



# TRINIDAD AND TOBAGO – April 2017

---

**PROPERTY TAX REASONABLE, SAYS ROWLEY..... 1**

**10 THINGS TO KNOW ABOUT PROPERTY TAX ..... 2**

**COP CALLS FOR CLARITY ON PROPERTY TAX IMPLEMENTATION..... 6**

**PROPERTY TAX NOT NEW TO T&T..... 6**

**SHEER AND DESPERATE MADNESS! ..... 9**

**UNC SET TO CHALLENGE PROPERTY TAX..... 10**

**PROPERTY TAX COULD BE "CATALYST" FOR CRIMINAL ACTIVITY ..... 10**

**FACING A DREAD TAX DEADLINE ..... 11**

**PROPERTY TAX CONFUSION - CHAMBER WARNS GOV'T..... 12**

**GOVERNMENT KICKSTARTS PROPERTY TAX COLLECTION ..... 13**

**PROPERTY TAX SOON ..... 14**

**CITIZENS URGED TO SUBMIT PROPERTY TAX FORMS BY MAY 22..... 14**

---

## **Property Tax reasonable, says Rowley**

Prime Minister Dr Keith Rowley says he has a “good feeling” that when the public is properly educated on the property tax they would see that it is reasonable and not oppressive.

Rowley was speaking to reporters following a reading from his memoir at Bocas Lit Fest at the Old Fire station, Port of Spain on Thursday.

The Prime Minister said a lot of misinformation is being put into the public domain about the tax which will be cleared up.

The tax, he said, is the law which must be upheld.

“The law requires that the tax be paid and they got five years of not paying this tax and we are going to calculate this and show you what they got away with so you'll understand why they saying what they saying now. It is a very reasonable tax, it is levied across the world I would say and done in a way that does not oppress people because we are not oppressing anybody, if you have a small value property you would pay a relatively small and affordable tax and it goes up as you go up the scale because it is based on the value of the property which will determine what it can rent for, an assumed rent,” he said.

“What really is annoying is people who have access to the public domain here are attempting to influence citizens, pay their tax in foreign countries without murmur and know that there are serious consequences out there if they don't pay it and they comply without a murmur but in Trinidad and Tobago they are leading the charge encouraging people in foolishness,” he said.

## **International Property Tax Institute**

IPTI Xtracts- The items included in IPTI Xtracts have been extracted from published information. IPTI accepts no responsibility for the accuracy of the information or any opinions expressed in the articles.

The Government, he said, is going to make information available to ensure that the misinformation and mischief that is creating confusion is dispelled by a proper effort to educate people.

“Land and building taxes or property tax as you want to call it is something that's an acceptable tax, it's reasonable and we will demonstrate that it is,” he said.

The law does not permit reverting to old Land and Building taxes which he explained was repealed.

“So you can't just bring it back, it requires a major exercise in valuation and that's why the UNC, the same ones who are talking now, attempted to do that and brought a Bill to the Parliament,” he said.

He said two things happened to the Bill - it was found to be more draconian in that when the calculations were done it was far more draconian than anything that was being put into property tax.

The Bill, he said, was found to be more draconian and they allowed this Bill to lapse and they set about to give amnesties on the existing law.

“When you enter Parliament you take an oath of office to uphold the law, property tax is the law, until it is changed, it is the law, all the shenanigans of amnesty and hiding and lying, it is the law and it's a reasonable tax and we will demonstrate that and we will proceed to collect the necessary taxes,” he said.

The property tax, he said, is going to regulate a number of things.

“At the end of the day, I don't know of any organised society in the Western Hemisphere and even Europe and elsewhere where property tax is not levied as a necessary means of servicing people,” he said.

“The very people who are leading the charge against property tax are the ones in the forefront who want police, they want fire, they want the road clean, they want the mosquitos killed, they want all kinds of things supplied by the Exchequer account, by the Treasury but then they saying I'm not prepared to make any contribution to it,” he said.

He said the various Chambers should help in the education of the tax.

“I am sure the Chambers of Commerce know that's it a reasonable tax and if they are in support with us treating with our current circumstances in particular they will assist the Government in educating the public that this is not draconian, this is not dangerous, it is reasonable,” he said.

The Prime Minister said he was sure there would be “unscrupulous” landlords who will want to push their rents up.

Some of them, he said, would lose their tenants because tenants will have other options.

### 10 things to know about Property Tax

Home and business owners are eager to know as much as possible about Government's planned property tax.

Here are 10 things to know about property tax, as explained by the Ministry of Finance, the Property Tax Act 2009 and the Valuation of Land Act 58:03, amended by Act #17 of 2009:

#### 1. Property value is calculated based on four factors

The Ministry says the following factors decide property values:

- Location of the Property (Neighbourhood)
- Classification of the Property (Executive, Modern, Standard [I & II])
- Category of the Property (Agricultural, Commercial, Residential, Industrial)
- Dimensions – Property Floor Area
- Modifications to the particular property

#### 2. Property Tax is calculated based on the Annual Taxable Value of all land.

### International Property Tax Institute

IPTI Xtracts- The items included in IPTI Xtracts have been extracted from published information. IPTI accepts no responsibility for the accuracy of the information or anyh opinions expressed in the articles.

According to the Property Tax Act 2009, all land, including vacant land, in Trinidad and Tobago shall be Rated on a Rental Value basis.

