



**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](http://www.ofa.on.ca)

September 4, 2018

The Honourable Victor Fedeli  
Minister of Finance and Chair of Cabinet  
7 Queen's Park Crescent, 7<sup>th</sup> floor  
Toronto ON  
M7A 1Y7

**VIA email**

Dear Minister Fedeli,

**RE: The Family Farm Exemption from Ontario Land Transfer Tax**

The Ontario Federation of Agriculture (OFA) once again congratulates you on your appointment as Minister of Finance. We believe that together we can accomplish much to make our farming and food sector a driving force in a vibrant Ontario economy.

While we continue to support investment in economic development across rural Ontario the day-to-day issues that affect our farm businesses' sustainability require attention.

OFA would like to bring an important issue to your attention, regarding land transfer tax (LTT).

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 at that time 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 "Keith Currie". The signature is written in a cursive style with a large initial "K" and a long, sweeping underline.

Keith Currie  
President

cc: Hon. Ernie Hardeman Minister of Agriculture, Food and Rural Affairs  
OFA Board of Directors

