

December 13, 2023

The Honourable Chrystia Freeland
Deputy Prime Minister and Minister of Finance
House of Commons
Ottawa, Ontario
K1A 0A6

Sent Via email to: Consultation-Legislation@fin.gc.ca

Dear Deputy Prime Minister,

Re: The Under Used Housing Tax (UHT) Consultation

The Ontario Federation of Agriculture (OFA) is the largest general farm organization in Ontario, proudly representing more than 38,000 farm family members. OFA has a strong voice for our members and the agri-food industry on issues, legislation and regulations administered by all levels of government. We are passionate and dedicated to ensuring that the agri-food sector and rural communities are considered and consulted with for any new or changing legislation that would impact the sustainability and growth of our farm businesses.

OFA was pleased to see the proposed changes to the Underused Housing Tax (UHT) in the 2023 Fall Economic Statement.

The previous filing requirements for the UHT were unworkable for Canadian farmers. The vast majority of Canadian farmers are exempt from the tax, but the filing requirements for private corporations, partnerships and trusts created overly burdensome compliance costs with non-filing fines ranging from \$5,000-\$10,000 and accountants charging hundreds and even thousands of dollars to file the paperwork for a tax the businesses were exempt from.

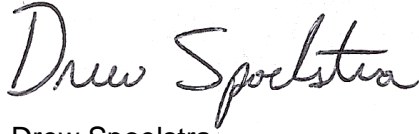
OFA fully supports the changes to the UHT proposed in the Fall Economic Statement. We are especially pleased to see the proposal to make “specified Canadian corporations”, partners of “specified Canadian partnerships” and trustees of “specified Canadian trusts”, “excluded owners.” This will eliminate the need for Canadian farmers to file UHT returns in the future. OFA is also pleased to see a reduction in the non-filing fees from \$5,000-\$10,000 to \$1,000-\$2,000.

While these proposed changes would address Canadian farmer’s concerns moving forward, in the proposal it states that the proposed changes to filing requirements would be for the 2023 and subsequent calendar years. This means that farmers still need to face the compliance costs of filing a 2022 UHT return.

We urge the government to make all proposed changes apply in respect of 2022 and subsequent calendar years and pass legislation ratifying these changes without delay.

OFA appreciates the opportunity to provide our feedback and agricultural perspectives on the Underused Housing Tax. We look forward to working with the federal government to find policy solutions that support our agri-food sector.

Sincerely,



Drew Spoelstra
President

cc: The Honourable Lawrence MacAulay, Minister of Agriculture and Agri-Food Canada
Keith Currie, President, Canadian Federation of Agriculture
OFA Board of Directors