Annual Rental Value (ARV) is the rent at which a property will let from year to year.

Annual Taxable Value (ATV) is the rent at which a property will let from year to year after a deduction of 10 percent for Voids.

Tax rates are as follows:

Residential: 3%

Commercial: 5%

Industrial with building: 6%

Industrial without building: 3%

Agricultural: 1%

Vacant Land will also be taxed:

The Annual Rental Value of vacant land will be found by taking a percentage of the Current Market Value of the land.

Property Tax is calculated by taking a percentage (rate of tax) of the Annual Taxable Value of all Land.

Tax rates are as follows:

Agricultural: 2 %

Residential: 3.5 %

Commercial and Industrial: 5%

3. Once authorised, officers can enter and inspect your premises at any time during the day

Once authorised by the Commissioner, officers can enter and inspect your property, whether you want them to or not.

According to the Valuation of Land Act 18 of 1969:-

"Sect. 15. (1) Subject to subsection (2), the Commissioner, or any officer authorised by the Commissioner in writing for that purpose, shall for the purpose of ascertaining the value of any land have power to enter, at all reasonable hours during the daylight, in or upon any land without being liable to any legal proceedings or molestation whatever on account of the entry."

4. You could be fined for not submitting your property tax valuation form

According to Section 6 of the Valuation of Land Act 18 of 1969:-

"Sect. 6. (1) Every owner of land in Trinidad and Tobago shall make with the Commissioner, a return of the land in the form set out in Schedule II.

(2) Where the owner of land fails to file a return, the Commissioner shall by Notice inform the owner that he is required to file a return, failing which he may be liable to conviction under this section.

(3) A Notice under subsection (2) shall be sent by registered post.

(4) A person who willfully—

(a) fails to make a return within the prescribed time under subsection (1); or

(b) makes a return which is defective or incomplete or which is to his knowledge false in any material particular, commits an offence and is liable on summary conviction to a fine."

5. You have 30 days to challenge your valuation

By law, citizens have up to 30 days to lodge a complaint after receiving their notice of valuation.

According to Section 19 of the Valuation of Land Act 18 of 1969:-

### **International Property Tax Institute**

IPTI Xtracts- The items included in IPTI Xtracts have been extracted from published information. IPTI accepts no responsibility for the accuracy of the information or anyh opinions expressed in the articles.

"An owner or local authority who is dissatisfied with a valuation may, within thirty days after service of the notice of valuation, post to or lodge with the Commissioner an objection in writing against the valuation stating the grounds upon which he relies. The objection shall be limited to one or more of the following grounds:

- (a) that the values assessed are too high or too low;
- (b) that lands which should be included in one valuation have been valued separately;
- (c) that lands which should be valued separately have been included in one valuation;
- (d) that the person named in the notice is not the owner of the land."

6. You have until March 31, 2018, to actually pay your property tax

Section 17 of the Property Tax Act 2009 states:

"17. (1) The Board shall, on or before the March 31 in each year, cause a notice of assessment specifying—

- (a) the unique land identification number or other number by which the land is identified;
- (b) the annual rental value of the land;
- (c) the annual taxable value of the land;
- (d) the annual tax payable in respect thereof;
- (e) any deductions and allowances applied to the tax on the land;
- (f) the time when and where such annual tax is to be paid;
- (g) penalties and consequences for failure to pay the tax; and
- (h) the right to object to such assessment made under this Act and the procedures to be utilized in making an objection, to be served on or delivered to the owner or occupier of the land personally or his agent or attorney or by being sent by post to his last known business or private address."

Additionally, Section 33 of the Act states:

"33. The annual tax due and payable in respect of every land shall be paid to the Board on or before the March 31 in every year ending on the next ensuing December 31."

7. If you don't pay by September 15, you pay more

Section 34 of the Property Tax Act 2009 adds that:

"(2) A Notice under subsection (2) shall be sent by registered post.

(3) Where any amount of tax is not paid on or before September 15—

- (a) a further sum of 10% on the amount of tax shall be added thereto by way of an increased tax; and
- (b) interest at the rate of 15% per annum on the amount of tax is to be applied to the tax as increased from September 16 to the date of payment, unless the Board is satisfied that the failure to pay the taxes did not result from the default of the taxpayer."

Section 36 adds if six months have elapsed since the outstanding due date, a Notice of Demand will be sent.

### International Property Tax Institute

IPTI Xtracts- The items included in IPTI Xtracts have been extracted from published information. IPTI accepts no responsibility for the accuracy of the information or anyh opinions expressed in the articles.

“36. Where arrears of annual tax payable on land are outstanding, or part thereof is unpaid, and six months have elapsed since the same became due and owing, the Board shall cause a Notice of Demand to be sent to the owner of the land by registered post.”

8. After a year of non-payment, your goods may be seized, once Notice has been served

Section 37 of the Property Tax Act 2009 States:

“37. (1) Where any tax assessed under this Act or part thereof is unpaid, the Board has served Notice under section 36 and twelve months have elapsed since the same became due and owing, the Comptroller of Accounts, District Revenue Officer or other person to whom the same ought to be paid may at anytime before actual forfeiture under section 41 authorize the levying of a distress—

(a) upon the goods, chattels, and effects of the owner; or (b) upon the goods, chattels and effects, being upon the lands so charged with such tax of the tenant or occupier of the lands or any part thereof charged with such tax.

