is a noticeable driver of volatility in the series, contributing to both large positive and negative changes in several years. The Film and Video and Production Tax Credit is also a major source of volatility in the latter years of the series. In particular, the credit contributes substantially to the sharp 2022 increase (approximately $40 million).

**Summary of Growth in Manitoba's Tax Credit Regime**

The preceding sections show that Manitoba's tax credit regime grew through several distinct channels. Table 6 summarizes this growth by comparing the scale and number of credits at the beginning and end of the study period and by placing the monetary values in relation to Manitoba's economy, income tax revenues, and total provincial expenditures. These comparisons distinguish growth in the absolute size of the regime from changes in its relative fiscal importance.

**Table 6: Summary of Growth in Manitoba's Tax Credit Regime, 2003–2023**

| Component | Measure | 2003 | 2023 | Change |
|---|---|---|---|---|
| Standard non-refundable block | Credits available, real 2023 dollars | ~$1.50B | ~$2.25B | **+$0.75B (+50.0%)** |
| Province-specific and corporate credits | Realized cost, real 2023 dollars | ~$0.28B | ~$0.48B | **+$0.20B (+71.4%)** |
| Standard non-refundable block | Number of credits offered | 20 | 25 | **+5 (+25.0%)** |
| Province-specific personal credits | Number of credits offered | 6 | 20 | **+14 (+233.3%)** |
| Standard non-refundable block | Credits available as % of GDP | ~2.6% | ~2.5% | **−0.1 pp** |
| Province-specific and corporate credits | Realized cost as % of GDP | ~0.5% | ~0.5% | **+0.1 pp** |
| Standard non-refundable block | Credits available as % of income-tax revenue | ~52.2% | ~38.8% | **−13.4 pp** |
| Province-specific and corporate credits | Realized cost as % of income-tax revenue | ~9.7% | ~8.3% | **−1.5 pp** |
| Standard non-refundable block | Credits available as % of total Manitoba expenses | ~11.5% | ~10.3% | **−1.2 pp** |
| Province-specific and corporate credits | Realized cost as % of total Manitoba expenses | ~2.1% | ~2.2% | **+0.1 pp** |

*Note*. Author's calculations. Tax-credit amounts and counts for 2003–2023 are derived from that dataset. Monetary values were converted to constant 2023 dollars using Statistics Canada Table 18-10-0005-01. GDP ratios use Statistics Canada Table 36-10-0222-01. Individual and corporation income tax revenue and total provincial expenses are from Manitoba's Annual Report and Public Accounts for the years ended March 31, 2003 and March 31, 2023. Standard non-refundable amounts represent gross credits available, not realized fiscal costs; province-specific personal and corporate amounts represent realized costs. Ratios were calculated using unrounded values.

Table 6 shows that Manitoba's tax credit regime expanded considerably in absolute terms, although its relative fiscal significance changed much less. The gross value of credits available through the standard non-refundable block increased from approximately $1.5 billion in 2003 to $2.25 billion in 2023, representing real growth of approximately 50 per cent. The realized cost of province-specific personal and corporate credits increased from approximately $280 million to

$480 million, or about 71 per cent. The increase was therefore substantial in real-dollar terms across both broad components of the regime.

These absolute increases should be considered alongside the relative measures. Province-specific personal and corporate credits remained close to one-half of one per cent of Manitoba's GDP and approximately 2 per cent of total provincial expenses. Their realized cost increased from approximately 2.1 per cent of provincial expenses in 2003 to 2.2 per cent in 2023. This suggests that the aggregate cost of these credits broadly kept pace with the expansion of the provincial expenditure base rather than consuming a rapidly increasing share of government resources. Nevertheless, an amount equal to approximately 2 per cent of provincial expenses remains a significant fiscal commitment, particularly because the measures are not presented together in Manitoba's public financial documents.

The growth in the number of credits indicates a different form of expansion. Whereas the relative fiscal size of the regime remained broadly stable, the number and variety of measures increased. The standard non-refundable block expanded only modestly, but the province-specific personal regime grew from 6 measures in 2003 to approximately 20 by the end of the empirical period and 24 by 2025. The regime therefore became more complex even where its aggregate cost did not grow substantially relative to the provincial economy or expenditure base. This distinction between fiscal scale and institutional complexity is important: Manitoba increasingly used a larger collection of separate tax measures to pursue household, social, environmental, and economic-development objectives.

