



**KEYSTONE
AGRICULTURAL
PRODUCERS**
1984 - 2024

December 20, 2024

Department of Finance Canada

VLT-TTV@fin.gc.ca

Consultation on the Taxation of Vacant Lands

Keystone Agricultural Producers (KAP) is Manitoba's general farm policy organization, providing a unified voice for farmers on issues that affect agriculture. KAP represents and promotes the interests of all Manitoba farmers and 20 commodity associations. KAP is pleased to respond to the Department of Finance's consultation on vacant land taxation.

Farming requires large plots of land—in Manitoba, farmers own approximately 17.1 million acres classified as farm property. Through research, we have found that some farmer-owned land in Manitoba would fall under the conceptual vacant land tax framework. Some farmers in the province do own vacant, residentially zoned land. This land is both developable and serviceable by local infrastructure. Some farmers also have residentially zoned property to grow crops. The last example raises questions about the unclear vacant land definition in the consultation document: Does vacant land just mean an area without buildings? Does it also include residentially zoned land with crops but no buildings? More clarity is required.

KAP opposes a tax on residentially zoned land affecting farmers. Applying this tax on farmers in rural areas will not solve Canada's housing crisis. A vacant land tax on farmers would neither encourage land development nor limit speculative land buying. Plus, it may lead to additional rezoning applications. Farming in rural areas is unique. Farmers have property that would fill the criteria of vacant land, but this amount of land is inconsequential to address the housing crisis in Canada. We have seen a massive demographic shift in Canada from rural to urban areas in the past 100 years. Most Canadians no longer live in rural areas; 80 percent now live in urban centers. Not only would it be impractical and administratively burdensome to apply this proposed tax on farmers but would likely have little effect on a farmer's land use decision making.

Thank you for providing the opportunity to comment on the policy framework for the taxation of vacant lands. If you have any questions about this document, please contact KAP policy manager, Neil Van Overloop, at neil.vanoverloop@kap.ca.

Sincerely,

Jill Verwey
President, Keystone Agricultural Producers Inc.

601-386 Broadway | Winnipeg, MB, R3C 3R6
www.kap.ca