(2) The authority to distrain under this section may be made in the form set out in Schedule II, and such authority shall be a sufficient warrant and authority to levy by distress the amount of taxes unpaid and in arrears and penalties and interests thereon.

(3) For the purpose of levying any distress under this section, any person may, if expressly authorized in writing by the Board, execute any warrant of distress, and if necessary, break open any building in the daytime for the purpose of levying such distress.”

9. After five years of non-payment, your land could be forfeit

Section 41 of the Property Tax Act 2009 states if no taxes are paid for a five-year period, pending a notice published in the Gazette by the Board, the President may deem your land as forfeit, unless you are able to pay all of the arrears before the stated expiration date.

“41. (1) Where any tax or any part thereof due in respect of any land remains in arrears and unpaid for the period of five years from the day when it became due and payable, the President may, by warrant under his hand, reciting that a sum specified in such warrant, due on account of the tax and for five years in such warrant, is and has for the full period of five years been in arrears and unpaid, order that such lands be forfeited to the State, and immediately upon the registration of such warrant as hereinafter provided, such land shall be forfeited, and shall vest in the State, in absolute dominion, free and discharged from all rights, estates, interests, equities and claims of any other person.”

“(2) The President shall not sign a warrant under subsection (1), unless the Board has previously caused a notice to be published in the Gazette and in one newspaper in daily circulation in Trinidad and Tobago and posted up in a conspicuous place at its office and sub-offices for a period of one month, notifying the owners of the lands, and all persons interested in them, that unless a sum specified in such notice, being the sum which at the expiration of a specified period of five years or some longer period, became or would become due in respect of the tax in arrears, increasing according to the Act, is paid before the expiration of the specified period, together with all sums which at the time of payment may be due in respect of any tax, the said lands will be liable to forfeiture to the State.”

10. You can apply for a tax deferral, once relevant criteria are met

Section 23 of the Property Tax Act 2009 states that the Board may, upon application of the land owner, authorise the deferral of the payment of the assessed tax on the land on the grounds of the “impoverished condition of the owner and his inability to improve his financial position significantly by reason of age, impaired health or other special circumstances, that undue hardship to that owner would otherwise ensue”.

The Act says if approved, a certificate showing the owner’s inability to pay tax will be issued.

A release from the Ministry states that all property valuation forms along with supporting documents must be submitted by May 22, 2017.

### International Property Tax Institute

IPTI Xtracts- The items included in IPTI Xtracts have been extracted from published information. IPTI accepts no responsibility for the accuracy of the information or anyh opinions expressed in the articles.

Citizens can find out more at [www.finance.gov.tt/propertytax](http://www.finance.gov.tt/propertytax)

### **COP calls for clarity on Property Tax implementation**

Finance Minister Colm Imbert is being urged to provide full details on the Property Tax and how it operates as it is a novelty for property owners who are now being made to pay the tax.

The Congress of the People (COP) today issued the call following a statement from the Finance Ministry that the Property Tax continues to be payable via the Revenue Offices into the Consolidated Fund.

The COP, which previously voiced concerns that the tax should be payable into the funds of the municipal corporations for the provision of improved services to the burgesses.

The party added that taxing the people into central Government revenues will not bring about recovery from the present recession, nor will it create prosperity for the nation.

It says the information provided to property owners was incomplete and confusing and requires much more clarification, summarising a few issues that need to be addressed:

That failure to submit their Valuation Return Forms (VRF) or Return document with attachments also being required by May 22, can lead to the owner facing a criminal charge and fine for failing to submit “a return within the prescribed time” (section 6 (4) (a) of the Valuation of Land Act Ch. 58:03).

Or where in completing the VRF, if the document is “defective or incomplete” or contains any information which “is to his (the owner’s) knowledge false” (section (6) (4) (b)), the owner can be similarly charged.

Explicitly, in relation to point 5. on the VRF, whether this does not apply since this is the 1st Return that any property owner will be completing under the Property Tax Law, including the Valuation of Land Act.

That an owner must be furnished with a Notice of Valuation which must inform the owner of the valuation made by the Commissioner and the owner’s right to object to same (on grounds in section 19 of the Valuation Act.

When the Notice of Assessment of Property Tax will be issued although it points out that “Property Owners would be required to make payment upon receipt of an Assessment Notice...”

Property valuation forms are due by May 22.

### **Property Tax not new to T&T**

For the past two election cycles, the PNM administration has signaled its intention to reintroduce a regime of property taxation in T&T.

First introduced in 2009, the Property Tax Act was intended to replace the Lands and Building Taxes Act in place since 1920, last amended in 2007, and suspended since 2010.

To say that the public outcry surrounding the tax has been deafening would be an understatement.

However, property tax in T&T is not new as, according to Finance Minister Colm Imbert, for close to 200 years, (since 1818), a form of property taxation has been on the country’s law book.

When the tax was first proposed in 2009, then deputy leader of the Congress of the People (COP), Opposition MP Prakash Ramadhar, was among the most outspoken opponents of the intended tax, leading an “Axe the Tax” campaign that sought to collect more than 200,000 signatures to protest the tax.