# Chapter 5: The Accounting Treatment of Manitoba's Tax Credit Regime

## Introduction

A central goal of this study is to assess how Manitoba reports its tax credit costs, how those practices affect the public's ability to account for their cost and examine how the province compares to provincial counterparts. This section draws upon published Public Accounts documents to demonstrate that despite Manitoba's current tax credit reporting practices being compliant from an accounting perspective, assessing the fiscal impact of these measures remains difficult. Where Manitoba's reporting remains limited, other provinces have adopted practices that more clearly communicate the cost of tax-based measures to the public, researchers, and legislators. This section argues that the adoption of reporting practices that disclose the cost of these measures would increase the transparency of Manitoba's tax credit regime.

## The Manitoba Case

For 2024/25, Manitoba's Annual Reports and Public Accounts disclose approximately $730 million across three identifiable tax-credit and rebate-related sub-appropriations: the School Tax Rebate ($383 million), Income Tax Credits ($165 million), and Tax Credits, Fees and Other Costs ($182 million). This $730 million should not be interpreted as the total fiscal cost of Manitoba's tax-credit regime. Rather, it represents the amount visible within these identified expenditure categories. Tax concessions that are netted against tax revenue, as well as credits that may be recorded elsewhere in departmental accounts, are not consolidated within this amount.

These sub-appropriations are not equivalent in nature. The School Tax Rebate is a statutory expenditure, authorized directly through legislation and therefore reported separately from annually voted appropriations. By contrast, the remaining two sub-appropriations reflect different accounting treatments for tax credits rather than distinct policy instruments. The Income Tax Credits sub-appropriation consists of non-voted, non-cash expenditures. These credits are delivered through the tax system, reduce revenue, and do not require cash payments in-year. The Tax Credits, Fees and Other Costs sub-appropriation, however, captures cash-based payments and advances that require explicit legislative appropriation. While this distinction is meaningful from a budgetary and legislative perspective, it provides little to promote transparency.

Determining which tax credits are embedded within each sub-appropriation is not intuitive and requires cross-referencing the Estimates of Expenditure with Budget documents. For Budget 2024, the Estimates list seven tax credits comprising the Income Tax Credits sub-appropriation and a single tax credit comprising the Tax Credits, Fees and Other Costs sub-appropriation. Based on this analysis, it can be said that Manitoba's public accounting documents explicitly itemize just 8 of the province's 61 tax credits. It is unclear whether this appropriation captures all non-revenue-offset tax credits, or if they are expensed in other appropriations.

For example, several investment-focused tax credits intended to support small business growth, such as the Small Business Venture, Community Enterprise, and Employee Share Purchase Tax Credits, may instead be accounted for within the departmental expenditures of Manitoba Business, Mining, Trade and Job Creation. If so, this treatment is not clear. What is clear is that the fiscal costs associated with the remaining 53 tax credits are not regularly itemized or published in a consolidated or accessible manner, resulting in limited consolidated transparency in Manitoba's tax credit regime.

Manitoba's tax credit reporting framework has not always been characterized by low transparency. Prior to the issuance of Public Sector Accounting Board guidelines in the fall of 2011, there were no formal accounting guidelines for tax expenditures. Then, Manitoba approached tax expenditure reporting liberally, reporting both the cost of transfers made through the tax system and tax concessions. For example, Budget 2012 provides estimates for the standard non-refundable block (with limitations), province-specific personal tax credits, and corporate tax credits. This Budget notes that "tax expenditure accounts help to enhance the transparency of program expenditures and promote public accountability for tax credits that are absorbed into tax revenue" (Government of Manitoba, 2012, p. 14). This reporting practice continued after 2012. Budgets 2013, 2014, and 2015 each contained consolidated schedules covering both tax credits recorded as departmental expenses and concessions absorbed into tax revenue. The introduction of the PSAB guidance therefore changed the accounting classification of tax credits but did not initially reduce the scope of Manitoba's supplementary disclosure.

The more significant change occurred beginning with Budget 2016, when the comprehensive annual tax-expenditure schedule was no longer published. The budget instead presented the fiscal effects of selected measures introduced or changed that year and announced a value-for-money review of personal and business tax credits. Budget 2017 continued this narrower reporting approach and assigned several expense-classified credits to the appropriations of the departments responsible for them. Although this treatment made certain tax-delivered transfers visible as departmental expenses, it did not provide a consolidated account of the broader regime, particularly concessions netted against tax revenue. No explicit official explanation was identified for the discontinuation of the previous schedule. Accordingly, 2016 marks the point at which Manitoba's tax-credit reporting became materially less comprehensive.

**Jurisdictional Scan**

The following scan aims to show how other provinces have already adopted reporting practices which make visible the cost of these regimes and assesses each jurisdiction according to three criteria: whether it publishes a standalone tax expenditure report, whether it itemizes province-specific tax credits, and whether it reports the standard non-refundable personal credit block.

