

REAL PROPERTY TAX EXEMPTION PROGRAM FOR AGRICULTURAL LAND

The Real Property Tax Exemption Program for Agricultural Land is designed to identify productive farm land and farm buildings used in connection with farm production that may be eligible for exemption from real property tax in accordance with The Municipalities Act. It may apply to individuals who are productively using agricultural land, whether it is owned, leased or rented.



**GOVERNMENT OF
NEWFOUNDLAND AND LABRADOR**

**DEPARTMENT OF FISHERIES,
FORESTRY & AGRIFOODS**

GOVERNMENT OF
NEWFOUNDLAND AND LABRADOR

REAL PROPERTY TAX EXEMPTION PROGRAM FOR AGRICULTURAL LAND
APPLICATION FORM

Personal information collected in the application for Real Property Tax Exemption Program for Agricultural Land is used to assess applications for exemption eligibility. This information is kept confidential and handled as required by the *Access to Information and Protection of Privacy (ATIP)* Act. It may be shared within the Government of Newfoundland and Labrador and with municipalities for program delivery purposes only. Any questions or comments can be directed to the Manager of Environment and Land Use Services at (709)637-2084.

Please indicate year exemption is being applied for: _____

I. IDENTIFICATION

Farm Name: _____
Name: _____
(Last Name) (First Name) (Initials)
Mailing Address: _____
_____ Postal Code
Phone Number: _____ (Res.) _____ (Bus.)

HAVE YOU PREVIOUSLY APPLIED FOR EXEMPTION UNDER THIS PROGRAM? YES NO

If YES, only indicate changes in Section II: FARM LAND REGISTRATION and Section IV: ESTABLISHING or EXPANDING FARMS (please indicate whether land is being added or deleted).

All other sections must be completed each year.

**II. FARM LAND
REGISTRATION**

IMPORTANT: A grant, lease, deed number, or an affidavit from two unrelated individuals indicating ownership must be provided. Individual properties should also be identified by current civic address, civic roll number, and the applicable acreage. **Incomplete forms will be returned.**

Owned or Leased Land

Town/Community/Civic Address _____	<input type="checkbox"/> Grant	Grant or	_____Ac
_____	<input type="checkbox"/> Lease	Lease No. Volume/Frame No.	Folio/Roll No.
_____	<input type="checkbox"/> Deed	_____	_____
_____	<input type="checkbox"/> Affidavit	Civic Roll No.	_____
Town/Community/Civic Address _____	<input type="checkbox"/> Grant	Grant or	_____Ac
_____	<input type="checkbox"/> Lease	Lease No. Volume/Frame No.	Folio/Roll No.
_____	<input type="checkbox"/> Deed	_____	_____
_____	<input type="checkbox"/> Affidavit	Civic Roll No.	_____
Town/Community/Civic Address _____	<input type="checkbox"/> Grant	Grant or	_____Ac
_____	<input type="checkbox"/> Lease	Lease No. Volume/Frame No.	Folio/Roll No.
_____	<input type="checkbox"/> Deed	_____	_____
_____	<input type="checkbox"/> Affidavit	Civic Roll No.	_____
Town/Community/Civic Address _____	<input type="checkbox"/> Grant	Grant or	_____Ac
_____	<input type="checkbox"/> Lease	Lease No. Volume/Frame No.	Folio/Roll No.
_____	<input type="checkbox"/> Deed	_____	_____
_____	<input type="checkbox"/> Affidavit	Civic Roll No.	_____

III. Rented Land

LANDLORD:

Name: _____
(Last Name) (First Name) (Initials)

Mailing Address: _____
Postal Code

Location of Rented Land (Civic Address) _____
_____ Grant Grant or _____Ac
 Lease Lease No. Volume/Frame No. Folio/Roll No.
 Deed _____
 Affidavit Civic Roll No. _____

LANDLORD:

Name: _____
(Last Name) (First Name) (Initials)

Mailing Address: _____
Postal Code

Location of Rented Land (Civic Address) _____
_____ Grant Grant or _____Ac
 Lease Lease No. Volume/Frame No. Folio/Roll No.
 Deed _____
 Affidavit Civic Roll No. _____

IV. ESTABLISHING OR EXPANDING FARMS

(Please check appropriate box)

ESTABLISHING

EXPANDING

Farmers who are establishing or expanding may be eligible for exemption on their total land base regardless of their gross sales for a period of up to 5 years. (Please indicate date land was bought, leased, or granted.)