### **International Property Tax Institute**

IPTI Xtracts- The items included in IPTI Xtracts have been extracted from published information. IPTI accepts no responsibility for the accuracy of the information or anyh opinions expressed in the articles.

Fast forward to today and little has changed by way of understanding and public sentiment toward what some perceive as a vague, if not cumbersome, taxation mechanism.

For example, the American Chamber of Commerce (AmchamTT) is seeking “details on the valuation and implementation of the Property Tax, particularly where it relates to uncovered plant, rigs and machinery” adding that they “are concerned that this may be a deterrent to new investors, whose deployed capital in the form of new plant or equipment, will now attract an exorbitant property tax before depreciation can be applied”.

The Chamber, ostensibly seeking the interest of the business community, encouraged Government to be “mindful of the impact on business and to provide clear and detailed information on how it will be implemented.”

Also, a group known as the TnT Patriots expressed concern that pensioners on fixed incomes may be disproportionately affected by the tax, given the current economic situation of the country.

The Institute of Surveyors of T&T (ISTT) also added their voice to the public discourse through a position paper it released last month.

In it, the Institute argued that for the property tax to yield the desired revenue, the government would do well to address the constraints of the valuation division to collect and collate values of property across the country.

“One of the crucial elements of an efficient property tax regime is the use of supporting technologies that will make the identification and management of the hundreds of thousands of properties that need to be assessed as simple as possible.” the ISTT said.

Again, a familiar foe of the tax, the COP, weighed in on the most recent announcements emanating from the Ministry of Finance about the impending reintroduction of the tax.

In a press release, the COP sought to highlight what it perceived to be a failure on the part of the Finance Minister to provide clarity on a few issues: “The Finance Ministry release today did not tell property owners:

i. that failure to submit their VRF or return document with attachments also being required by May 22, can lead to the owner facing a criminal charge and fine for failing to submit “a return within the prescribed time” (section 6 (4) (a) of the Valuation of Land Act Ch. 58:03).

ii. Or where in completing the VRF, if the document is “defective or incomplete” or contains any information which “is to his (the owner’s) knowledge false” (section (6) (4) (b)), the owner can be similarly charged.

B. explicitly, in relation to point 5. on the VRF, whether this does not apply since this is the 1st Return that any property owner will be completing under the Property Tax Law, including the Valuation of Land Act.

C. That an owner must be furnished with a Notice of Valuation which must inform the owner of the valuation made by the Commissioner and the owner’s right to object to same (on grounds in section 19 of the Valuation Act.

D. When the Notice of Assessment of Property Tax will be issued although it points out that “Property Owners would be required to make payment upon receipt of an Assessment Notice...”

As a starting point, any discussion on the Property Tax should first begin with a discussion of the components of the Act itself.

#### *The Property Tax Act 2009*

The Property Tax Act is divided into seven parts and contains 57 clauses, all detailing various property-specific issues.

According to the Act, the Board of Inland Revenue (BIR) is charged with the creation of an “assessment role” which effectively determines the classification and valuation of land, and the applicable deductions, allowances and tax rates to be levied with respect to that property.

### **International Property Tax Institute**

IPTI Xtracts- The items included in IPTI Xtracts have been extracted from published information. IPTI accepts no responsibility for the accuracy of the information or anyh opinions expressed in the articles.

The Act states that the tax is to be calculated based on the annual rental value (what a property owner would fetch should the property be put on the market for rent—rental income) less 10 per cent for periods when the property is not rented or the landlord does not collect rent.

The rate of taxes are then applied such that:

- Residential property is taxed at a rate of 3 per cent
- Commercial property is taxed at a rate of 5 per cent
- Industrial property (with building) is taxed at a rate of 6 per cent
- Industrial property (without building) is taxed at a rate of 3 per cent
- Agricultural is taxed at a rate of 1 per cent

The Act also clearly lists properties that would be exempt from the tax such as: churches and places of worship, school compounds and playgrounds, property used for charitable and philanthropic work, land occupied by state enterprises, public hospital facilities and university and tertiary education facilities.

Of note, the Act includes a section that clearly defines the conditions and procedures necessary for objections, revaluations, relief and appeals.

This area is of particular interest given the outcry by certain segments of the population that have intimated a possible inability to pay the tax.

Clause 23 (1) of the Act states: “The board may, upon the application of the land owner, authorise the deferral of the payment of the assessed tax on the land on the grounds of the impoverished condition of the owner and his inability to improve his financial position significantly by reason of age, impaired health or other special circumstances, that undue hardship to that owner would otherwise ensue”

#### *A Tax Scenario*

A visit to the Ministry of Finance website provides a useful guide to all things property tax related.

The site contains a list of frequently asked questions (FAQs) that attempt to break down the tax for the lay reader. The FAQs concentrate on areas such as the Property Tax Act itself, property valuation, property tax calculation and payment information.

One of the more salient areas on the site is the presentation of a tax scenario that computes the actual tax a home owner could expect to pay.

It shows that a home that can be rented for \$3000 per month, would have an annual rental value of \$36,000 per year (\$3000 x 12).

Taking the 10 per cent deduction for voids, the annual taxable value become \$32,400.

Taxed at 3 per cent, the property owner will now be liable for \$972 per year (or \$81 per month) in property tax.