**Ontario**

The 2024-2025 Public Accounts of Ontario includes several reporting mechanisms to promote financial transparency in tax expenditures. The documents include the fiscal cost of every transfer made through the tax system (broken down into department-specific appropriations). Under Ontario's *Fiscal Sustainability, Transparency and Accountability Act* (2019) the province is required by law to publish an annual Taxation Transparency Report with estimated costs of all provincial tax expenditures made through the tax system (Government of Ontario, 2025). The report provides estimates of the cost of tax concessions, such as the BPA, Age Credit, Eligible Dependant Credit, etc. The report also includes estimates for tax expenditures relating to business taxes, property taxes, sales taxes, and other taxes.

**British Columbia**

British Columbia reports transfers made through the tax system in the Consolidated Revenue Fund Supplementary Schedules report included as an additional schedule to routine Public Accounts (Government of British Columbia, 2025). The report discloses roughly $3.5 billion of refundable tax credits, including the Climate Action Tax Credit, Renters Tax Credit, and BC Family Tax Credit. Standard non-refundable block credits are not reported in B.C. Public Accounts or related schedules.

**Quebec**

In Quebec, the Ministry of Finance produces a yearly "Dépenses fiscales" report detailing the fiscal cost of both transfers made through the tax system and tax concessions (Ministère des Finances du Québec, 2024). The report aligns with Ontario's practice of disclosing non-refundable tax credits even while not legally or statutorily required to do so. For example, section 1.3 of Dépenses fiscales 2024 provides information on common non-refundable tax credits including the basic tax credit, insurance contributions, pension contributions, union dues, disability amount, and others. For each expenditure item the report provides a standardized entry that includes the measure's policy objective, legal basis, type of tax measure, beneficiary count, a note on the degree of harmonization with the federal system, and a multi-year table showing estimated and projected fiscal cost. The near 500-page report also breaks down tax expenditures related to specific economic sectors and groups of taxpayers. In terms of transparency, Dépenses fiscales is the most comprehensive and methodologically clear tax expenditure report produced by any Canadian province.

**Alberta**

The Government of Alberta 2025 Annual Report provides brief descriptors of select new and existing refundable tax credits, including the Alberta is Calling Attraction Bonus, the Film and Television Tax Credit, and Agri-Processing Investment Tax Credit (Government of Alberta, 2025). Accounting for the cost of refundable tax credits is possible; especially given Alberta offers only three province-specific personal income tax credits and two corporate income tax credits for the 2025 tax year. However, neither this report nor other supplementary departmental reports provide a list of standard non-refundable block tax credit expenditure.

**Saskatchewan**

Saskatchewan Budget 2025-26 includes a ‘tax expenditures account’ section. It presents a table of Saskatchewan tax measures affecting personal income tax and corporate income tax over the 2022 to 2025 period (Government of Saskatchewan, 2025). For personal income tax, it reports the actual fiscal cost of deductions from income (such as pension and RRSP contributions, child care expenses, and the capital gains deduction), Saskatchewan non-refundable tax credits (including the Basic Personal, Spousal, Age, Dependant Child, CPP/EI, disability, medical, and charitable credits), and other personal income tax credits. The table also presents major corporate income tax measures, including reduced small business tax rates and a range of manufacturing, processing, investment, research and development, agriculture, and export-related tax credits.

**New Brunswick**

The Summary of New Brunswick Tax Expenditures – 2024 report estimates the cost of features of the provincial tax system in terms of forgone provincial revenues (Department of Finance and Treasury Board, Government of New Brunswick, 2025). The document provides descriptions, objectives, historical context, and cost estimates for a wide range of tax expenditures affecting individuals, businesses, and other entities, including personal and corporate income tax credits, property tax programs, harmonized sales tax rebates, and sector-specific exemptions. This includes both refundable and non-refundable income tax credits. The report also documents recent changes since previous editions such as the introduction or elimination of tax credits.

**Newfoundland and Labrador**

The supplementary report to N.L. Budget 2025 entitled ‘Statements and Schedules’, provides a list of province-specific corporate and personal refundable and non-refundable tax credits and their fiscal costs (Department of Finance, Government of Newfoundland and Labrador, 2025). However, the schedule does not provide estimates of personal non-refundable tax credits in the standard non-refundable block (those non-province-specific tax credits such as the basic personal amount, spousal amount, and age amount).

**Nova Scotia**

Nova Scotia Budget 2025-2026 summarizes the estimated fiscal value of selected tax credits, rebates, and tax expenditures for personal and corporate income taxes. (Province of Nova Scotia, 2025). Similar to Newfoundland and Labrador it does not include estimates of personal non-refundable tax credits in the standard non-refundable block.

