



Agriculture is Everyone's Business

APAS tables submission opposing proposed Federal corporate tax changes

Producer-group disappointed consultation period not extended to accommodate harvest

October 2, 2017 – For Immediate Release – The Agricultural Producers Association of Saskatchewan has submitted their response to the Federal Government's consultations on Tax Planning Using Private Corporations, voicing their serious concerns about the recommendations.

"We have seldom seen such concern from all members of the farm and ranch community about a government initiative. Saskatchewan producers were completely taken by surprise by the proposals contained in the Tax Planning Using Private Corporations consultation document," APAS President Todd Lewis said. "Both by the recommendations, and by an extremely compressed consultation period conducted during our busy harvest season."

APAS expressed grave concerns with the Federal Finance Department recommendations, and has asked for agriculture to be exempted from key provisions.

"Twenty-seven percent of Saskatchewan family farms have incorporated, mainly as a vehicle for the transfer of their operating assets between generations," Lewis explained. "Decisions have been made in good faith under existing provisions to incorporate farm businesses over longer time horizons. These succession plans are designed to ensure that the farm operation is structured to allow for younger generations to take over without having to totally recapitalize the farm, and to provide a secure retirement income for retiring generations. The future of our industry depends on it."

Lewis also notes that the current provisions under the Income Tax Act already create a financial disincentive to transfer farm assets to family members instead of arm's length buyers, and the new proposals make this situation worse.

APAS urged caution over the government's focus on "passive investments," and how it might affect farmers' ability to meet the increasing demand for food for our growing population.

"Agriculture is a very capital intensive, high risk enterprise, and Canada needs to ensure that producers have tools to manage their future financial risk and to save capital for



future investments,” Lewis said. “The Government of Canada has identified agriculture and food as a target sector for future economic growth, and those ambitious goals cannot be realized without provisions that allow tools for future investment by family farm operations.”

To see APAS’ full submission, click [here](#).

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For further information or to arrange an interview, please contact:

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Background: APAS is Saskatchewan’s general farm organization – formed to provide farmers and ranchers with a democratically elected, grassroots, non-partisan, producer-run organization based on rural municipal boundaries. As the united voice of thousands of agricultural producers and ranchers in Saskatchewan, we strive to represent the views of a wide variety of agricultural stakeholders in order to form comprehensive policies that can benefit all sectors of society.