The same methodology would apply to the various other classifications of property

#### *Tax Hotline*

Calling the tax hotline proved to be a fairly efficient process. The answering representative was able to provide a general outline of the tax, explain the areas of valuation and redirect to the website if one needed more details on a particular area.

The representative was also quick to point out that the first wave of the tax was to be levied on residential properties, and generally seemed uncomfortable speaking to matters beyond that.

### **International Property Tax Institute**

IPTI Xtracts- The items included in IPTI Xtracts have been extracted from published information. IPTI accepts no responsibility for the accuracy of the information or anyh opinions expressed in the articles.

All told, access to the hotline didn't pose much of a challenge.

### *Challenges to implementation*

One of the biggest foreseeable issues in the reintroduction of the property tax seems to be the sheer manpower that will be required to assess the "worthiness" of the ascribed rental values by property owners.

Government will be required, after collecting self-assessed rental values, to send out valuers to corroborate stated rental values. Given the current staffing issues at the BIR, one wonders how efficiently and effectively the process will be carried out.

### **Sheer and desperate madness!**

I did not think that I would have to return so soon to the issue of the property tax. I had written on the subject in this column about three weeks ago merely to once again restate and reaffirm my objections to two critical aspects of the Property Tax Act. These objections had to do, first, with the fact that the proceeds of the tax would go to the Consolidated Fund and not directly to the municipal corporations and, second, with the methodology selected (Annual Rental Value) for the assessment of the tax.

I had explained the reasons for my objection to these aspects of the Property Tax Act many times before and frankly when I did so, again, three weeks ago, it was not with any expectation that the Government in the person of the Minister of Finance would, after all these years, pay any heed to my objection.

My article three weeks ago was really to state my position for the record given that the Minister of Finance had signalled a few weeks before that the Government was preparing to introduce the tax.

However, shortly after that article was written there was a release from the Ministry of Finance stating that within the next week all residential property owners could expect to receive Valuation Return Forms (VRFs) in the mail. The release went on to state that "all property owners are required to complete a Valuation Return Form, in accordance with the Valuation of Land Act, Chapter 58:03 and return same, with supporting documents to the Valuation Division of the Ministry of Finance for the calculation of the property's Annual Rental Value." The release stipulated that property owners had until May 22 to submit completed VRF.

The form itself (which incidentally no one I ask seems to have received through the mail) is relatively straightforward although, inexplicably, at Section 4(c) it requires the owner to give the rental value of the property if it is occupied by the owner or relatives of the owner. Since the rental value is what is to be evaluated by the Commissioner of Valuations this is clearly a piece of nonsense.

But the real problem lies in the fact that, as part of the submission of the VRF, the owner is required to attach some 13 ancillary documents. It is important to itemise all of these documents. The owner is required to submit previous Land and Building Taxes receipts for the property; Deed/RPO certificate of title; land survey plan or land area; site plan; building plan, rent/lease agreement; completion certificate; Town & Country Planning approval (status of land); Town and Country Planning Approved Use (change of use); photograph of exterior of the property; sketch of building; WASA bill (no more than three months old) T&TEC bill (no more than three months old).

Let me, in the interest of absolute clarity, restate my position on the property tax. First, I support the introduction of the property tax subject to the two areas of objection noted above. Second, I do not agree with those who say that the fact that the country is experiencing economic problems is reason to defer the introduction of the tax, and, third, I understand the minister's desperation to raise new sources of revenue.

Notwithstanding that, I contend that the requirement that citizens should submit all those documents and be given only a month in which to do so is sheer and absolute madness.

First of all, let us remember that, according to the Valuation of Land (Amendment) Act at Section 6 (4), persons who fail to submit a return within the prescribed time or who submit incomplete returns are deemed to have committed an offence and are liable on summary conviction to a fine of \$500.

### **International Property Tax Institute**

IPTI Xtracts- The items included in IPTI Xtracts have been extracted from published information. IPTI accepts no responsibility for the accuracy of the information or anyh opinions expressed in the articles.

I am also certain that few homeowners in T&T would be able to put their hands on most of the documents required. Some of the documents they would have to pay for. Some of them they would have to apply to public agencies for and receiving responses to their applications will take more than six months (e.g. Town and Country) and some of them, some owners will never be able to produce.

In fact why most of these documents are required for a valuation is incomprehensible. Indeed, the requirement leads to the suspicion that the minister is seeking to use the Valuation Return Form to prosecute other intentions and objectives. If this is so then it must be roundly condemned. What it does is, as one astute commentator put it, make the process of completing the VRF a "source of great grief and stress for many".

In the circumstances, I fully support the position of the American Chamber of Commerce (AMCHAM) when it stated in a recent release that, "the reintroduction of any policy measure must not occur in an environment of uncertainty".

The minister is now obligated to explain to the country how all the required documents pertain to and assist in the valuation of residential properties as well as review and revise the deadline given for the submission of the VRF.

I can only warn the minister that failure to heed these admonitions and advices could lead to exceedingly dire political results.

### UNC set to challenge property tax

Opposition MP Dr Bhoendradatt Tewarie says Government should not implement the property tax at this time because of prevailing economic conditions. He says the 2009 tax should in fact be repealed and replaced with the Land and Building Taxes, which is more reasonable.

He said that the land and building taxes would generate about \$100 to \$150 million annually. The Property Tax, as being implemented by the Government, is expected to raise \$500 million.

