



# Perth County Federation of Agriculture

Email: perthcountyfedofag@gmail.com Website: www.perthcountyfarmers.ca  
Agnes Denham, Secretary: 519-229-8866 or 1-866-829-8866  
Robert Martin, President: robertmartin@xplornet.ca or 519-291-4853

## Higher farmland property values risk skewing tax share

**By Louis Roesch, Director  
Ontario Federation of Agriculture**

Ontario farmland values are increasing by a whopping average of 70 per cent over the next four years, according to the recent Municipal Property Assessment Corporation (MPAC) notifications. Ontario farmers saw a similar increase across the province in the last round of MPAC assessments in 2012. This recent rise in farmland values, compounded with the 2012-2016 assessment values have farmers seriously concerned about their tax costs.

While average farmland values vary from county to county, the very real concern for most farmers is how this big increase in values can impact farm property taxes. The Ontario Federation of Agriculture (OFA) has heard from many members and county representatives since the property assessments were released on October 11. Farmers across the province are worried about how these assessments will impact farming and more immediately, their property taxes.

Every four years MPAC provides updated property assessments. The newly assessed value will be phased in equally over the next four taxation years (2017-2020). Unless changes are made in property tax rates, farm property taxes will be impacted as the new values are phased in because taxes are calculated by multiplying the assessed value by the local farm property tax rate.

So while Ontario farmers are bracing for rising property taxes, they also have to face the reality that the ratio of tax dollars paid on farmland compared to commercial or residential taxes is about to shift. That is because farmland property values increased at a greater rate than any other property classification in Ontario.

As property values go up, tax rates rise. That means farmers will be contributing a higher proportion of taxes to their municipalities – taxes that support local services and infrastructure like schools, hospitals, roads and emergency services. Unfortunately, farmland does not require many of the municipal services that farm owners are taxed on.

If farm taxes increase, farmers will be shouldering excessive property tax burdens. The rules now allow flexibility in the rate of tax applied to farmland. Farm taxes are calculated at 25 per cent or less of the local residential tax rate. This provides the

flexibility to adjust the farm rate to account for the differential increases in assessed values. In other words, we have the tool to counter the high assessments.

OFA is encouraging all county and regional federations to work with their municipalities to adjust the farm tax ratio in their areas accordingly. OFA is available to provide any member or county federation with related information and an analysis upon request.

MPAC is responsible for the farmland property assessments, but the farm tax ratio is the responsibility of each county or municipal government. OFA encourages all members to thoroughly understand their farmland property assessments, the impacts the new value will have to their farms and tax rates, and address any tax ratio concerns with their local county or municipality. Ontario farmers should be proud of our valuable land and farm businesses, but will not and cannot shoulder unnecessary tax burdens. ♦

Perth County Federation of Agriculture  
**DIRECTORS MEETING**  
**Wednesday, December 14**  
**8:00 p.m.**  
Rostock Hall Boardroom  
Rostock

