



#6, 11010 – 46th Street SE
Calgary, AB T2C 1G4
Tel: 403-769-1519
Fax: 403-209-3255

National Cattle Feeders' Association (NCFA)

Written Submission to Standing Committee on International Trade

Underused Housing Tax – Impact on Canadian Farmers

Recommendation

NCFA calls for an automatic exemption from the Underused Housing Tax for farmers who own homes for the purpose of housing farm workers.

On behalf of the National Cattle Feeder's Association (NCFA), please accept this written submission on the impact of Underused Housing Tax on Canadian farmers.

NCFA works to improve the growth and competitiveness of the beef sector in Canada. A key factor to the sector's success is having regulatory and taxation requirements that track alongside those of our global competitors. The beef industry is a highly-integrated North American market and so additional taxation and red-tape costs can quickly make Canada uncompetitive.

We recognize that there is a housing crisis in Canada and the *Underused Housing Tax* is one of many tools to address this issue. However, the tax is having an unintended and negative impact on Canada's farmers who own multiple homes required to house their farm workers.

The greatest challenge facing the Canadian agriculture sector today is a chronic and severe labour shortage. As a result, farmers must bring in foreign workers to ensure the sustainability of their operations and the welfare of the animals they are raising. This is particularly true on cattle feedlots as they require large numbers of workers to run their operations.

Farmers rely on the Temporary Foreign Workers and the Seasonal Agricultural Worker programs to secure foreign labour. These programs require that the farmer have housing arrangements in place and inspected months before submitting their Labour Market Impact Assessment application to Service Canada. So, by default, the home remains vacant while government processes the entry of the foreign worker. It should be noted that for cattle feedlots, foreign workers are required long-term and thus housing arrangements are not bunk-style, but are permanent apartments or houses.

While we recognize this tax provides an exemption process for which farmers can apply, our members are informing us that the professional fees (i.e., accountants) to complete the exemption application are significant (particularly for large feedlot operations) and are simply one more burden upon farmers who are already facing increasing input costs, energy costs and regulatory requirements. In the meantime, the funds used to pay these professional fees to complete the exemption application could be going toward innovation on the farm operation.

Recommendation

NCFA calls for an automatic exemption from the Underused Housing Tax for farmers who own homes for the purpose of housing farm workers. This automatic exemption would not require any application or paperwork by the farmer. This approach would provide much-needed financial and red-tape relief for Canada's agriculture sector.

NCFA would welcome the opportunity to appear as a witness before the Committee or meet individually with Committee members as their request.