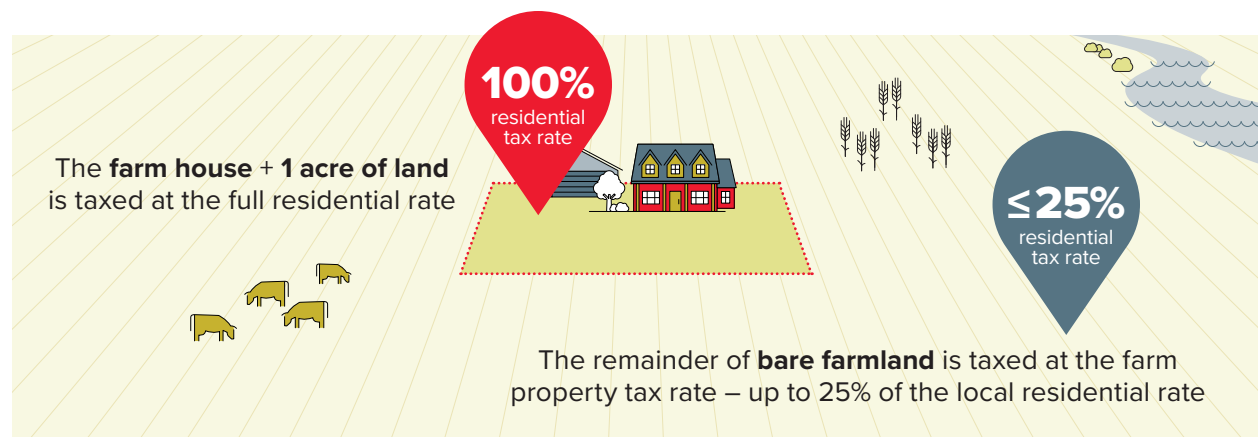


Ontario's Farm Property Tax System

Property tax is a complicated issue. How taxes are calculated. How and when they are adjusted. And how they reflect the services received from a municipality. Ontario's farm property tax system is equally complicated.

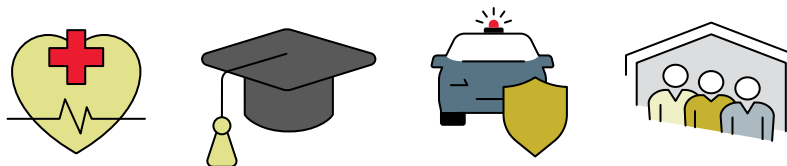
Calculating farm tax rates

Farm property tax rates are legislated to be up to 25% of the residential rate to reflect the fact that farmland uses fewer municipal services than residences.



What property taxes cover

Property taxes are intended to pay for municipal services. The residential tax rate pays for services used by households including recreation, health and protection. Farmers pay full residential rates on their homes because they depend on the same services as rural residents.



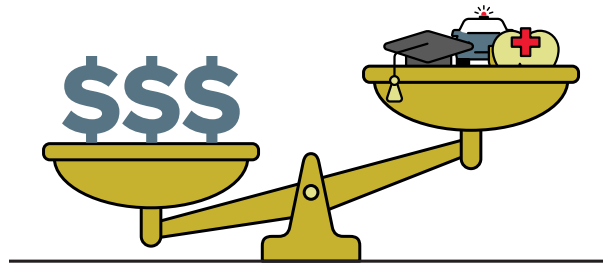
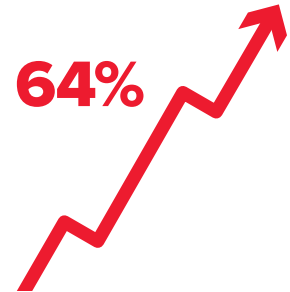
Farmland is legislated to be taxed at up to 25% of the local residential tax rate because bare land requires far fewer municipal services.

FACT SHEET – ONTARIO'S FARM PROPERTY TAX SYSTEM

Rising rural taxes

Property taxes are based on property value. For Ontario farmers, that means as land values increase so do tax bills. In the last few years, the taxable assessment of farmland has increased by an average of 64% across Ontario. This has caused a significant shift in tax burden onto farm property owners. Residential taxes in rural areas have been relatively flat during that same time.

As a result of rising land values, farmers are paying a disproportionate amount of property tax compared to the services they use.



The municipal tax burden has shifted to bare farmland and away from the residences that need and use the municipal services that property tax is intended to cover.

What municipalities can do

Municipalities in Ontario have the authority to adjust the farm property tax ratio on bare farmland – the farm tax ratio is legislated to be up to 25% of the residential rate. OFA believes some upper and single tier municipalities need to adjust their farm property tax rate to shift the unfair tax burden that is placed on farms.

We've been meeting with municipalities across the province to talk about the farm property tax system and encourage local councilors to correct unfair tax burdens on Ontario farmers. With a farm tax that is more reflective of the services required, we can support competitive and sustainable farms across Ontario.

Contact OFA's Senior Farm Property Analyst Ben Lefort (ben.lefort@ofa.on.ca) to talk more about Ontario's farm property tax system and visit ofa.on.ca/issues/taxation.