**Table 7: Provincial Approaches to Tax Credit Reporting**

| **Province** | **Standalone Tax Expenditure Report** | **Province-Specific Tax Credits Reported** | **Standard Non-Refundable Block Reported** |
|---|---|---|---|
| Ontario | Yes (Taxation Transparency Report, legislated) | Yes – itemized in Public Accounts by department | Yes – estimated in transparency report |
| British Columbia | No | Yes – reported in CRF Supplementary Schedules (~$3.5B) | No |
| Quebec | Yes (Dépenses fiscales) | Yes | Yes – fully costed with standardized entries. |

| | | | |
|---|---|---|---|
| Alberta | No | Yes | No (no comprehensive inventory) |
| Saskatchewan | Partial (Budget "tax expenditures account") | Yes | Yes |
| New Brunswick | Yes (Summary of Tax Expenditures) | Yes | Yes |
| Newfoundland and Labrador | No | Yes – province-specific refundable and non-refundable credits | No (standard non-refundable block excluded) |
| Nova Scotia | No | Yes – selected credits and rebates summarized | No (standard non-refundable block excluded) |
| Manitoba | No | Partial – selected credits shown in Estimates of Expenditure | No |

*Note.* Compiled by author from provincial budget documents, Public Accounts, estimates of expenditure, and tax expenditure reports for Ontario, British Columbia, Quebec, Alberta, Saskatchewan, New Brunswick, Newfoundland and Labrador, Nova Scotia, and Manitoba. "Province-specific tax credits reported" refers to whether the jurisdiction publicly reports itemized or semi-itemized costs for tax credits outside the standard non-refundable personal income tax credit block. "Standard non-refundable block reported" refers to whether the jurisdiction reports estimated costs for broad personal non-refundable credits such as the basic personal amount, age amount, spouse/common-law partner amount, and related credits.

**Summary**

Table 7 summarizes tax credit reporting practices across jurisdictions. Quebec and Ontario represent the most transparent models, publishing comprehensive, standardized tax-expenditure inventories that include both refundable transfers and non-refundable tax concessions across multiple tax bases. At the other end of the spectrum, Manitoba, Nova Scotia, and Newfoundland and Labrador offer less comprehensive reporting practices, typically limited to selected refundable or province-specific credits, with limited or no reporting of the fiscal cost of standard non-refundable credits.

# Chapter 6: Discussion and Analysis

## Analysis of Manitoba's Tax Credit Regime

This study demonstrates that Manitoba's tax credit regime has grown substantially over the past two decades, both in scale and in complexity, evolving from a limited set of tax measures into a diverse and expensive policy regime. The existing literature on tax expenditures often describes credits as spending-like mechanisms hidden inside the tax system. The Manitoba evidence shows what that looks like in one provincial case. The analysis shows that Manitoba's tax credit regime did not grow in one uniform way. The standard non-refundable block, province-specific personal credits, and corporate credits each followed a different path. Some credits are close to basic tax design while other more closely resemble direct spending programs.

The standard non-refundable block is the clearest example of this problem. Surrey and McDaniel's tax expenditure framework depends on the distinction between structural tax provisions and special preferences. The standard non-refundable block sits near that boundary. Credits such as the BPA, age amount, spouse amount, pension amount, and disability amount are all formally tax credits, but operate as ordinary features of the personal income tax system. They are not targeted spending programs in the same sense as a renters credit, caregiver credit, or film credit.

For most of the period, the non-refundable block behaved like part of the basic tax structure. It was stable in composition and predictable. The 2023 increase to the BPA changed the scale of the category, but not its basic character. One change to its underlying value increased credits available by roughly $500 million. This was a large fiscal change, but it was different from creating a conventional spending program. The finding supports the literature's point that the definition of a tax expenditure is not neutral and classification matters: whether broad non-refundable credits are treated as structural features of the tax system or as tax expenditures changes how the growth of Manitoba's tax credit regime is understood.

Province-specific personal credits followed a different trajectory. Their growth relates more closely to the literature on tax expenditure proliferation. These credits were added, redesigned, replaced, and in some cases removed. Between 2003 and 2025, the number of province-specific personal credits increased from 6 to 24. The expansion from about 2008 to 2016 was especially important because new measures entered the system during this period and existing ones grew. These included credits related to tuition, caregiving, fertility treatment, seniors, children's activities, green energy, and small business investment.

The data do not identify a single cause of this proliferation, and this study cannot determine the political motivation behind each measure. One institutional explanation is incremental policy accumulation. Following the move from tax-on-tax to tax-on-income, provinces gained greater ability to design their own personal income tax measures. In Manitoba, successive policy objectives could therefore be addressed by adding or modifying individual credits without reconsidering the tax credit regime as a whole. Credits relating to affordability, caregiving, education, investment, environmental policy, and other objectives were generally introduced as separate initiatives rather than as components of a consolidated strategy. Over time, these individual decisions produced a considerably larger and more diverse regime.

