

## 2025-2 Create tax equity by extending refundable Manitoba tax credits to community members receiving Employment and Income Assistance (EIA).

Moved by: SEED Winnipeg

Seconded by: Social Planning Council of Winnipeg

*This is a new resolution.*

The Province of Manitoba should remove The Social Assistance Recipients' Tax Credit Eligibility Regulation from The Income Tax Act to ensure all Manitobans have access to provincially refundable tax credits. This change would:

- Address the inequality of how Manitoba Refundable Tax Credits are distributed.
- Increase income for Employment and Income Assistance (EIA) recipients through tax refunds.
- Eliminate tax filing errors associated with box 14 on Manitoba T5007 tax slips.
- Incentivize tax filing for EIA recipients.

**Because:** The regulation excludes EIA recipients from receiving full Manitoba refundable tax credits available to all other Manitobans. EIA issues T5007 tax slips with a box 14 indicating a fraction of tax credits a recipient is eligible for. This affects two credits: the Personal Amount (up to \$195) and the Residential Renters Credit (\$575). This fraction leaves EIA recipients with little to no refundable Manitoba tax credits at a time when prices continue to rise and EIA budgets are not adequate to cover basic needs.

**Because:** Introduced in 1992, the regulation was intended to embed provincially refundable credits into EIA recipients' budgets to ensure their access to the credits throughout the year. However, these tax credits were never fully embedded into EIA recipients' budgets and the introduction of

box 14 to T5007 tax slips has led to complications with tax filing, adversely impacting the lowest income earners in Manitoba.

**Because:** The Social Assistance Recipients' Tax Credit Eligibility Regulation excludes EIA recipients from fully accessing tax credits, we ask that this regulation be removed from the Manitoba Income Tax Act, which will lead to the removal of box 14 from Manitoba T5007 tax slips.

**Because:** The Manitoba Government has made a commitment to address the housing crisis and to strengthen EIA to help Manitobans. By removing the regulation and extending refundable tax credits to all Manitobans, the government is able to address both of those issues while creating parity for all tax filers. This is a cost-effective, progressive tax policy that would put Manitoba in line with the rest of Canada.

**Because:** Extending refundable tax credits to EIA recipients will create tax equity for all Manitobans and provide an economic boost to neighbourhoods with higher concentrations of poverty. By incentivizing tax filing for low-income earners, community members can leverage further federal tax benefits, increasing federal transfers to low-income neighbourhoods.

**Because:** This resolution fits within the theme of poverty reduction as it will extend important income boosting tax credits to financially vulnerable Manitobans living on low incomes.

**How this Resolution will be Advanced:** The resolution will be advanced through direct advocacy by the Manitoba Financial Empowerment Policy Committee, chaired by SEED Winnipeg, to the Minister of Finance and the Department of Families through budget submissions, meetings with ministers, and conversations with civil servants. CCEDNET members are encouraged to advocate for this progressive policy change as they are able.