



Feature Sheet

One way the Government of Ontario supports agriculture is through the Farm Property Class Tax Rate Program, also known as the "Farm Tax 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 Farm Tax Program. Your property tax rate is provided by your municipality.

Who administers your farm property class tax rate?



Eligibility requirements

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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.
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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. All farm income and expenses need to be filed with the Canada Revenue Agency. An annual gross farm income exemption may apply.
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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.
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The property is owned by Canadian citizens or permanent residents.
If the property is owned by a corporation, more than 50 per cent 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.

How to sign up for the Farm Property Class Tax Rate Program



You buy or make ownership changes to farmland.

MPAC notifies Agricorp.



Agricorp sends you an application package.¹



You return the completed application to Agricorp.



Agricorp sends confirmation of approval to you and MPAC.

MPAC notifies your municipality.



Your municipality applies the farm property class tax rate to your property tax bill for the next calendar year.²

1. If you did not receive an application and you should have, please contact Agricorp.

2. A property owner who meets all the eligibility requirements may, if the property is purchased that year, apply for the farm property class tax rate for the current property tax year and the next tax year.

How to renew

You only need to apply once. After that, your farm property will remain in the program and be taxed at the farm property class tax rate as long as you meet the eligibility requirements, including keeping your Farm Business Registration (FBR) number valid each year.

You are required to inform Agricorp of any changes to your farm property that may affect your eligibility. These include things like changes to your land use, property rental arrangements, farm business structure, income, FBR status or exemption status.

If you report changes, Agricorp will assist you in determining what you need to do to remain in the program and let you know what documents are required.

If you are no longer eligible for the Farm Tax Program but meet the eligibility requirements in a following year, you will need to call Agricorp to re-apply for the program.

Keeping your FBR number valid

All farm businesses that gross \$7,000 or more annually need to register with Agricorp under the FBR program.

You or your tenant will receive an annual FBR invoice from Agricorp. To keep your FBR number valid, pay your FBR invoice from Agricorp by the March 1 deadline. Paying after the deadline may impact your eligibility for the Farm Tax Program and other government programs linked to FBR, such as *Canadian Agricultural Partnership* initiatives.

An FBR religious exemption may apply.

Exemptions

For some Farm Tax Program eligibility requirements, property owners can apply for an exemption.

Eligibility requirements	Exemptions available	
	FBR religious exemption	Farm Tax Program gross farm income exemption
MPAC has assessed your property as farmland.		
Your property is used for farming business.		✓
The farm business on your property has a valid FBR number.	✓	✓
The property is owned by Canadian citizens or permanent residents.		

Available exemptions	Exemption types
<p>FBR religious exemptions If you object to participating in the FBR program or paying the annual FBR invoice due to religious beliefs, you may request an exemption by contacting the Agriculture, Food and Rural Affairs Appeal Tribunal at 1-888-466-2372 ext. 519-826-3433. You may be eligible to receive an exemption letter. You still need to meet the \$7,000 annual gross farm income requirement.</p>	<p>FBR religious (payment only) If you object to paying the FBR invoice due to religious beliefs, you may apply for this exemption, which lasts as long as you hold your religious beliefs.</p> <p>FBR religious (registration and payment) If you object to registering for FBR and to paying the annual FBR invoice due to religious reasons, you may apply for this exemption, which lasts as long as you hold your religious beliefs.</p>
<p>Income exemptions If the annual gross farm income was less than \$7,000 in the previous income tax year, you may be eligible to apply to Agricorp for one of the available income exemptions. If you receive an income exemption, you are also exempt from the FBR requirement for that year. When you receive your Farm Tax Program confirmation of approval form from Agricorp, it will note when your exemption will expire.</p>	<p>Start-up farm businesses If your or your tenant's annual gross farm income was less than \$7,000 as a result of starting a new business, you may apply for this exemption.</p> <p>Business structure change If your or your tenant's business restructures to or from a sole proprietorship, corporation or partnership, which results in the annual gross farm income being less than \$7,000, you may apply for this exemption.</p> <p>Not a normal production year If your or your tenant's annual gross farm income was less than \$7,000 due to unusual circumstances that could not have been prevented with best management practices, you may apply for this exemption.</p> <p>Age, illness or death of spouse If your annual gross farm income was greater than zero but less than \$7,000 due to the age or illness of you or your spouse, or the death of your spouse, you may apply for this exemption.</p>

For more information about eligibility requirements and how to apply for an exemption, visit agricorp.com/farntax or contact Agricorp. We are here to help. You need to contact Agricorp before your exemption expires to remain in the program.

Forms

To download Farm Tax Program forms, such as the *Tenant Farmer Declaration* or annual gross farm income exemption applications, go to agricorp.com/farmtax.

Random verification

Agricorp conducts random verifications to maintain data accuracy and the integrity of the Farm Tax Program. A completed application and supporting documentation may be required to maintain the farm property class tax rate.

About Agricorp

An agency of the Government of Ontario, Agricorp works with government and industry partners to contribute to a vibrant and sustainable agricultural industry.

Agricorp delivers programs to strengthen farm businesses in Ontario.

The agency was established in 1997 by the provincial government under authority of the *AgriCorp Act*, 1996. Agricorp administers the Farm Property Class Tax Rate Program, Farm Business Registration program, Provincial Premises Registry and other programs on behalf of the Ontario Ministry of Agriculture, Food and Rural Affairs.

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.

Contact us

1-888-247-4999

Fax: 519-826-4118

TTY: 1-877-275-1380

Accessible formats available

agricorp.com

contact@agricorp.com

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