This pattern is consistent with Howard's concept of the hidden welfare state, although the Manitoba evidence does not establish that governments deliberately selected tax credits to avoid scrutiny. Demonstrating such intent would require evidence beyond the fiscal and administrative data examined here. What the findings do show is that an increasing range of policy support was delivered through the tax system. Because these measures were introduced and reported individually, their cumulative growth was less visible than the growth of a consolidated direct spending program.

Corporate credits show the same issue on the business side. Their real cost rose from roughly $55 million to $60 million in 2003 to about $180 million in 2023. These credits are tied to specific activities and sectors, including manufacturing, film and video production, research and development, interactive digital media, and rental housing. They are better understood as economic development tools than as general tax relief. Their yearly costs are also harder to interpret because claims may include prior-year adjustments and may not align neatly with the year in which the underlying activity occurred.

The accounting literature helps explain why all these distinctions matter. Under PSAB rules, some credits reduce reported revenue, while transfers made through the tax system are recorded as expenses. This treatment may be appropriate for financial accounting, but it also means the public does not see the full regime in one place. Some credits appear in Public Accounts. Others are reflected only in lower net revenue. For example, even where a credit such as the Manufacturing Investment Tax Credit operates like a spending program, PSAB rules do not necessarily require its cost to be itemized in the Public Accounts if it is classified as a tax concession.

The distributional literature adds another caution to the findings. The large increase in the non-refundable block does not mean that all households received the same benefit. Non-refundable credits require tax liability. Taxpayers with little or no Manitoba income tax payable may not receive the full value of an increase. Refundable credits and rebates work differently because they can reach people with lower tax liability. The aggregate totals in this study therefore measure the size of the regime, not the distribution of benefits.

The main conclusion is that Manitoba's tax credit regime has grown through different institutional routes. The non-refundable block grew mainly through changes to broad tax parameters. Province-specific personal credits grew through the accumulation of targeted measures. Corporate credits grew through sector-specific incentives. These patterns have different implications for transparency and evaluation. Manitoba's tax credit regime is therefore best understood as a mixed fiscal structure. It is partly tax design and partly program delivery. Existing reporting practices make some parts of that structure visible and leave others harder to see.

**Analysis of Manitoba's Accounting Treatment of Tax Credits**

Manitoba's accounting treatment of tax credits does not suffer from a complete absence of information. The larger problem is that the information is scattered and not presented in a consolidated form. Some credits do appear as expenses in the Public Accounts, but others reduce reported tax revenue. This makes it difficult to see the tax credit regime as a whole.

A central finding in Chapter 5 is that accounting treatment and reporting practices affect visibility. A credit that is substantively similar to a spending program may not appear beside comparable program expenditures. Instead, it may be netted against revenue or reported in a different part of the fiscal framework. The result is that the cost of tax-based policy support is harder to identify, even when the underlying data exist.

This is especially relevant for Manitoba because only a limited number of credits are clearly itemized in public documents. Manitoba Public Accounts identify certain transfers delivered through the tax system, but they do not provide a complete picture of the province's tax credit regime. Major components, including the standard non-refundable personal income tax credit block, are not presented in one consolidated public schedule. As a result, the public record does not allow readers to easily determine the total cost, composition, or policy purpose of Manitoba's tax credits.

Compared with other provinces, Manitoba's approach is limited. Ontario's Taxation Transparency Report shows one possible alternative. It brings together tax reductions, exemptions, and credits across different tax bases, including measures administered by Ontario, measures shared with the federal government, and Ontario-only measures administered federally. It gives readers a clearer view of tax-based policy measures than Manitoba currently provides.

Quebec goes further through its annual Dépenses fiscales report. Quebec reports tax expenditures across personal income tax, corporate income tax, consumption taxes, and other tax fields. It provides descriptions of individual measures, cost estimates, and multi-year series. This makes it possible to see which measures are fiscally significant, how costs change over time, and which policy areas rely most heavily on the tax system.

New Brunswick offers a simpler but still useful model. Its Summary of Tax Expenditures reports the implementation year, policy objective, data year, and cost of individual measures. It also itemizes the standard non-refundable personal income tax credit block, including the BPA, age amount, pension income amount, tuition tax credit, disability amount, and medical expense credit. This is directly relevant to Manitoba. The standard non-refundable block is one of the largest parts of Manitoba's tax credit regime, yet it is not reported in a public document that allows readers to assess its scale alongside other credits.