Speaking during a news briefing at the Opposition Room in the Parliament yesterday, Tewarie said the Government does not appear to be ready to implement the Property Tax.

He said questionnaires for citizens to submit certain information had not provided for in the law. As such, he said the Opposition did not understand why this was being done.

"There is nothing (in the law) that says you have to send a picture of your property and all the other things that they are asking for," he said.

Tewarie said the matter should be approached with caution, especially since the current economic climate had many citizens struggling to make ends meet

"The need for revenue cannot override the human, humane and societal considerations," Tewarie said.

He confirmed the Opposition will challenge the Government's plan to implement the Property Tax in Parliament. He said if the Government seeks to do things that are not sanctioned by the law to implement the tax "that can be challenged."

### Property Tax could be "catalyst" for criminal activity

Yet another Opposition MP is criticising the government over Property Tax.

MP for Barataria/San Juan, Dr Fuad Khan, has had added his voice to those expressing serious concern over the impending implementation of the Property Tax.

In a release posted to his Facebook page, Khan says he has been bombarded with calls from his constituents and others who are concerned about how the Tax will impact their lives.

He says,

### International Property Tax Institute

IPTI Xtracts- The items included in IPTI Xtracts have been extracted from published information. IPTI accepts no responsibility for the accuracy of the information or anyh opinions expressed in the articles.

“So far, the public has been afforded very vague instructions and explanations on the actual valuation assessment of their properties, and as such are worried about which tax brackets they will inevitably fall into. As it stands today, a lot of people are already overwhelmed by the burgeoning inflation and cost of living, and can barely make ends meet. To be met with this new tax, that could potentially amount to thousands of dollars per year based on the size and location of their homes, is frightening, to say the least, especially if the penalty for failing to pay the tax may eventually lead to them being evicted.”

Khan cited the use of the colonial system of an Annual Rental Value of the property to calculate the tax as being particularly concerning.

He believes that the additional cost to property owners incurred through the Property Tax will lead to an increase in the cost of rent for properties, causing a “perpetual cycle” of constantly increasing rental value of property.

Khan says the Tax, so far, has been clearly aimed at legal property owners but makes no reference to squatters who have not been regularised.

“It will therefore be interesting to see if the government moves to regularise these squatters in order to qualify them for this tax, or if they remain indemnified, whether this will create a scenario where more persons will resort to squatting in an attempt to evade the taxes.”

Khan called out Prime Minister Keith Rowley for being in opposition to the Property Tax in December 2009, when he reportedly criticised his own colleagues on the Tax. Khan questioned whether the PM understands that people’s economic status has only gotten worse since then.

Khan closed by alluding to the possibility that the Property Tax could contribute to increased criminal activity.

“With the rise of unemployment and poverty in our nation, actions like these are often catalysts for persons to consider criminal activity to make ends meet. One would have thought, that despite the numerous warnings against the borrowing that the government has been indulging, it would have at least prevented them from exercising such draconian measures.”

Another Opposition MP, Dr Roodal Moonilal also criticised the government this week, calling the Property Tax a “cruel and unusual punishment” for the people of Trinidad and Tobago.

Property owners have been asked to submit their property valuation forms by May 22.

### **Facing a dread tax deadline**

The PNM Government has given homeowners one month to file a valuation return for the first time.

The process is onerous and will be a source of great grief and stress for many.

There is a requirement for homeowners to attach copies of 13 documents to their returns.

Even though the valuation form states to append “copies of as many supporting documents as possible”, telephone calls revealed that homeowners must eventually submit all documents.

Of course, they do not tell you how soon is “eventually”. It could be one month after the May 22 deadline.

Why the fuss? It is easy to submit T&TEC and WASA bills, previous land and building taxes receipts, a photograph of the exterior of the property, certificate of title, and even a rent/lease agreement.

How on earth, however, can a homeowner get a land survey plan, site plan, building plan, sketch of building, a completion certificate, Town and Country Planning approval (status of land) and Town and Country Planning approved use (change of use), for a property they did not build?

### **International Property Tax Institute**

IPTI Xtracts- The items included in IPTI Xtracts have been extracted from published information. IPTI accepts no responsibility for the accuracy of the information or anyh opinions expressed in the articles.

I do not know anyone who owns a property built by the HDC but purchased from previous owners. They will be up a creek in trying to get a building plan, Town and Country Planning approvals, land survey plans and so on.

The Government does not care what kind of stress we must go through to get these documents in one month's time.

There is one line on the form {item #4(c)} that asks "if occupied by owner or relatives, rental value thereof \$...".

The homeowner is supposed to put a rental value on their own property!

Isn't that supposed to be the job of the Commissioner of Valuations? How is a citizen supposed to know the rental value of their property?

That is real back-to-front thinking by the Government and "mamaguyism" at its best! That one line goes contrary to everything the government had told us previously.

I strongly urge all citizens to download the Valuation of Land Act - Chapter 58:03; the Valuation of Land (Amendment) Act - No. 17 of 2009; and the Property Tax Act - Chapter 76:04 and read them.

In time to come, there will be much weeping and gnashing of teeth. Economically, things are about to get worse in Trinidad and Tobago.

#### **Property Tax confusion - Chamber warns Gov't**

The American Chamber of Commerce of Trinidad & Tobago (AMCHAM T&T) has stated concerns over a "lack of clarity" on the implementation of the proposed Property Tax.

