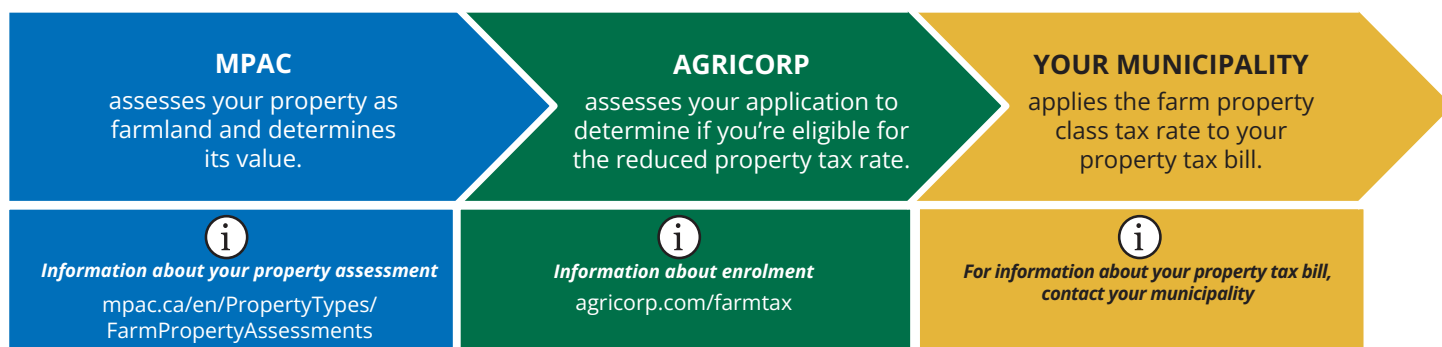


One way the Government of Ontario supports agriculture is through the Farm Property Class Tax Rate Program. Your farmland will be taxed at no more than 25% of your municipality's residential property tax rate, if eligible. Farmland does not include land and buildings used for residential purposes. Agricorp, the Municipal Property Assessment Corporation (MPAC) and municipalities work together to administer the program. Your property tax rate is provided by your municipality.

Who administers your farm property class tax rate?



Eligibility requirements

- 

MPAC has assessed your property as farmland.

The Municipal Property Assessment Corporation (MPAC) classifies your property based on requirements set by the Government of Ontario through the *Assessment Act*. MPAC completes a province-wide assessment every four years, with notices sent to all property owners.
- 

Your property is used for a farm business.

Your property is actively being farmed by yourself, a tenant farmer or both and generates an annual gross farm income of at least \$7,000. An annual gross farm income exemption may apply.
- 

The farm business on your property has a valid FBR number.

Ontario farm businesses that gross \$7,000 or more in annual farm income are required by law to register their businesses with Agricorp each year under the Farm Business Registration (FBR) program. An exemption may apply.
- 

The property is owned by Canadian citizens or permanent residents.

If the property is owned by a corporation, more than 50% (i.e., 50.1%) of the voting shares need to be legally owned by individuals who are Canadian citizens or permanent residents of Canada. Requirements for other ownership types can be found in the *Assessment Act* and *Ontario Regulation 282/98*.

When to complete an eligibility application

Complete the application on agricorp.com/farmtax to confirm your eligibility for the Farm Property Class Tax Rate Program for the following situations:

You recently purchased farmland

If you've recently purchased farmland, you may be eligible for the reduced property tax rate.

You made changes to your farmland ownership or operations ?

If you already get the reduced property tax rate but have changes to your farmland ownership or operations, you need to confirm your continued eligibility. Without completing the eligibility application, your reduced property tax rate may be affected.

You need an exemption

In some scenarios, property owners or tenants may be **exempt** from an eligibility requirement of the Farm Property Class Tax Rate Program.

Note: The application must be completed by the property owner.

What you need to apply

- Your property roll number ?
- Your Farm Business Registration (FBR) number ?
 - If you don't have an FBR number, visit agricorp.com/FBR
 - If the property is farmed by a tenant, you will need their FBR number
 - If you or your tenant don't qualify for an FBR number, you can apply for an exemption by completing the eligibility application. For specific criteria of each exemption type, see **Exemptions**.

What is my FBR number?

Your FBR number is a 6 or 7-digit number on your proof of registration email from Agricorp: (e.g., 1234567)

Completing the online eligibility application is easy

- **Fast and convenient:** Complete the application anytime, anywhere. No paperwork and no mailing required.
- **Easy to follow:** Our online application walks you through each step, making it simple to complete.
- **Immediate submission:** Submit your application online and get it processed faster by eliminating mailing time.

Follow the step-by-step instructions to help you complete the fields correctly. Accurate applications lead to faster processing and no delays in assessing your eligibility for the program.

Common changes to ownership or operations:

- Amended property rental agreements or land usage
- Updated farm business structures
- Transferring ownership to a family member
- Adding or removing a spouse after a marriage or separation
- Ownership becomes part of an estate
- Name change

What is my property roll number?