These examples show that Manitoba could improve transparency without changing its underlying accounting treatment. A supplementary tax expenditure report could sit alongside the budget or Public Accounts. It could include both tax concessions and transfers delivered through the tax system. It could also report major personal and corporate tax credits at the measure level, including the standard non-refundable block. For each measure, the province could provide basic information such as the year of implementation, stated policy purpose, tax base, refundability status, data year, and estimated fiscal cost.

The point is not that Manitoba's current accounting treatment is incorrect. The issue is that accounting standards alone do not provide enough information for fiscal analysis. If tax credits are used to deliver affordability relief, household support, and business incentives, then readers need a way to see those measures together. Without that, it is difficult to compare tax credits with direct spending, evaluate changes over time, or assess the full scale of policy delivered through the tax system. As stressed in the literature review, reporting creates the basis for review and possible reform. Without consolidated reporting, tax-based support remains harder to identify and assess than comparable direct spending.

A consolidated tax expenditure report would not replace the Public Accounts or alter PSAB treatment. It would make the existing regime easier to observe, compare, and evaluate. This is the central transparency issue identified by this study: Manitoba's tax credits are fiscally significant, but their public presentation remains fragmented.

**Manitoba's Tax Credit Regime in the Current Fiscal Context**

The findings of this study should be interpreted against Manitoba's current fiscal position, which is marked by improving but still constrained public finances. Manitoba's

2024/25 Public Accounts reported total revenue of $24.3 billion, total expenses of $25.5 billion, a deficit of approximately $1.15 billion, net debt of $35.3 billion, and annual debt-servicing costs of $2.3 billion (Government of Manitoba, 2025). Budget 2026 projects the deficit to narrow to $498 million in 2026/27, with small operating surpluses of $8 million in 2027/28 and $13 million in 2028/29 (Government of Manitoba, 2026). However, the province's net debt-to-GDP ratio is still expected to rise to 38.2 per cent in 2026/27 before declining modestly to 37.2 per cent by 2028/29. Given this context, Manitoba's tax credit regime represents a relatively significant fiscal instrument whose scale, growth, and reporting treatment affect the province's ability to assess and achieve its fiscal goals.

This fiscal context strengthens the central argument that Manitoba's tax credit regime would benefit from more transparent and consolidated reporting. The province is attempting to balance affordability measures, health care pressures, capital spending, and deficit reduction within a relatively narrow fiscal path. Independent fiscal commentary has described Manitoba's 2026/27 deficit as comparatively small but has also noted that the fiscal plan relies on strong revenue growth and remains exposed to downside risks, particularly given elevated debt and debt-servicing pressures (TD Economics, 2026). Scotiabank similarly notes that Manitoba's plan to balance by 2027/28 is positive given the province's higher-than-average debt, but cautions that the outlook depends on strong revenues, modest contingencies, and an expanding capital plan (Scotiabank, 2026). In this context, the accounting treatment of tax credits becomes especially important. When tax credits are fragmented across appropriations or omitted from consolidated reporting, their fiscal cost is harder to assess alongside direct program spending. This limits the ability of the province's fiscal framework to fully reflect the cost of policy choices, particularly where tax credits function economically like expenditure programs.

Although Budget 2026 falls outside the study's 2003–2023 empirical period, it illustrates the continued relevance of tax credits as an active policy instrument in Manitoba. It includes further increases to the Renters Affordability Tax Credit, raising it to $675 for the 2027 tax year, and increases the Homeowners Affordability Tax Credit to $1,700 in 2027 while reducing or eliminating the credit for higher-valued homes. The budget estimates the full-year fiscal cost of the Renters Affordability Tax Credit increase at $9.9 million and the Homeowners Affordability Tax Credit increase at $28.6 million.

## Chapter 7: Conclusion

This study set out to measure the growth and structure of Manitoba's tax credit regime and to examine how accounting and reporting practices shape its visibility. The findings show that Manitoba's tax credit regime has become larger, more complex, and more central to provincial public policy over the past two decades. It now includes a stable but fiscally significant non-refundable personal credit block, a more volatile set of province-specific personal credits, and a growing corporate credit regime used largely for targeted economic development.

The central finding is that tax credits have grown in ways that are difficult to observe through existing public reporting. Some credits are visible as expenses, while others reduce reported tax revenue which are not presented together in any consolidated public document. This fragmentation makes it difficult to assess the full scale, composition, and policy role of tax credits in Manitoba's fiscal framework.

Manitoba's experience also fits within a broader provincial pattern. Tax credits are widely used across Canadian provinces, but reporting practices vary considerably. Other jurisdictions, particularly Ontario and Quebec, show that more comprehensive tax expenditure reporting is possible without changing underlying accounting standards. Manitoba could improve transparency by publishing a supplementary tax expenditure report that consolidates major personal and corporate credits, including both tax concessions and transfers delivered through the tax system.