In a news release on Friday, AMCHAM T&T said it understands the urgency of Government's need for increased revenue collection and supports the need for a Property Tax, however, "the re-introduction of any policy measure must not occur in an environment of uncertainty".

"We urge the Government to provide details on the valuation and implementation of the Property Tax, particularly where it relates to uncovered plant, rigs, and machinery.

Proper implementation of the Property Tax is key to reducing any negative impact on the business community that has already been significantly taxed over the last few years," the Chamber stated.

Government announced on Tuesday that the process for reintroduction of the property tax regime has begun.

A release from the Ministry of Finance stated that "within the next week" all residential property owners could expect to receive Valuation Return Forms (VRF's) in the mail.

The release said: "In this regard, all property owners are required to complete a Valuation Return Form, in accordance with the Valuation of Land Act, Chapter 58:03 and return same, with supporting documents to the Valuation Division of the Ministry of Finance for the calculation of the property's Annual Rental Value."

Some of the supporting documents to accompany the completed VRF include deed/certificate of title, site plan, building plan, Town and Country Planning Approval and even various utility bills.

The Chamber said proper implementation is fundamental to the ability of the country to attract new investors.

It's concerned that new investors, whose deployed capital is in the form of new plants or equipment, will now attract an exorbitant Property Tax before depreciation can be applied and will be deterred.

The Chamber said it has been requesting clarity and underscoring the need for greater discussion since 2015.

#### **International Property Tax Institute**

IPTI Xtracts- The items included in IPTI Xtracts have been extracted from published information. IPTI accepts no responsibility for the accuracy of the information or anyh opinions expressed in the articles.

It noted that in September 2015, AMCHAM T&T CEO Nirad Tewarie, in his address at its “Doing Business in Latin America” forum, stated, “We anticipate that in the upcoming budget there may be a return to the Land and Building tax. If so, we urge the government to be mindful of the impact on business and to provide clear and detailed information on how it will be implemented.”

AMCHAM T&T again raised the issue in June 2016, when the chamber submitted its budget recommendations to the Ministry of Finance, where it asked for a review of Lands and Building Tax regime in consultation with stakeholders”, the Chamber stated.

“Further, AMCHAM T&T’s President Ravi Suryadevara wrote to the Minister of Finance on Friday 24th March, 2017 requesting a meeting to discuss the tax, but to date, no response has been received,” the Chamber stated.

‘If the Government would like to promote public-private sector partnership they must create an environment that encourages investment, entrepreneurship, and diversification, greater effort must be made to foster the trust and open dialogue to facilitate such,’ the chamber said.

“In a global environment where nothing is certain, and concerns about our economy linger, the Government must make a greater effort to reduce ambiguity and promote confidence to drive growth”.

### Government kickstarts property tax collection

The government has announced that the process for the reintroduction of the property tax regime has begun.

A release issued by the Ministry of Finance yesterday stated that “within the next week” all residential property owners could expect to receive Valuation Return Forms (VRF’s) in the mail.

Additionally, a full-page advertisement by the ministry sought to highlight the “facts to note about property tax.”

The release said: “In this regard, all property owners are required to complete a Valuation Return Form, in accordance with the Valuation of Land Act, Chapter 58:03 and return same, with supporting documents to the Valuation Division of the Ministry of Finance for the calculation of the property’s Annual Rental Value.”

Some of the supporting documents to accompany the completed VRF include deed/certificate of title, site plan, building plan, Town and Country Planning Approval and even various utility bills.

The VRF also requires that the location of the premises be identified, the name of owner (s), for what purpose the property is being used (rented, leased or owner-occupied), and whether any additions or alterations were made to the property since the date of the last filed return.

The ministry added that property owners have until May 22 to submit completed VRF’s to any of the eight locations of the Valuation Division across the country.

According to the ministry, upon the submission of completed VRF’s by property owners, field visits may be conducted to substantiate the information on the completed forms.

“Upon receipt of the completed VRF, the Commissioner of Valuation may notify property owners of field visits to assess and verify the information submitted on the forms. Based on the foregoing, after the process of submission by property owners of the Valuation Return Forms is completed, any field visits that are deemed to be necessary will be conducted,” the release said.

The ministry said that an “assessment notice” from the Board of Inland Revenue would then be sent out to property owners indicating the respective tax liability and deadline for payment by the property owner.

The property owner may lodge an objection in writing against the valuation with the office of the Commissioner of Valuations within 30 days of service of the assessment notice, according to the Ministry of Finance website.

### International Property Tax Institute

IPTI Xtracts- The items included in IPTI Xtracts have been extracted from published information. IPTI accepts no responsibility for the accuracy of the information or anyh opinions expressed in the articles.

Property owners may also apply for a deferral of the payment of the assessed tax on the grounds of impoverishment and inability to improve their financial position significantly by reason of age, impaired health or other special circumstances on the grounds that payment of the tax would cause undue hardship to the owner.

Commenting on the reintroduction of the tax, Wade George, regional service line leader, tax services at Ernst and Young said: "This announcement was expected. The reintroduction of the tax has been discussed in many previous budget presentations and given the financial state of affairs in the country, the government is seeking to raise revenue to meet its fiscal requirements."

George added that the reintroduction of the property tax still left many areas open for questioning.

