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Tax rebate worries

Currie concerned?

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Don Currie, Area Councillor for Ward 4, is concerned that the new Farm Tax Reduction Program Implemented by the Ministry of Agriculture November 23, 1982, has no positive implications for farmers in the Golden Horseshoe.

According to Mr. Currie, ?The new program is another step towards tying farmers, because it is another step towards the control of land use and, if the government limits farm land to agricultural use, the land values will drop because farmers could only sell to other farmers.

?If farming was made profitable, the farmer would save all the farm land in the world,? he continued. ?Also, the farmer benefits from the principal taxes and he should pay his share.?

Changes in the property tax rebate system for Ontario farmers ? designed to eliminate taxes on productive farmland ? are being phased in to take full effect in the 1934 tax year. The method of assessing farmland and buildings in connection with the farm will not change, and farmers will receive a 100 per cent rebate on these productive assets.

However, the farm residence and the one-acre resident site (except where more or less than the one is used) will be assessed at a rate comparable to other local residencies, except that the residential lot would be assessed at 50 per cent.

This is to allow for the lower value for an unserved lot.

The farm tax rebate would then be calculated on the farmland and farm buildings only - but calculated at 100 per cent rather than 50 per cent on farmlands, buildings and residences.

Under the new program, the minimum requirement to qualify for the farm tax rebate will increase. Presently, the gross production value is at $8,000 across Ontario; it will increase to an $8,000 minimum in northern and eastern Ontario, a $12,000 minimum in southern Ontario.

When a farmer receives his tax assessment, it will have two parts. One will indicate the assessment on the farm resident and lot; the other will have that of the farmlands and related buildings. Farmers also have two methods of appeal under the new system. After receiving his assessment, a farmer can appeal either or both parts of it. He can also appeal his classification and qualification. The Farm Tax Appeal Board has been established to hear and adjudicate disputes of both natures. It will include representatives of the rural community.

The Ministry of Agriculture estimates that the net additional benefit to Ontario farmers in 1984 will be about $20 million, bringing the total benefit of the rebate program to more than $85 million.

The province chose a rebate system rather than exemptions because it did not want to interfere with the authority of the municipality to raise taxes

?Under the rebate system, the municipality retains its taxing powers and the rebate is made by the province directly to the farmer,? said Dennis Timbrell, Minister of Agriculture and Food, in his address to at the Ontario Federation of Agriculture's Annual Convention, November 23, 1982.

?Our overall objective in the project is ultimately to re-structure the farm tax system on the most efficient, equitable and progressive basis possible,? said Mr. Timbrell. ?What we are attempting to do is remove unfairness and inconsistencies from the tax system, and at the same time support and strengthen the position of our productive farming community.?

He also noted that ?the new qualify requirements are reasonable when you consider that a farmer could reach the $12,000 level by having six cows producing for the fluid milk market, or by selling 12 slaughter cattle, or by harvesting 46 acres of corn or by seven acres of processing tomatoes.?

The Ontario Federation of Agriculture, however, in its pre-budget brief, is asking the province to return the eligibility criteria back to $5,000.

The province says the present system allows some property owners to qualify for rebates, even though they have only a minimal commitment to farm and food production.