



Ontario Federation of Agriculture

Ontario AgriCentre

100 Stone Road West, Suite 206, Guelph, Ontario N1G 5L3
Tel: (519) 821-8883 • Fax: (519) 821-8810 • www.ofa.on.ca

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Regulation Comments
Personal Income & Payroll Tax Design
Ministry of Finance
Frost Building South
7 Queen's Park Crescent, 5th Floor
Toronto ON
M7A 1Y7

Regulations made under the Taxation Act, 2007 concerning the community food program donation tax credit for farmers - 14-MOF001

The Ontario Federation of Agriculture (OFA) is pleased to submit our views to the Ministry of Finance regarding the proposed regulations under the Taxation Act, 2007 to allow farmers in Ontario to receive a tax credit for donated agricultural products.

The OFA is Canada's largest voluntary general farm organization, representing more than 37,000 farm family businesses across Ontario. These farm businesses form the backbone of a robust food system and rural communities with the potential to drive the Ontario economy forward. The OFA has been an enthusiastic supporter of the food donation tax credit idea and is pleased to see that it was included last year as an amendment to Bill 36. Ontario's farmers have a long tradition of donating their agricultural products to charitable causes and we hope this credit will both honour that tradition and help to motivate others to donate.

With regards to the regulation prescribing taxation years in which the community food program donation tax credit for farmers could be claimed, we agree with the proposed amendment that any donation made after January 1, 2014 that meets the eligibility criteria should qualify for the tax credit. In the interests of generating food donations and allowing time for promotion of the food donation tax credit, we urge the Ministry of Finance to set the date the regulation to come into effect for as soon as possible – preferably with enough time to take advantage of the fall 2014 harvest.

We understand that the rules for claiming the tax credit will conform to, and build on, existing tax law for Charitable Donation Tax Credits and Deductions. This is acceptable as any new rules would only add to confusion around the process for claiming the credit.

The intention of the tax credit is to provide an incentive to farmers to donate agricultural products to community food programs. The definitions adopted for “eligible person” and for “agricultural products” should reflect the fact that this credit is intended only for registered farm businesses in Ontario.

We agree with the proposed draft definition for “agricultural product” put forward by the Ministry of Agriculture and Food as it does not limit the range of potential products that can be donated, except on condition they are raised on a farm and are commonly understood to be edible. We also agree with inclusion of processed products provided they are processed on the farm where



they originated, or processed off-farm only to the extent to make them usable as a food donation.

Furthermore, we agree with the definition outlined in the amendments to the Taxation Act that an “eligible community food program” is one that distributes food to the public in Ontario without charge and that they are registered as a charity under the Federal Act. These conditions should provide enough flexibility for farmers to donate products to a community food program of their choice, and restrictive enough to prevent abuse.

We look forward to working with the Ministry of Finance and the Ministry of Agriculture and Food to further the goals of this food donation tax credit as well as the Local Food Act.

Sincerely,

A handwritten signature in black ink, appearing to read 'Neil Currie', is centered below the text 'Sincerely,'. The signature is fluid and cursive, with a large initial 'N' and a long, sweeping underline.

Neil Currie
General Manager
Ontario Federation of Agriculture

CC: MPP Charles Sousa, Minister of Finance