The contribution of this thesis is therefore twofold. First, it provides a detailed empirical account of Manitoba's tax credit regime over a twenty-year period. Second, it shows that how tax credits are classified and reported affects how their growth is understood. If tax credits continue to be used as tools for affordability relief, social support, and economic development, they should be reported in a way that allows their cost and purpose to be clearly assessed by the public.

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## Appendix A

### List of Non-Refundable Tax Credit Block Tax Credits, 2025 Tax Year

1. **Basic personal amount:** A base amount of income that can be earned tax-free.
2. **Age amount:** A credit available to seniors (typically age 65 and over), intended to reduce tax liability for older individuals, often subject to income thresholds.
3. **Spouse or common-law partner amount:** A credit available to individuals supporting a spouse or partner with low income, recognizing intra-household income sharing.
4. **Amount for an eligible dependant:** A credit for single individuals supporting a dependant (e.g., a child), functioning similarly to the spousal amount.
5. **Amount for infirm dependant age 18 or older:** A credit recognizing financial support provided to an adult dependant with a physical or mental impairment.
6. **QPP/ CPP contributions:** A credit for mandatory contributions to the Canada Pension Plan/Quebec Pension Plan, recognizing payroll-based retirement contributions.
7. **QPP/ CPP contributions (self-employed):** A credit for the applicable portion of Canada Pension Plan or Quebec Pension Plan contributions made on self-employment earnings.
8. **Employment insurance premiums:** A credit for mandatory contributions to Employment Insurance, offsetting payroll deductions for unemployment insurance.
9. **Employment insurance premiums (self-employed):** A credit for contributions to Employment Insurance for self employed individuals, offsetting payroll deductions for unemployment insurance.
10. **Volunteer firefighters' amount:** A credit available to individuals who perform a minimum number of volunteer firefighting hours, recognizing public safety contributions.

11. **Search and rescue volunteers' amount:** A credit for individuals engaged in volunteer search and rescue activities, similar in structure to the firefighter credit.
12. **Fitness amount:** A credit for eligible physical activity expenses for children, intended to promote participation in organized sports and physical fitness.
13. **Children's arts amount:** A credit for eligible artistic, cultural, or recreational program expenses for children, supporting developmental activities.
14. **Adoption expenses:** A credit for eligible costs incurred in adopting a child, reducing the financial burden of adoption processes.
15. **Pension income amount:** A credit applied to eligible pension income, providing tax relief to retirees receiving private or public pension payments.
16. **Caregiver amount:** A credit for individuals providing care to a dependant with an impairment, recognizing unpaid caregiving responsibilities.
17. **Disability amount for self:** A credit available to individuals with a certified disability, intended to offset additional costs associated with disability.
18. **Disability amount transferred from a dependant:** A transferable portion of the disability credit from a dependant to a supporting individual when the dependant cannot fully utilize it.
19. **Interest paid on student loans:** A credit for interest payments on qualifying student loans, reducing the cost of post-secondary education financing.
20. **Tuition and education amounts:** A credit for eligible tuition fees and, historically, education-related costs incurred by students.

21. **Tuition and education amounts transferred from a child or grandchild:** A transferable credit allowing students to pass unused tuition amounts to supporting relatives.
22. **Amounts transferred from your spouse or common-law partner:** A mechanism allowing unused non-refundable credits to be transferred between spouses to optimize household tax outcomes.
23. **Family tax benefit:** A credit providing general tax relief to families, often designed to supplement income and support dependants.
24. **Medical expenses:** A credit for eligible out-of-pocket medical costs exceeding a specified income-based threshold.
25. **Allowable amount of medical expenses for other dependants:** A credit for medical expenses incurred on behalf of dependants other than a spouse or minor child, subject to specific rules and thresholds.

## Appendix B

### List of Personal Province-Specific Tax Credits, 2025 Tax Year

1. **Personal tax credit:** A broad-based refundable credit providing general income support to individuals, typically income-tested and designed to reduce tax payable or generate a refund for low-income households.
2. **Homeowners affordability tax credit:** A refundable credit that offsets property taxes on principal residences, providing targeted relief to homeowners and improving housing affordability.
3. **Renters affordability tax credit:** A refundable credit for renters based on rent paid, intended to parallel property tax relief available to homeowners.
4. **Seniors school tax rebate:** A refundable rebate of school-related property taxes for senior homeowners, designed to reduce housing costs for older individuals.
5. **Primary caregiver tax credit:** A refundable credit provided to individuals acting as primary caregivers to dependants with significant care needs, recognizing unpaid caregiving labour.
6. **Fertility treatment tax credit:** A refundable credit for eligible medical expenses related to fertility treatments, reducing financial barriers to assisted reproduction.
7. **Paid work experience tax credit:** A refundable credit for employers offering structured work placements or internships, intended to support labour market entry and skills development.
8. **Green energy equipment tax credit - purchaser:** A credit for individuals who purchase and install eligible green energy equipment, such as geothermal, solar thermal, energy co-generation, or gasification equipment.

