

factsheet



Classifying Horse Operations for Farm Assessment

BC Assessment

Horse Rearing as Primary Agricultural Production

Raising horses for sale is considered primary agricultural production and may qualify property for farm assessment. A mixed operation of horse breeding, raising, training and boarding is eligible for farm classification on the entire operation.

Equestrian centres, horse boarding, training or rental facilities will not be eligible for farm classification unless they are operated in conjunction with raising or breeding horses for sale. Related non-farm activities such as restaurants, snack bars and lounges are classified Business & Other.

What qualifies for farm classification?

- Horses must be raised and sold in the 12-month period ending October 31.
- An operation that has yet to meet the income requirement must have enough animals to meet the income requirement within the coming year in order to qualify as a farm.
- Receipts for purchase (applicable only where horses are not born on the farm) and sale must be made available to the assessor upon request.
- The farm must meet its annual income requirement based on the sales prices (less any purchase costs) of horses raised on the farm. Income from horse rearing is calculated in the following way:

- if a horse was purchased for \$1,000, trained and sold for \$4,000 two years later, the income would be calculated as follows:
 $\$4,000 - \$1,000 = \$3,000$ in the year of sale.
- if a foal was born on the property and sold two years later for \$4,000, the income would be \$4,000 in the year of sale.

Income from boarding, training, rental, showing, stud fees or racing and breeder's bonuses will not be included as qualifying income for farm classification.

Horse rearing operations must sell at least one horse each year in order to continue to qualify for farm classification.

When is the application required?

For land to be classed as farm for the next taxation year, the owner must submit an application for farm classification to the local assessment office. Application forms are available on the website in the forms section [here](#) or at your local BC Assessment office.

Applicants are encouraged to submit their farm applications to the local BC Assessment area office as soon as possible. Early application will assist in providing BC Assessment staff time to inspect and review the farm operation.

Property already classed as farm land must continue to meet the requirements for farm class on or before October 31 to receive farm classification for the following year. BC Assessment may require you to provide additional information in support of continued farm classification.

For more information on farm classification, contact your area [BC Assessment office](#) or visit www.bcasassessment.ca. Applications for farm classification are located at <http://www.bcasassessment.bc.ca/pdf/forms/FarmClassForm.pdf>.