



RETAIL SALES TAX EXEMPTION INSURANCE ON AGRICULTURAL PROPERTY

Policyholders will not be charged Retail Sales Tax on premiums for insurance on agricultural property only if they are either:

- Actively engaged in the business of farming, OR
- Are insuring agricultural property that is leased to a person actively engaged in the business of farming.

The following is provided only as a guideline. Please consult your tax advisor or local Retail Sales Tax office if you have any question as to your eligibility for this exemption. To obtain the Retail Sales Tax exemption of your farm property you must complete the applicable declaration at the bottom of this page and return in to Dumfries Mutual Insurance Company.

WHO IS A FARMER?

For retail sales tax purposes, "a person engaged in the business of farming" means a person who undertakes farming with a reasonable expectation of profit. Farming includes:

- The growing of food for human or animal consumption.
- Tillage of the soil for the purposes of growing sod, trees, shrubs, bushes, seeds and seedlings, flowers, plants and bulbs from which plants or flowers may be grown.
- Raising of livestock.
- Breeding of fur-bearing animals for the purpose of selling their pelts.
- Propagation and cultivation of plants within a hothouse, greenhouse or other enclosed structure designed for the protection of plants.
- The following services performed exclusively for farmers:
 - Custom planting, cultivating, harvesting, fertilizer, spreading or crop spraying.
 - Installing drainage tiles and performing drainage work.

WHO IS NOT A FARMER?

Persons having gardens or small holdings that produce crops or keep livestock for their own consumption or use are not considered to be in the business of farming and the exemptions do not apply to them.

WHAT IS AGRICULTURAL PROPERTY?

Agricultural property includes farm buildings and structures, equipment and livestock, recreational equipment normally located on the farm, farm residences and household property.

DECLARATION

Complete 1 OR 2, whichever is applicable, AND 3.

1. I hereby certify that I am engaged in the business of farming and that the property described in my application for insurance is agricultural property.

Date: _____ Signature: _____

2. I hereby certify that the property described in my application for insurance is agricultural property leased to a person actively engaged in the business of farming.

Date: _____ Signature: _____

3. Farm address: _____

Fire # Street

City

Postal Code