

Beneficial Owners Beware: Proposed Changes to Manitoba's Land Transfer Tax Framework

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On May 7, 2026, the provincial government introduced *The Budget Implementation and Tax Statutes Amendment Act, 2026* (the "Bill"). If passed, it will result in significant changes to Manitoba's land transfer tax ("LTT") framework.



Closing the Beneficial Ownership Loophole

Under the current framework, LTT is payable when a land transfer form is registered with the Manitoba Land Titles Office, unless an exemption applies. LTT is not payable when beneficial ownership is transferred without a change in the land's registered owner. The proposed amendments to ***The Tax Administration and Miscellaneous Taxes Act*** contained in the Bill will trigger LTT upon a change in the registered or beneficial owner of real property.

How LTT Will Be Calculated

The amount payable upon the transfer or increase of a beneficial interest in land is based on the fair market value ("FMV") of the land as a whole, which includes all the buildings or improvements situated on the land. The LTT is calculated with the following formula:

LTT =

- $0.005 \times (\text{FMV} - \$30,000) +$
- $0.005 \times (\text{FMV} - \$90,000) +$
- $0.005 \times (\text{FMV} - \$150,000) +$
- $0.005 \times (\text{FMV} - \$200,000)$

The same formula would apply to transfers of both beneficial and legal ownership. If a fractional interest in land is transferred or increased, the tax payable would be proportionate to the fractional interest.

The proposed amendments introduce reporting and payment requirements that are due

within **30 days** of a transfer or increase of a beneficial interest. A transferee would have to file a return, including a description of the beneficial interest and an affidavit setting out the land's FMV, and pay the LTT within this time.

Available Exemptions and Reductions

The LTT would not apply to all transfers of beneficial ownership. The Bill provides several exemptions, including the transfer or assignment of a beneficial interest as security for a loan, the transfer of certain leases and farmlands, and other interests as exempted by the regulation. The LTT may also be reduced if the transferee pays tax on a building or improvement situated on the land under ***The Retail Sales Tax Act***.

Key Dates & Next Steps

If the Bill is passed, the LTT provisions will come into effect on **January 1, 2027**. They will apply to transfers or increases of beneficial interests in land in Manitoba that occur on or after that day.

If you have any questions about how the LTT changes may affect you, please reach out to one of **TDS' tax lawyers**.

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