9. **Green energy equipment tax credit – manufacturer**: a credit for manufacturers of qualifying geothermal heat pumps or related green energy equipment, supporting Manitoba-based production of eligible clean energy technologies.
10. **Book publishing tax credit:** A refundable credit supporting Manitoba-based book publishers by subsidizing eligible production costs.
11. **Cultural industries printing tax credit:** A refundable credit for printing activities related to cultural production, aimed at supporting local cultural industries.
12. **Community enterprise development tax credit:** A refundable credit encouraging investment in community-based enterprises and social economy organizations.
13. **Teaching expense tax credit:** A refundable credit for educators to offset out-of-pocket expenses incurred in the course of teaching.
14. **Rental housing construction tax credit:** A refundable credit designed to incentivize the construction of new rental housing units and increase housing supply.
15. **Employee share-purchase tax credit:** A refundable credit encouraging employee participation in share ownership, typically in Manitoba-based firms.
16. **Donations and gifts:** A non-refundable credit for charitable contributions, designed to incentivize philanthropic giving by reducing tax payable.
17. **Dividend tax credit:** A non-refundable credit that offsets corporate income tax already paid on distributed profits, mitigating double taxation of dividends.
18. **Political contributions tax credit:** A non-refundable credit for contributions to political parties or candidates, encouraging civic participation in the political process.
19. **Labour-sponsored funds tax credit:** A credit for investments in labour-sponsored venture capital corporations, aimed at supporting small and medium-sized businesses.

20. **Foreign tax credit:** A non-refundable credit allowing taxpayers to offset foreign income taxes paid, preventing double taxation of international income.
21. **Small business venture capital tax credit:** A non-refundable credit incentivizing investment in eligible small businesses, supporting entrepreneurship and capital formation.
22. **Mineral exploration tax credit:** A non-refundable credit encouraging investment in mineral exploration activities, supporting resource development in the province.
23. **Manitoba minimum tax carryover:** A non-refundable tax credit that allows taxpayers to apply unused provincial minimum tax amounts from prior years against current Manitoba tax payable, preventing minimum tax from permanently increasing tax liability where later-year circumstances permit recovery.
24. **Odour-control tax credit:** A carried-forward credit for eligible odour-control expenditures from prior years. Although the credit is no longer available for new expenditures, unused amounts earned before its elimination may still be claimed if they remain available.

## Appendix C

## List of Corporate Tax Credits: 2025 Tax Year

1. **Manufacturing Investment Tax Credit:** A credit that incentivizes capital investment in manufacturing and processing equipment, structured as partially refundable (7%) and partially non-refundable (1%) to support industrial productivity and expansion.
2. **Film and Video Production Tax Credit:** A refundable credit based primarily on eligible labour expenditures incurred by film and television productions in Manitoba, designed to attract and retain production activity in the province.
3. **Research and Development Tax Credit:** A refundable credit supporting eligible scientific research and experimental development expenditures, encouraging innovation and technological advancement within firms.
4. **Rental Housing Construction Incentive:** A refundable credit that supports the construction of new rental housing units, aimed at increasing housing supply and improving affordability.
5. **Paid Work Experience Tax Credit:** A refundable credit for employers who provide structured work placements or internships, promoting workforce development and labour market entry.
6. **Interactive Digital Media Tax Credit:** A refundable credit supporting the development of digital media products (e.g., video games, software), intended to foster growth in Manitoba's digital economy.
7. **Small Business Venture Capital Tax Credit:** A non-refundable credit that encourages investment in eligible small businesses by providing tax relief to investors, supporting entrepreneurship and access to capital.

8. **Cultural Industries Printing Tax Credit:** A refundable credit for printing costs associated with Manitoba-based cultural products, aimed at supporting the province's cultural and publishing sectors.
9. **Book Publishing Tax Credit:** A refundable credit for eligible expenditures incurred by Manitoba publishers, promoting local literary production and industry sustainability.
10. **Child Care Centre Development Tax Credit:** A refundable credit that supports the creation and expansion of licensed child care facilities, increasing access to child care services.
11. **Green Energy Equipment Tax Credit:** A refundable credit incentivizing investment in renewable and energy-efficient equipment, supporting environmental sustainability and emissions reduction.
12. **Community Enterprise Development Tax Credit:** A refundable credit encouraging investment in community-based and social enterprises, supporting inclusive economic development.