



Managed Forest Tax Incentive Program Overview

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Purpose

- Promote good forestry practices on private land
- Increase landowner awareness about forest stewardship
- Provide incentive to maintain and increase forest cover
- Recognize the benefits that privately owned forested lands provide for everyone in Ontario



Governance

- MFTIP is set out in Ontario Regulation 282/98 of the Assessment Act, owned by the Ministry of Finance
- Administered by MNRF
- More detailed program requirements in the MFTIP Guide
- Further guidance in supplementary materials (MFPA handbook, code of ethics, etc.)



Statistics

- Approximately 20,000 properties participating for 2022 tax year
- Receive about 1000 new properties per year with about 500 departing, for net growth of ~500 per year
- Approximately 215 active MFPA's across Ontario



How it works



- Landowners hire and work with a Managed Forest Plan Approver (designated by MNRF) to prepare a Managed Forest Plan for their property
- Managed Forest Plan Approvers help landowners learn about their forest and good forest management, set goals and plan management activities for their properties
- Landowners get a reduction on property taxes for the duration of their plan (10 years).

What's eligible?

- Property must be owned by a Canadian citizen or permanent resident or Canadian business, trust, or conservation authority
- Property must have 4 hectares (9.88 acres) eligible area. Eligible area includes:
 - Forest that meets minimum tree densities (per hectare):
 - 1,000 trees of any size,
 - 750 trees that, at a height of 11/3 metres, are more than 5 centimetres in diameter,
 - 500 trees that, at a height of 11/3 metres, are more than 12 centimetres in diameter, or
 - 250 trees that, at a height of 11/3 metres, are more than 20 centimetres in diameter
 - Open natural areas such as regenerating fields (max 10% of total eligible area)
 - Open natural areas that can't support trees because of natural constraints (max 25% of total eligible area)



MFTIP tax benefit

- Only the portion of the property enrolled in the MFTIP receives the tax benefit. Any ineligible portions (house, farm etc.) are taxed at their regular rates.
- Properties in the MFTIP are re-assessed by MPAC. MPAC determines how much of the value pertains to the MFTIP portion, then reassesses that portion according to regulation
- MF portion taxed at 25% of residential rate. Overall savings on eligible portion only is 75-92%



Landowner responsibilities

Landowners must:

- Follow the approved Managed Forest Plan and “good forestry practices”
- Submit a 5-Year Progress Report
- Renew plan after 10 years to continue participating

- Learning about the forest/forest management (e.g. recording observations, reading educational materials, attending workshops)
- Trail maintenance or creation
- Other

* Detailed Report of Activities

Please report on activities completed during the time the land was enrolled under the current plan (since Jan 1, 2017). Click '+' to add new rows.

+

	Year	Compartment	Activity	Comments/details of activity
	2019	1A	Managing invasive species	Removed dog strangling vine along forest margin
	2020	1B	Trail maintenance	Cut hazard trees beside trail and used for firewood
	2018	1A	Learning about the forest	Attended a workshop on bird identification

Roles and responsibilities

- Ministry of Finance – administers regulation
- MNRF – administers program
 - Processing applications
 - Communicating with MPAC
 - Communicating with landowners (reminders, confirmations, stewardship information)
 - Overseeing MFPAs
- MFPAs –
 - Liaison between landowners and MNRF
 - Collect and verify information on the ground
 - Personalized and meaningful communication with landowners



Managed Forest Plan Approvers

- MFPA's are designated by MNRF
 - Must meet certain requirements for education/experience and pass a written exam
- MFPA's:
 - Are independent contractors, not employed by MNRF
 - Set their own rates
 - Advertise their services and conduct their work independently
 - Abide by a Code of Ethics
 - Lose their certification if they do not follow the Code of Ethics. This can include:
 - Approving plans/properties which are not eligible
 - Unethical advertising or competitive practices
 - Lack of professionalism in working with landowners
 - Not maintaining program standards in Managed Forest Plans

MFPA requirements

- A degree or diploma in forestry or a natural resource management field, or demonstrated equivalent knowledge and experience in natural resource management principles and practices, including forest management
- a good understanding of forest inventory and wildlife habitat assessment techniques
- 18 months of post-graduate experience in natural resource management, with direct and demonstrated experience in the application of forest management principles and practices
- a thorough understanding of Managed Forest Tax Incentive Program standards and eligibility requirements and the ability to visit properties, conduct inventories and review Managed Forest Plans to ensure they are eligible and meet standards
- communication skills to work with landowners, companies and other groups and individuals interested in natural resource stewardship
- computer skills to prepare maps and submit applications online