He said: "One of the biggest sources of contention will be valuation and whether the process is perceived to be equal and fair. A lot of information is still needed."

The property tax is calculated based on the Annual Rental Value of the specific property under consideration.

Five classifications of property have been determined as taxable - agricultural, residential, commercial, industrial with building and industrial without building - with the rates of tax levied at 1 per cent, 3 per cent, 5 per cent, 6 per cent and 3 per cent of the Annual Rental Value of the property respectively.

### Property Tax soon

GOVERNMENT is putting things in place to roll out the property tax regime as promised in the last National Budget.

All property owners are now required to complete a valuation return form (VRF) in keeping with the Valuation of Land Act and submit same with supporting documents to the Valuation Division of the Finance Ministry.

The forms are to enable calculation of a property's annual rental value to work out the rate of property tax. A Ministry of Finance release yesterday stated this is in keeping with Finance Minister Colm Imbert's 2017 budget statement that property tax will be implemented this fiscal year.

The release said that within the next week, residential property owners can expect to receive VRFs in the mail. The forms are also available at any office of the Valuation Division and can be downloaded from the ministry's website:

[www.finance.gov.tt/propertytax](http://www.finance.gov.tt/propertytax)

The forms should be submitted in a sealed envelope to any of eight offices of the Valuation Division by May 22.

The offices are located at 206, Caroni Savannah Road, Charlieville, Chaguanas; Techier Main Road, Point Fortin; Head Office, 109 Henry Street, Port-of-Spain; 29 - 31, Point-a- Pierre Road, Palms Club Building, San Fernando; Corner of Brierley and Henderson Streets, Sangre Grande; Siparia Administrative Complex, High Street in Siparia; Caroline Building, 2 Hamilton Street, Scarborough and at 25-27 Eastern Main Road in Arouca. Once submitted, the Commissioner of Valuation may notify property owners of field visits to assess and verify the information in the forms.

Property owners will be sent, via post, an assessment notice from the Board of Inland Revenue with information on the tax liability and the deadline date for payment.

Property tax is governed by the Property Tax Act, 2009 and the Valuation of Land Act Chapter 58:03, which repealed the Land and Building Taxes Act Chapter 76:04 and Part V of the Municipal Corporations Act Chapter 25:04. The Valuation of Land Act was substantially amended by Act No 17 of 2009.

More information can be found at [www.finance.gov.tt/propertytax](http://www.finance.gov.tt/propertytax) or the property tax hotline 612-9700, option #7.

### Citizens urged to submit property tax forms by May 22

### International Property Tax Institute

IPTI Xtracts- The items included in IPTI Xtracts have been extracted from published information. IPTI accepts no responsibility for the accuracy of the information or anyh opinions expressed in the articles.

Government is moving ahead with plans to implement property tax, as citizens are being urged to submit their property valuation forms by May 22, 2017.

According to a statement issued by the Finance Ministry on Wednesday, all property owners are now required to complete a Valuation Return Form (VRF) in accordance with the Valuation of Land Act, Chapter 58:03 and return same, with supporting documents to the Valuation Division of the Ministry of Finance for the calculation of the property's Annual Rental Value.

The Ministry says within the next week, residential property owners can expect to receive the VRFs in the mail.

Property owners can also collect VRFs from any office of the Valuation Division or the forms can be downloaded from the Ministry of Finance's website at [www.finance.gov.tt/propertytax](http://www.finance.gov.tt/propertytax).

VRFs should be submitted in a SEALED envelope to any of the eight (8) offices of the Valuation Division by Monday, May 22nd, 2017:

Upon receipt of the completed VRF, the Commissioner of Valuation may notify property owners of field visits to assess and verify the information submitted on the forms.

The Ministry says based on this, after the process of submission by Property Owners of the Valuation Return Forms is completed, any field visits that are deemed to be necessary will be conducted.

Property owners would be required to make payment upon receipt from the Board of Inland Revenue of an Assessment Notice, which will be sent by post.

This notice will advise of the tax liability and the deadline date for payment.

Property Tax is governed by the Property Tax Act, 2009 and the Valuation of Land Act Chapter 58:03. The former repealed the Land and Building Taxes Act Chapter 76:04 and Part V of the Municipal Corporations Act Chapter 25:04. The Valuation of Land Act was substantially amended by Act No. 17 of 2009.

Prior to the Property Tax Act 2009, there was a dual system of property taxation in Trinidad and Tobago, under two categories:

1. The cities (Port of Spain and San Fernando) and the Boroughs (Arima, Chaguanas and Point Fortin) collected property taxes, known as House Rates, under the Municipal Corporations Act No. 21 of 1990.
2. The Lands and Building Taxes Act of 1920 empowered the Inland Revenue Division to collect property taxes for the remainder of the country.

The Ministry added that this regime for property taxation is not unique to Trinidad and Tobago, and aims to simplify the process for property owners and the Government.

They said other benefits of this new regime include:

- Uniform tax rates throughout the country
- Payment can be made at any District Revenue Office regardless of where the property is located
- Computerized Billing
- The online availability of Information on the Valuation process.

## International Property Tax Institute

IPTI Xtracts- The items included in IPTI Xtracts have been extracted from published information. IPTI accepts no responsibility for the accuracy of the information or anyh opinions expressed in the articles.