
November 22, 2024

Director General
Sales and Excise Tax Division
Tax Policy Branch
Department of Finance Canada
90 Elgin Street
Ottawa, Ontario K1A 0G5

Dear Director General,

Re: Consultation on the Taxation of Vacant Lands

The Ontario Federation of Agriculture (OFA) proudly represents more than 38,000 farm family members across the province, supporting our members and the agri-food industry on issues, legislation and regulations administered by all levels of government. OFA is 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 appreciates this opportunity to provide input on the consultation on the taxation of vacant lands. A recent survey of our membership revealed that rising tax burdens is the number one policy issue that Ontario farmers are concerned about. In 2021, Ontario farmers paid \$267 million in property taxes. It is imperative that any new vacant land tax be structured to ensure it does not impact farmland in anyway.

Clarification of Vacant Land Definitions to Exclude Agricultural Lands

It is critical that the **definition of "vacant land" explicitly excludes agricultural lands**. Many farms may appear vacant due to seasonal practices or crop rotations. Without clear definitions, there is a risk that productive agricultural lands could be misclassified, leading to unintended taxation and additional financial strain on farmers.

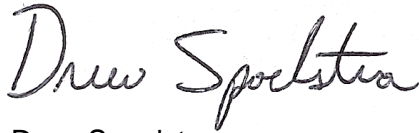
Exemptions for Agricultural Use

We strongly recommend that lands used for agricultural purposes be exempt from any vacant land tax, regardless of their zoning classification. Agricultural lands can be zoned as residential, rural, industrial, or mixed-use due to municipal planning decisions beyond the control of farmers. Exemptions should be based on the actual use of the land, ensuring that farmers are not penalized due to zoning nomenclature or for essential aspects of their operations.

While we understand the federal government's goal to increase housing development, it is crucial that the implementation of a vacant land tax does not adversely affect the agricultural sector. Preserving agricultural lands is essential for food security, environmental sustainability, and the economic well-being of rural communities.

OFA appreciates the opportunity to provide our feedback and perspectives on the taxation of vacant lands. We look forward to working with the federal government to find policy solutions that support the agri-food sector.

Sincerely,



Drew Spoelstra
President

cc: OFA Board of Directors
The Honourable Lawrence Macaulay, Minister of Agriculture and Agri-Food
The Honourable Rob Flack, Minister of Agriculture, Food and Agribusiness
The Honourable Lisa Thompson, Minister of Rural Affairs
CFA President Keith Currie