Preparing a plan

- Plans should follow the outline in the MFTIP Guide
 - Section 1: Property owner information
 - Section 2: Property location information
 - Section 3: Property history
 - Section 4: Property map and surrounding area
 - Section 5: Landowner objectives
 - Section 6: Detailed property map
 - Section 7: Managed forest compartment descriptions—Inventory forms
 - Section 8: Ten-year activity summary
 - Section 9: Report of activities
 - Section 10: Contacts and notes
- Can use the template from the Guide to Stewardship Planning for Natural Areas or a different template that contains the information listed in the MFTIP Guide

Approving a plan

- MFPAs have authority to approve MF plans under regulation
- MFPAs can approve plans they have written, or a plan written by the landowner or someone else
- Approving means verifying it was prepared in accordance with MFTIP Guide
 - Eligible area is accurate
 - Meets requirements for plan content
 - Follows good forestry practices
- Site visit is always required to verify eligibility and plan information on the ground

Determining Eligibility – Forested Areas

- Two main factors to consider to determine if an area of land can be included in the forested area of a managed forest plan
 1. Does it meet minimum tree density requirements?
 2. Is it managed in accordance with good forestry practices?
- Some areas may meet tree density requirements but are not managed in accordance with good forestry practices – not eligible
 - E.g., hydro corridors, orchards
- Some areas may be managed in accordance with good forestry practices but not meet the tree density requirements. These may be included within the open area provisions
 - E.g. regenerating areas, rocky areas
- What is a tree is determined by Trees in Canada – based on both tree definition and species description

Determining Eligibility – Open Areas

- Two types of eligible open area allowances:
 - Natural areas, such as forest openings or abandoned farm fields (max area 10% of forested area); and
 - Natural areas that could not support trees through normal forest management activities because of natural constraints (max area 25% of forested area).
- Besides whether or not the area can reasonably be considered a “natural area”, there are two criteria that must be met for an open area to be eligible:
 1. It must contribute to the objectives of the managed forest plan
 2. It must be managed in accordance with good forestry practices

Eligibility – Important Consideration

- Natural areas that cannot support trees because of non-natural constraints, such as herbicide application or mowing, are not eligible for the second category.
- They may be eligible for the first category only if they follow good forestry practices and contribute to the objectives of the plan
 - E.g., land being pastured or hydro corridors being maintained with herbicide are not eligible, as they are developed rather than natural areas and do not follow good forestry practices
 - However, land where prescribed burning is taking place for a time to manage invasive species may be eligible

Eligible management activities

- Must follow *good forestry practices* (under the *Forestry Act*)
- Appropriate activities in the MFTIP Guide include:
 - tree planting of native tree species, tending, thinning, pruning and harvesting;
 - recreational activities such as hiking, skiing or hunting;
 - wildlife management involving habitat work or participating in monitoring programs;
 - protecting environmentally sensitive areas by limiting disturbance; and
 - learning about your forest.
- Inappropriate activities include:
 - high-grading, or diameter limit cutting;
 - pasturing livestock;
 - removing soil from the forest; and
 - continued inactivity that degrades forest health



What makes a good plan?

- The landowner can understand and learn from it
 - Written for the landowner's level of expertise
 - Clear and helpful information
 - Right level of detail
 - Geared toward landowner areas of interest
- The landowner can follow it (time, resources, skills)
- Furthers the landowner's objectives
- Fosters sustainable forest management
- Engages the landowner in management of their forest



Program outcomes

- 96% of landowners agree/strongly agree that participation in the MFTIP helps them manage their forested land sustainably
- 95% agree/strongly agree that participating has increased their knowledge of their forest and of good forest management
- Properties that have participated in MFTIP are more likely to remain forest over the long term
- MFTIP participants are almost twice as likely as non-participants to engage in stewardship activity on their property (i.e. removing invasives, planting native species)



For more information, program guides and templates:

[Ontario.ca/MFTIP](https://ontario.ca/MFTIP)

