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Honourable Chrystia Freeland, Minister of Finance:

Farmers have been adversely and inadvertently impacted by the Underused Housing Tax (UHT) and are struggling to understand their compliance requirements. Is the Department of Finance (Federal Government) and CRA so out of touch with agriculture and farm families that the UHT rules were rolled out without consideration of the complexities of intergenerational land transfers and ownership? The onerous penalties have farmers scrambling to determine how these rules apply to them, without adequate CRA administrative guidance and clarification.

The following outlines some of the basic realities of farm residences and the intricacies that have not been clarified by the Department of Finance, in legislation, or by CRA administration:

Farmers often have several vacant homes as they inherit or purchase quarters of land over their many years of often intergenerational farming. Often these homes are uninhabitable.

Houses on old homesteads are often used by family members or hired farm labour. They may be seasonably vacant after harvest and pre-seeding.

These houses may be rented to third parties, however, in remote rural areas, this may not be consistent or even an option.

Were these situations contemplated in the legislation and are UHT filings required in these situations?

Parents often are on title with adult children to facilitate intergenerational purchase of the farm 'home place'. This is a tool to provide comfort to both parents and children in a seamless transition of the farmland and home. ***Does this possible 'trust arrangement' result in a UHT filing requirement?***

Parents may be co-signing mortgages or guaranteeing debt in these situations. ***Does this result in a UHT filing requirement?***

We were advised that if any portion of mortgage interest is claimed on the home quarter, which includes their primary residence, that this may constitute a partnership asset. ***Is the intention that this result UHT filing requirement?***

'Bare Trusts' may exist in intergenerational rollovers of land which may include a house. We are concerned that this **triggers a UHT filing requirement**, however, find it difficult to believe that the Department of Finance contemplated this in the legislation.

It appears that an unintended 'can of worms' has been opened for farmers. Online UHT filing is available, however not for farmers – **CRA does not realize that a postal code is not identified with specific quarters of land, thereby eliminating the online filing option.**

It is our view, that the 'tax experts' drafting this legislation may not have any understanding of rural Canada, farm families and the nightmare UHT compliance has created. Please address our concerns and resolve these unintended consequences of hastily rolled out legislation. Thank you.

Yours truly,

Wilde Advisory Group

A handwritten signature in black ink that reads "Colette Miller". The signature is written in a cursive, flowing style.

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