

PROPOSED AMENDMENTS TO R.R.O 1990, REGULATION 697
[EXEMPTION(S) — FOR CERTAIN CONVEYANCES OF FAMILY FARMS
OR FAMILY BUSINESSES]

The information in this newsletter has been supplied and prepared by the
Ministry of Revenue

On March 25, 2008, as part of the 2008 Ontario Budget, it was announced that the aforementioned Regulation would be amended by expanding the land transfer tax exemption with respect to the conveyance of family farms.

The Regulation currently exempts from land transfer tax the conveyance of a family farm if the transfer is between individuals, or from an estate of an individual to another individual, or from an individual to a family farm corporation. In all cases, the individuals must be members of the same family and, in the case of the transfer to a family farm corporation, the shareholders of the corporation must be members of the same family as the transferor.

The amendment will expand the exemption to cover conveyances from a family farm corporation to an individual or individuals, so long as those individuals are members of the same family of all of the shareholders of the corporation.

The new exemption will apply to all eligible conveyances that are registered after March 25, 2008. **However, the Regulation must first be amended to become law. Until that time, all applicable land transfer tax must be paid upon the registration of conveyances to which the amendments will apply.**

Until the Regulation is amended, eligible transferees may apply directly to the Ministry of Revenue for a refund. Such refund requests will be processed to determine eligibility, but refunds on eligible claims will not be issued until the proposed amendments become law. All such applications must be accompanied by the following documentation:

1. A properly completed form – **Affidavit Regarding the Exemption for the Conveyance or Disposition of Farmed Land**; <http://www.rev.gov.on.ca/english/forms/ltt/pdf/1205.pdf>
2. A copy of the registered instrument on which land transfer tax was paid (if not registered electronically, this should be a photocopy of the Land Registry Office's original which shows the tax paid);

3. If registration was effected electronically, a copy of the docket summary which relates to the transaction;
4. A copy of the agreement of purchase and sale along with a copy of the statement of adjustments.

Upon the proposed amendments becoming law, refund applications with respect to conveyances covered by the amendments will be able to be made electronically.

For further information, please contact the Ministry of Revenue:

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