



Ontario Federation of Agriculture

Ontario AgriCentre

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August 28th, 2017

Justin Cooke
Ministry of Finance
2nd Floor, Frost Building North
95 Grosvenor Street
Toronto, Ontario M7A 1Z1

Re: Regulatory Registry No. 17-MOF010

Dear Mr. Cooke,

The Ontario Federation of Agriculture (OFA) is Canada's largest voluntary general farm organization, representing more than 36,000 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.

OFA would like to take this opportunity to bring an important issue regarding land transfer tax (LTT) to your attention. As you know, in the 2003 provincial budget, the Ontario government announced that farmland transfers between farming family members would be exempt from land transfer tax effective March 28, 2003. Presumably, this was in response to requests made by OFA and others to eliminate the land transfer tax on transactions within a family to assist with succession planning and help beginning farmers.

Although it was proposed in the 2003 provincial budget that this exemption would "provide relief for all farmers", it became evident afterwards that amendments to Regulation 697 did not effectively address transfers to and from family farm corporations. Therefore additional measures were proposed in the 2008 provincial budget: "To provide relief for all farmers, regulatory amendments will be proposed to expand the exemption to include transfers of farmland from family farm corporations to individual family members."

However, Ministry of Finance officials have denied this family farm exemption in situations where the farmland owners were individuals deemed not to have carried on farming exclusively because they received rental income from a farm corporation, even though these individuals were the principal shareholders, directors, and officers of that farm corporation.



Consistent with the purpose and intent of this exemption, we ask that the current ambiguous wording of O.Reg 697 be amended to clarify that an individual or individuals, who own and control a farm corporation, are deemed to have carried on farming exclusively on lands farmed by their farm corporation.

OFA appreciates the opportunity to provide comments on this important issue. We trust that our concerns will be given the weight they deserve.

Sincerely,

A handwritten signature in black ink, appearing to read 'Neil Currie', is written over the typed name. The signature is fluid and cursive, with a large initial 'N' and a long, sweeping tail.

Neil Currie
General Manager