

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

We also **classify** every farm in Ontario. The classification of a property is important because it determines the **tax rate** used to calculate property taxes. Distinct portions of the same farm property may be classified differently, depending on their use (i.e. residential, farm, commercial, industrial).

Farmland

We compare the farmland on your property to similar farmland in your area that has been sold.

Farm residence and residence land

The farm residence and land are classified as residential. When the farmer lives in the house, we attribute one acre of farmland to the residence land. If a non-farmer lives in the house, the land the house sits on, and any other land that is not farmed, is valued as residential land. When assessing the residence, we consider:



Dimensions of residence



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, 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

Farm properties are classified in the residential tax class by default. However, if you qualify for the Farm Property Class Tax Rate Program, as determined by **Agricorp**, 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.

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



Visit agricorp.com/FarmTax 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.

