

**Details about the Exemption for  
Certain Transfers of Farmed Land**  
from a Family Farm Corporation to Individual Family Members  
under the *Land Transfer Tax Act*

**General**

Regulation 697, R.R.O. 1990, (Regulation 697) provides an exemption from land transfer tax on certain transfers of farmed land. On March 25, 2008, proposed amendments to the *Land Transfer Tax Act* were announced in the 2008 Ontario Budget. It was proposed that the exemption be expanded to include certain transfers of farmed land from a family farm corporation to individual family members.

Ontario Regulation (350/08), containing the proposed amendments to Regulation 697, has been approved by the Lieutenant Governor in Council and was filed with the Registrar of Regulations, making the proposed amendments law.

This notice provides general information. It is not exhaustive and should not be considered as a substitute for the legislation or regulations.

**Background**

Previously, under Regulation 697, the only transfers of farmed land that were eligible for the exemption were transfers:

- between family members
- from individual(s) to a family farm corporation
- from a Personal Representative of an Estate to family members.

Now, certain transfers of farmed land from a family farm corporation to individual family members may also be exempt from land transfer tax.

**Effective Date**

The exemption applies retroactively to qualifying transfers that took place after March 25, 2008.

**How to Claim the Exemption**

In the electronic land registration system, the exemption may be claimed by selecting the following statements located under the "Exemptions" tab of the "Land Transfer Tax" branch of Teraview:

- Statement 9123:  
" I/we have read and considered Regulation 697, R.R.O. 1990, including the definitions of "family farm corporation", "farming", "farming assets" and "members of the family" as defined in the Regulation. Each transferor or (if applicable) each shareholder of the transferor corporation, and each transferee or (if applicable) each shareholder of the transferee corporation are members of the same family, and where the transferor(s) is/are the personal representative(s) of the estate of a deceased individual, the deceased individual was also one of the members of the family immediately prior to his/her death. Prior to the conveyance, the lands were used predominantly in farming carried on by NAMES during the period(s) TEXT."

and

- Statement 9078:  
“The land is being conveyed for the principal purpose of enabling one or more individuals, each of whom is a member of the family of each transferor or (if the transferor is a family farm corporation) of each shareholder of the transferor, to continue farming on the land.”

### How to Apply for a Refund

To claim an exemption for paper registrations or unregistered dispositions, please refer to Ontario Tax Bulletin [LTT 3-2008 Exemption for Certain Transfers of Farmed Land](#) for details.

If land transfer tax has been paid on a conveyance of farmed land and the conveyance meets the criteria for the exemption, an application for a refund may be made within four years from the date the tax was paid.

The following documentation must be sent to the ministry at the address below:

- A copy of the registered instrument on which land transfer tax was paid (in the case of electronic registration, please include a copy of the docket summary which relates to the transaction)
- A copy of the agreement of purchase and sale and statement of adjustments
- A properly completed [Affidavit Regarding the Exemption for the Conveyance or Disposition of Farmed Land](#)
- A copy of the shareholder registers of the transferor corporation and any of its corporate shareholders, and
- A copy of the financial statements for all corporations.

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### For More Information

#### Telephone enquiries

Ministry of Revenue  
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