

# How does MPAC Assess my Farm Property?

## How your farm property is assessed

To establish the value of your farm property, we analyze **sales of farmland to farmers**. Sales of farms to purchasers who intend to use the property for purposes other than farming are not included.

We also consider the following factors that generally account for your property's assessed value:



Farmland



Residence



Residence Land



Farm Outbuildings



Other Buildings

## Farmland

To assess your farm property, we compare the farmland on your property to similar farmland in your area that has been sold. All farms in Ontario are assigned to a farm "neighbourhood" based on common factors such as climatic zone, soil type and suitability, and comparable properties selling for similar prices per acre. Within each farm neighbourhood, adjustments are made to reflect different soil quality classification.

## Farm residence and residence land

If the farmer lives in the house, then we assess one acre of the land supporting the house as farmland. If the house is occupied by a non-farmer, the land not farmed is considered residential property. When assessing the residence, we consider:



Dimensions of Farm House



Quality of Construction



Age and Condition



Cost to Rebuild

## Farm outbuildings and other buildings

When assessing farm outbuildings and other buildings on the farm property, such as wineries and stores, we look at the cost of replacing these buildings while considering:



Design



Quality of Construction



Age and Condition



Cost to rebuild

# Qualifying for Farm Tax Incentive Programs

As the owner of a farm property, you may be eligible for a reduction in the amount of property taxes you pay through one of the following incentive programs:

## Farm Property Class Tax Rate Program

To qualify for the **Farm Property Class Tax Rate Program** you **must submit an application to Agricorp**. For more information about the program and the eligibility requirements, please visit [agricorp.com](http://agricorp.com).

If you qualify, we will place your farmland and associated outbuildings in the farm property tax class and you will be taxed up to **25%** of your municipality's residential property tax rate.



Visit [Agricorp.com](http://Agricorp.com) to learn more about the **Farm Property Class Tax Rate Program** and eligibility requirements.

## Small-scale on-farm business subclasses

To promote and support local farms across Ontario, the Government of Ontario established **new optional subclasses** for small-scale on-farm businesses. Commercial and industrial subclasses were created to provide a tax rate that is **75%** lower than the **commercial** and **industrial tax rates** that would otherwise apply.

The reduced tax rate applies to eligible assessment ranging from **\$50,000 to \$100,000**. It does not apply to properties where the total assessed value of the land used for the on-farm business is \$1,000,000 or more.

## Farm forestry exemption (FFE)

To protect wooded areas, farmers with farm property or farm property holdings with wooded areas, may qualify for the **Farm Forestry Exemption (FFE)**. If you qualify, the tax exemption applies to 1 acre of forested land for every 10 acres of farmland, up to a maximum of 30 acres per owner, per municipality.

To be eligible for the farm forestry tax exemption your property **must be valued as farmland** and have some **forested** or **woodland areas**. MPAC will **automatically** apply the exemption if your property qualifies.



For more information, visit [mpac.ca/farntaxincentives](http://mpac.ca/farntaxincentives).

