

Dear Peggy Brekveld:

Thank you for your correspondence of May 16, 2023, addressed to the Deputy Prime Minister and Minister of Finance, the Honourable Chrystia Freeland, regarding the annual lifetime capital gains exemption limit on qualified farm or fishing property.

For the 2023 tax year, an individual may shelter capital gains realized on the disposition of qualified small business shares up to a lifetime limit of \$971,190, which is indexed to inflation every year. In the case of capital gains realized on the disposition of qualified farm or fishing property, disposed of after April 20, 2015, the lifetime capital gains limit is the greater of \$1 million and the indexed lifetime capital gains exemption applicable to capital gains realized on the disposition of qualified small business corporation shares. For 2023, the lifetime limit on dispositions of qualified farm or fishing property remains at \$1 million.

Each Fall, typically in November, the Canada Revenue Agency posts the values of all amounts subject to indexation adjustment that will apply during the following tax year, which can be accessed on the Government of Canada's website at [canada.ca/en/revenue-agency/services/tax/individuals/frequently-asked-questions-individuals/adjustment-personal-income-tax-benefit-amounts.html](https://canada.ca/en/revenue-agency/services/tax/individuals/frequently-asked-questions-individuals/adjustment-personal-income-tax-benefit-amounts.html). Therefore, you can expect that the lifetime limit on dispositions of qualified farm or fishing property for the 2024 tax year will be posted on the Government's website later this year.

Thank you for writing.

Sincerely,

Cynthia da Silva  
A/Manager  
Consultations and Communications Branch