



KEYSTONE
AGRICULTURAL
PRODUCERS
of MANITOBA

October 13, 2016
Outline of Presentation by KAP
Pre-Budget 2017 Consultation, Manitoba Finance

Introduction to the Issue:

Recently a substantial number of our members, across Manitoba, have seen dramatic increases in their general municipal and school tax bills. This is primarily due to the 2014 Assessments forming the basis of their taxes for the 2016 and 2017 tax years. The assessed values of farmland jumped in many areas, which has caused the total cost of taxes for many farmers to increase to unaffordable and unsustainable levels.

KAP's Work on the Issue

Our organization is presently engaged in a research project examining the assessed values of farmland in each of the Rural Municipalities (RM) in Manitoba. This research is ongoing, but several observations can already be made. We will provide you with a few examples (during presentation) to demonstrate the magnitude of this problem. While the average increases in assessed value vary by RM, there is little doubt that this issue is one faced by all farmers and the increases are generally large, regardless of the RM being examined (even an increase of 10% from the previous year exceeds reason).

In addition to this research, our organization has standing policy to advocate for the removal of education taxes from property. We believe that it is time for the government of Manitoba to reevaluate the way that education is currently financed, and begin considering alternative methods of paying for it.

KAP's Requests

- 1) *Assessment Portioning* - We urge the government to consider lowering the portioned percentage for farmland. The current portion of assessed value that farmlands are taxed on is 26%. This has been the case since 2002. The values of farmlands have, for the most part, increased substantially over this timeframe and especially in the past few years. We believe it is time for the government to reconsider the portioned percentage for farmland. The current portioned percentage is simply too high, in light of the drastically increased assessment values given to farmland.
- 2) *Farmland School Taxes* – We urge the government, in the short term, to remove the current cap of \$5000 on the Farmland School Tax Rebate. In the long term, we would like to see the government work toward the removal of education taxes from all property.

Conclusion:

We urge you to consider lowering the portioned percentage for farmland, so that farmers will be better able to meet their tax obligations when the assessed values of their properties jump. We also ask that you consider removing the current \$5000 cap on the Farmland School Tax Rebate and begin working toward shifting the financing of education away from a property tax based system.