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Gov't will not interfere with church property tax exemptions

Local Government and Community Development Minister, Desmond McKenzie, says no attempt will be made to interfere with the property tax exemptions churches currently enjoy.

McKenzie gave the assurance at the launch of the official mobile property tax unit in Port Maria, St Mary, on Wednesday. A second unit was launched at Bargain Village in May Pen, Clarendon, on the same day.

Earlier this week, the Jamaica Council of Churches and the Jamaica Baptist Union expressed concern that if the church paid property taxes, the services it provides could be curtailed.

"I want to make it abundantly clear that at no time was any such mention made and that what existed before in terms of property tax payment will not change," McKenzie said.

He emphasised that the church "has nothing to fear as far as the Government's drive to collect property taxes is concerned."

Under Section 10 of the Property Tax Act, exemptions are given for all church-owned buildings such as chapels, rectories, caretaker's cottages, school rooms or church halls, along with lands immediately attached to them, which are used as churchyard or burial grounds.

The mobile units, which will travel across the island, will to make it easier for people to pay their property taxes. The Government is owed more than \$10 billion in property taxes.

City discusses tax rate adjustments

A tax rate adjustment is at the forefront of the City Commission's mind and some commissioners are wanting to do something about it sooner rather than later.

On Tuesday night at a work session, commissioners were briefed on the mid-year budget and discussed altering income and payroll taxes.

At the city's last meeting, commissioners showed an interest in considering a comprehensive tax proposal in order to lower property tax rates.

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"We need to be careful about using the word "we" and what we are going to do as a commission," said Commissioner Brad Staton. "We need to weigh what will be best for the people of our city and it may not be having a drastic cut. There's really no definite with what we are going to do. I think the answer is a lot more complicated than we thought when we first discussed it. It is a great idea to look at lowering our property taxes. We're not in line with a lot of our peers."

Real estate tax rates for the city of Henderson are currently at \$.611 per \$100 assessment and personal property tax rates are \$.813 per \$100. According to data Staton presented at the previous meeting, Henderson's rates are higher than most Kentucky cities of comparable size. However, the city's payroll tax only comes to one percent, which is less than other comparable cities.

"If you're at \$.611 per \$100 and the next (rate) closest to you going backward is \$.289 per \$100, that's huge," said Commissioner Patti Bugg. "When you look at that, you think we're so out of line on our property tax, and we are. But we are at one percent on the payroll tax, and out of the five cities I pulled out, the payroll taxes are all at 1.95 percent or two percent."

Commissioner Robert Pruitt initially suggested the commission consider a tax cut of \$500,000.

"What I don't want to see is cutting property taxes in one big swoop and then we have to raise payroll tax," said Pruitt. "If we had to do that, I think we could balance it so we wouldn't have to raise the payroll tax."

"I commend (Pruitt) for bringing that up because that is certainly a step in the right direction," said Bugg. "But it doesn't make an impact on new home sales. I, with a couple of other people, looked at taking it down to \$.399 per \$100. That would be some real tax savings. I would like to see the city tax rate lowered to the point that it would make an impact on the economy."

Along with lowering the property tax rate, Bugg suggested increasing the payroll tax rate to ensure taxes for a property owner would be more equitable with those who rent.

"We can't wait until all the numbers come in June and then decide this," said Bugg. "We have to look at this tax rate and figure out how we're going to do this before the numbers come in June because we can't wait that late."

In regards to the mid-year budget review, revenue is \$328,500 higher at \$16,618,697 than it was at last year's mid-year budget. The city's expenditures have increased by \$628,112 this mid-year reaching \$13,582,019. The mid-year includes the months of July through December of 2016. Compared to 2015's mid-year budget, the city has seen a decrease of \$299,612 in net profits

Mobile property tax unit launched in St Mary

The Ministry of Local Government and Community Development and the Tax Administration of Jamaica launched a Property Tax Mobile Unit in Port Maria yesterday.

The mobile unit, which was started operation out of St Mary and Clarendon, is expected to be rolled out across the island.

Speaking at the launch held at the Hilo Parking lot in Port Maria yesterday, Minister of Local Government Desmond McKenzie reminded residents that the financing of important services, such as garbage collection, the cleaning of drains and gullies, the implementation of street light and the many other services carried out by the municipal corporations, is largely dependent on property taxes.

"The services cannot be offered free of cost... in order for the government (and) in order for the St Mary Municipal Corporation to deliver the services that the people deserve, the residents must play their part in ensuring that they pay their property taxes," McKenzie said.

He stated that if the government is able to collect the more than \$10 billion outstanding in property taxes, it would be able to do more to improve infrastructure.

He said the Government will be vigorously enforcing the drive to collect outstanding taxes. He encouraged people to utilise the mobile unit, which is expected to further improve the effectiveness of tax collection services offered.

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The unit is expected to be at the Retreat Police station today from 9:00 am to 1:00 pm, and at the Gayle Police Station from 2:00 pm to 6:00 pm.

It will also be in the Border and Castleton area on Friday, and Highgate and Annotto Bay on Saturday.

Chuck vows to collect \$9b owed in property taxes

Minister of Justice Delroy Chuck has warned that the Government will be coming for the over \$9 billion it is owed in outstanding property taxes.

He noted that almost one third of landowners are not paying their property tax, which is used to finance the provision of critical services at the local level.

These include garbage collection, the maintenance of street lights, rehabilitation of parochial/farm roads, provision of community infrastructure, among others.

Chuck said those who pay their taxes should not have to suffer the inadequacy of resources because others are not paying.

He argued that if the Government could collect half of what is owed “we would have no problem. The roads would be fixed, the courts could be fixed, the hospitals could get the resources and let me say, the Government intends to get all the taxes,” he said.

The minister was addressing the launch of the 2017 training of Justices of the Peace (JPs) at the Jamaica Conference Centre in downtown Kingston on yesterday.

He said the ministry is targeting the training of 500 JPs in mediation and restorative justice during the year. The first training session will be on February 13 for personnel from Kingston and St Andrew, St Catherine and Clarendon.

The sessions will also cover matters relating to the Children’s Court, the role of JPs on the spirit licence panel, and the Petty Sessions Court.

Chuck said the training falls under the ministry’s justice reform programme, which was boosted by an additional grant of J\$3.3 billion (€22 million) from the European Union (EU).

The agreement formalising the provision was signed during a ceremony at the Ministry of Finance and the Public Service in Kingston on December 8.

The provision, which has been allocated under the justice component of the 11th European Development Fund (EDF), is the single largest by the EU to the programme.

“We are creating a new architecture in justice where the focus will shift from a penal system to a rehabilitative system. The multi-door approach that we are advancing will formalise and strengthen the infrastructure to assign prominence to Restorative Practices and Mediation,” Chuck said.

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