

## **YOU CAN SAVE \$\$\$\$\$**

### **Why pay more in property tax than is necessary?**

If you are a horse farm owner who has not sought a re-assessment of your property since the Ministry of Finance approved regulatory changes to property assessments in March 2005, don't delay in contacting the Municipal Property Assessment Corporation (MPAC) tollfree at 1-866-296-6722. And we don't mean just those members who were recently assessed at the commercial rate ...

The Ontario Equestrian Federation went to bat for its members and lobbied the Ministry and MPAC over the winter when it became evident that horse farms were being evaluated at a commercial rate that resulted in tax increases of up to 1900% for some!

After educating MPAC officials as to the activities conducted by horse farm owners, an MPAC report to the Minister of Finance was able to recommend that most activities would fall into either the 'farm' or 'residential' class, and that the 'commercial' rate should be applied only to those activities that are truly commercial in nature (e.g. tack shop, restaurant, or farrier that provides products and/or services for sale).

Previously, the maintenance of horses fell into a gray area within the legislation. The OEF obtained support from the Ontario Federation of Agriculture (OFA) and the Ontario Ministry of Agriculture and Food (OMAF) to consider horses as livestock. That made it easier to work towards a resolve of the tax situation, as the Ministry was able to accept that horse maintenance included breeding, training, boarding, raising and maintaining horses.

Members who have been previously assessed as commercial, whether recently or long-term, need to reverse that situation. *It will not be done automatically.* You must contact MPAC to arrange for a re-assessment. Going forward, there should no longer be any Ontario horse farm that has even a small portion of the property considered commercial if they are offering nothing more than breeding, boarding, training, riding lessons, and/or trail rides.

Worse-case scenario is that a property would be assessed totally as residential. More likely, properties will be a mix of residential and farm. That's a big difference in your taxes, when the commercial rate is approximately 4%, residential is approximately 1.5%, and farm is 25% of the residential rate!

Farms generating more than \$7000 in revenue from the breeding, training, raising, or maintenance of horses are eligible to apply to the Ontario Ministry of Agriculture for a 'farm property rate'. This will immediately provide you with a 50% obsolescence reduction in the value of your property and allow it to be taxed at the much lower farm rate. Many OEF members need to determine if they qualify for the farm property rate.

**There's no need to be spending more than you have to!  
Call these numbers today ...**

<b>MPAC</b>	<b>1-866-296-6722</b>
<b>OMAF</b>	<b>1-800-469-2285</b>