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### Attitude of National Government regarding urban agriculture and farmlands

When urban residents were expecting more from urban agriculture and farmland, and after receiving requests from farmers, agrarian organizations, and municipalities, the National Government changed the policy to actively utilize the multi-functionality of the urban farmlands, considering that the urban agriculture and farmland “should exist.”

In February 2017, the bill to reform the Production Green Land Law was approved by the Cabinet and thereby, changed the minimal area for specification of a productive green area from 500 m<sup>2</sup> in every case to an area appropriate to the local conditions.

## 2

### Requests to National Government regarding system reform

The Tokyo Metropolitan Government has so far submitted requests to the National Government every year regarding the reform of systems related to urban agriculture and farmland. In March 2017, we submitted a proposal for system reform of promoting urban agriculture and conservation of urban farmlands to the authority responsible for the National Strategic Special Zones.

We will continue to petition the National Government so that the urban farmland playing multiple roles in the lives of the citizens of Tokyo can be preserved and the urban farmers can run farms in the future without anxiety.

#### (1) Inheritance tax deferral system that would apply to designated productive green areas which have been leased

At present, farmland within urbanized areas cannot be leased pursuant to the Act on Reinforcement of the Agricultural Management Framework and therefore, we will make the following three requests:

- ① In order that the owners of the productive green areas, or the farmland set for conservation, can lease their lands as farmland to enthusiastic farmers without anxiety, a system should be established that is equivalent to leasing pursuant to said Act, which clearly defines the lease periods.
- ② The leased productive green areas should also be covered by inheritance tax deferral system.
- ③ Inheritance tax deferral system should also be applied to the productive green areas leased to municipalities, etc. pursuant to the Act on Special Measures for the Cropland Act Regarding Lease of Specific Farmlands and the Act on Promotion of Development of Community Farms.

Currently, in certain cities in the three metropolitan areas, the productive green areas to which inheritance tax deferral system has been applied has been obstructed by the obligatory use of those areas as farmland for the owners' lifetime. If leased, the leaseholder becomes the “main person engaged in work on the land (cultivating person)” and thus if the landowner should die, the heir cannot apply to purchase the land.

Therefore, we will request to amend the system so that, with regard to the productive green areas to which inheritance tax deferral system is applied, in case of death of the owner during the lease period, the heir can make application for purchase.

#### (2) System for inheritance tax deferral to apply to land used for agricultural equipment and facilities required for the farming business

The productive green areas are covered by inheritance tax deferral system. However, the system does not cover the lands for product collecting and shipping facilities, farming equipment warehouses and livestock barns essential for farm management, and homestead woodlands and flatland woods. Therefore, we will request measures to reduce burden of inheritance tax by such means as expanded application of the system under land use restriction of a certain level.

#### (3) Support for purchasing land designated productive green areas

In Tokyo, the area of land to which applications of purchase based on the Production Green Land Law are made is around 50 ha every year. Because these applications are made, for example, after the death of persons engaged in farming, it is difficult to purchase land in a well-planned manner. In addition, it is difficult for the municipal governments accept purchase requests due to high land prices, or heavy financial burdens. Furthermore, since other farmers hardly purchase land through introduction, farmland is increasingly developed into residential areas.

Of the farmlands in productive green areas that are desired to be purchased, those that can be expected to fully perform multi-functionality such as disaster prevention, environmental conservation, and education should be preserved by public ownership. To this end, we will petition municipalities for financial support for well-planned purchasing of productive green areas.

#### (4) Establish a new system for payment of inheritance tax in kind

Currently, farmland that has been assigned to the National Government as in-kind tax payment at the time of inheritance is never preserved as farmland and is sold off to developers.

Therefore, we will request the establishment of a new system by which farmland that is owned by the National Government through in-kind payment of inheritance tax may continuously be used for agricultural purposes by such means as leasing to municipalities at low prices as allotments.