Your roll number is a 15 or 19-digit number on your MPAC Property Assessment Notice or property tax bill from your municipality:

12 34 567 899 12345 0000

Keeping your FBR number valid

You will receive an annual Farm Business Registration (FBR) invoice from Agricorp.

To keep your FBR number valid, pay your annual FBR invoice from Agricorp by the March 1 deadline. Paying after the deadline may impact your eligibility for the Farm Property Class Tax Rate Program.

An **FBR religious exemption** may apply.

Exemptions

In some scenarios, property owners may be exempt from an eligibility requirement of the Farm Property Class Tax Rate Program. There is also a Farm Business Registration (FBR) religious exemption through the FBR program.

To apply for an income exemption, make sure you meet the criteria for the type you are applying for and complete the **Eligibility Application** on agricorp.com/farmtax. You must complete all sections accurately.

FBR religious exemption

If religious beliefs cause you to disagree with registering your farm business or making the registration payment, you may qualify for an exemption from FBR. The exemption lasts as long as you hold your religious beliefs. Contact the Agriculture, Food and Rural Affairs Appeal Tribunal (AFRAAT) at 1-888-466-2372, ext. 519-826-3433. You must still meet the \$7,000 annual gross farm income requirement. Once you receive your AFRAAT exemption letter, send a copy of this letter to Agricorp with your property roll numbers.

Income exemptions for the Farm Property Class Tax Rate Program

If your annual gross farming income was less than \$7,000 in the previous income tax year, you may be eligible to apply for one of the available income exemptions. If you receive a gross farming income exemption, you are also exempt from the FBR requirement for that year. Income exemptions expire after a specified period of time of no longer than 3 years. The timeline for expiry is communicated with approval of an exemption.

Start-up farm businesses exemption

The income exemption for start-up farm businesses is for new farm businesses that have not yet earned \$7,000 in annual gross farming income.

To be eligible, you or your tenant must meet the following criteria:

- You have started or plan to start a new farm business that will enter the market for the first time and generate a farm income as defined by the Canada Revenue Agency.
- Your farm business has not generated more than \$7,000 in a previous income tax year.
- You have filed (or will file) income taxes for your farm business and can provide documentation to validate farm income and expenses.
- You can demonstrate how the farm business will generate at least \$7,000 annually in future years.

If your income exemption for a start-up farm business is nearing expiry and your business has not yet earned \$7,000 in gross farming income, you may submit a new eligibility application for a new exemption. You will need to list your proposed sources of income in the appendix of the eligibility application.

Business structure change exemption

The income exemption for business structure changes is for businesses that have restructured to or from a sole proprietorship, corporation or partnership, resulting in the gross annual farming income being less than \$7,000. You will need to explain on the eligibility application when you expect the farm business to reach \$7,000 annually.

Age, illness or death of spouse exemption

The income exemption for age, illness or death of a spouse is for property owners only. The gross farming income in the previous income tax year must have been greater than zero and less than \$7,000 due to the age, illness or injury of the owner or their spouse, or the death of the owner's spouse. You will need to explain on the eligibility application why your annual gross farming income was less than \$7,000 and when you expect to reach \$7,000 annually.

To be eligible for this exemption, you must meet the following criteria:

- You or your spouse must own the property and operate the farm business.
- During the previous 10 years, you farmed the property yourself (i.e., a tenant was not farming) and you received the farm property class tax rate.
- The farm business reported a gross farming income greater than zero in the previous income tax year.

Exemptions are subject to an expiry date

After you submit your application, Agricorp will contact you about the outcome and tell you when your exemption expires. You must contact Agricorp before the exemption expires to remain in the Farm Property Class Tax Rate Program.

Not a normal production year exemption

The "not a normal production year" income exemption is for businesses whose gross farming income for the previous income tax year was less than \$7,000 due to unusual circumstances, such as extreme weather or market changes, that could not have been prevented with best management practices. You or your tenant will need to explain on the eligibility application why your gross farming income was less than \$7,000 and when you expect to reach \$7,000 annually.

Random verification

Agricorp conducts random verifications to maintain data accuracy and the integrity of the Farm Property Class Tax Rate Program. In addition to a completed application, supporting documentation may be required to maintain the farm property class tax rate.

Agricorp, an agency of the government of Ontario

Agricorp delivers government programs. These programs help protect the livelihood of over 47,000 Ontario farmers against the many risks farm businesses face every day. Our employees are skilled professionals who respond when industry and government need us, manage public funds with great care and integrity, and deliver a quality customer experience.

Program legislation

Information in this feature sheet and agricorp.com about the Farm Property Class Tax Rate Program is provided for reference purposes and to give farmland property owners an overview of the program only.

For full particulars of the program, see the *Assessment Act* RSO 1990, c A.31, and *Ontario Regulation 282/98*.

Where there is any conflict between the content on this feature sheet or agricorp.com and the *Assessment Act* and regulations, the legislation takes precedence.

Errors and omissions excepted.

Agricorp reserves the right to make corrections if there are any errors or omissions on this feature sheet.

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