



## Property Tax Assessments for Farm 24 Land and Buildings Resource Kit for Nova Scotia Farmers

Property tax assessments in Nova Scotia are performed by Property Valuation Services Corporation (PVSC), a municipally-owned, not-for-profit corporation that determines the market value of properties as legislated by the *Assessment Act*.

All land is assessed on the basis of market value. Beginning in 1997, the values are updated annually based on sales. The assessment categories used in conjunction with agricultural land are residential, resource and commercial. Farm buildings, including greenhouses, farm lands, woodlots and unmanaged lands, are all assessed as resource property. Farm residences are assessed as residential. Within the resource category there are three categories: farm lands, woodlands, and unmanaged lands.

Farm buildings and residences are taxed at the residential rate, managed woodlots pay a flat tax of \$0.25 per acre, land which is identified on the assessment rolls as agricultural land is given a tax exemption. All other land is taxed as resource. The resource rate is the same as the residential rate and tax rates are established by each municipality on an annual basis.

### **The Tax Treatment of Farm Buildings**

Farm residences, including around one acre of land, are assessed at market value and taxed at residential rates. Farm buildings are assessed at market value and taxed at the resource rate, which is equivalent to the residential rate and is generally fifty percent of the commercial rate. However, farm-based processing or retail facilities will be taxed at the commercial rate.

### **The Tax Treatment of Agricultural Land**

There is zero-taxation on all land that is classified as agricultural land. The exemption is not dependent on the land being owned by a registered farm business; in fact, it has been estimated that one-third of the land that is tax exempt may not be owned by registered farm businesses.

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The province pays a grant in lieu of taxes to each municipality to compensate for lands provided with the tax exemption. The program amounts to a deferral of taxes on farm land. The program stipulates that farmland which has received the exemption must make a payment if the use of the land is changed. The person changing the use from farmland to residential or commercial must pay 20% of the value of the land in its new use.

For more information on farm property assessment, contact your local municipal office or the Property Services Valuation Corporation, or see the booklet *Understanding How Your Farm's Property Value is Determined in Nova Scotia*, published by the Nova Scotia Federation of Agriculture: [www.nsfa-fane.ca/property\\_assessment](http://www.nsfa-fane.ca/property_assessment)

Property Services Valuation Corporation can be reached at 1-800-380-7775 or [www.pvsc.ca](http://www.pvsc.ca)

[The content in this fact sheet was taken from *The Taxation of Real Property and Farm Businesses*, a background paper prepared by the Nova Scotia Federation of Agriculture, and revised by Rebecca Sooksom, New Entrant Resource Coordinator, Nova Scotia Department of Agriculture, April 2010.]