Location _____ Date: _____ Grant Grant or _____Ac
 Lease Lease No. Volume/Frame No. Folio/Roll No.
 Deed _____
 Affidavit Civic Roll No. _____

Location _____ Date: _____ Grant Grant or _____Ac
 Lease Lease No. Volume/Frame No. Folio/Roll No.
 Deed _____
 Affidavit Civic Roll No. _____

V. GROSS AGRICULTURAL SALES FOR YEARS PRIOR TO TAXATION EXEMPTION YEAR

Gross agricultural sales for year prior to exemption year

Rental income from agricultural land for year prior to taxation year.

Year _____ Amount: \$ _____

NOTE: farm cash receipts may be requested to substantiate financial information provided. All financial information is CONFIDENTIAL

RETURN APPLICATION TO:

Dept. of Fisheries, Forestry & Agrifoods
Land Resource Stewardship Division
P.O Box 2006, Fortis Bldg.
Corner Brook, NL A2H 6J8

I hereby declare that all information contained on this Application is true and accurate to the best of my knowledge.

Signed _____

Date _____

Applications shall be submitted each year. They MUST be returned by November 30th of the year prior to tax year.

HOW DOES THIS PROGRAM OPERATE?

The amount of land that may be eligible for exemption is based on the gross sales of agricultural products. In general, the higher the level of production, the more acres may be exempt.

The exemption program is based on several assumptions. A significant portion of an individual's land may consist of rock, bog, steep slopes, etc., and would not be capable of agricultural production. Furthermore, because productivity varies greatly from one type of enterprise to another, the exemption formula is calculated using a low value, based on extensive agricultural use.

WHAT LAND IS ELIGIBLE UNDER THIS PROGRAM?

Qualifications for eligibility under the Tax Exemption Program are:

- (a) the land base must be used for the production of agricultural products;
- (b) the land must be farmed by the individual applying for the exemption (in the case of rented land, however, the exemption will benefit the landlord);
- (c) the applicant must produce a minimum of \$5,000.00 in annual gross sales from agricultural products in the year prior to the exemption year. The exemption does not include residences or 0.5 acres of land on which residences are located.

Applicants who qualify will be eligible for exemption on one acre per \$250.00 of gross sales beyond the \$5,000.00 level. For example, if a farmer has gross sales of \$5,000.00, they would be eligible for exemption on 20 acres (ie: \$5,000.00 @ \$250 per acre= 20 acres). Similarly, a farm with gross sales of \$50,000.00 would be eligible for exemption on 200 acres.

It is also appreciated that a farmer may, from time to time, have a poor year due to adverse climate, poor markets, etc. As a result, the program incorporates an income averaging system whereby a farmer may equalize the gross sales figure from a poor year by averaging it with the two immediately preceding years.

If a landowner does not qualify under the above conditions, but rents a minimum of 5 acres to multiple patrons for agricultural purposes (eg. Garden plots, pasture), the rent received from the land may be used in place of gross agricultural sales.

Greenhouse operations are eligible for exemption provided the applicant submits an affidavit declaring that his income is filed with Revenue Canada Taxation as a farmer.

NEW ENTRANTS AND FARMERS EXPANDING THEIR LAND BASE

New entrants in agriculture and established farmers who have recently expanded their land base may also qualify for special consideration. Upon approval, farmers who are establishing or expanding may qualify for exemption on their total land base regardless of their gross sales. This would be in effect for a maximum of five years from the time the land was acquired.

HOW TO APPLY

Tax exemption application forms may be obtained from: Town Council Offices; local area Agricultural Representatives; or by contacting the Department of Fisheries, Forestry & Agrifoods, Land Resource Stewardship Division, P.O. Box 2006, Fortis Building, Corner Brook, Newfoundland and Labrador, A2H 6J8.

Applications must be submitted annually. They shall be returned by November 30th of the year prior to tax year. **Applications received after this date may jeopardize the exemption for that year.**

Farmers land base information from previous applications is kept on file. Applicants who have previously applied under this program are **only required to indicate changes to their land base** (i.e. Section II and / or Section IV: Only list properties which have been added or deleted).

Rental properties must be identified and fully described on an annual basis (Section III).

The completion of Section I and Section V is compulsory each year. Applications received without this information will be returned.