



TRINIDAD AND TOBAGO – May 2017

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Archbishop defends Property Tax

Archbishop of Port of Spain Fr Joseph Harris has come out in support of property tax and is defending the government's position regarding its implementation.

Speaking during his live monthly Facebook chat "Ask The Archbishop" Harris said: "The government is in a bind. We can't be asking for better salaries and then saying we're not paying the property tax. All the unions are demanding more but where's the government going to get the money?"

"I'm not saying that the way it is being collected is the best way or it is the best system or anything like that. But yes, the government has to find a way of collecting taxes so that it can fund its responsibilities."

Harris said it's very easy for citizens to say they want better salaries, better service, better this and that while at the same time they're doing everything they can to escape paying their taxes.

"The words of President Kennedy when he was inaugurated I think need to come deep within us, and that is 'don't ask your country what it can do for you, ask yourself what can I do for my country,'" Harris said.

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Asked if the Archdiocese is prepared to deal with the advent of property tax he said: "We have to be prepared, we have had to get our act together. We can't just say we're a church so we're exempt. No, we had to get our act together".

He also addressed the issue regarding the culture of communication between the government and citizens.

"I've said this very often that I don't think that the Westminster system of government helps this country. It is too adversarial and it is them against us. In that system there's not much communication between people and government.

"We have to have a system of government that begins in our villages, towns and communities, and moves from there to the other level of municipal corporations, and then moves from there to the level of Parliament."

Harris said that in the absence of such a system there will always exist a crisis of hope and trust.

"That system where one government is doing everything, so it's in the Lower Courts now. When one side wins the other side appeals," Harris said.

The Archbishop said in Trinidad and Tobago a lot of time and energy is wasted fighting each other for nothing.

State to appeal property tax ruling on Monday

Government has acted swiftly and has managed to convene the appeal court to challenge the decision of Justice Frank Seepersad on the property tax form.

This evening, Seepersad ruled that there was no need to file property tax declaration forms until the determination of a lawsuit challenging the fiscal measure.

Seepersad, sitting in the San Fernando High Court, ruled after hearing arguments from both lawyers representing the Board of Inland Revenue and former government minister Devant Maharaj.

Maharaj filed an ex parte injunction before Seepersad in the San Fernando high court for leave to file for judicial review challenging the state's move to compel citizens to submit the property tax forms.

Maharaj through his attorneys led by Anand Ramlogan SC is contending that the property tax form and process are illegal, unconstitutional ultra vires, meaning beyond legal power or authority.

Two days ago finance minister Colm Imbert extended the May 22 deadline by two weeks after the rush to submit forms.

The appeal will be heard at 9 am on Monday.

Appeal Court rules: Property Tax order extended

The Court of Appeal has granted an extension to the order made on Friday by High Court judge Frank Seepersad that brought a halt to the requirement of property owners to complete and submit Valuation Return Forms (VRFs) as government seeks to implement the collection of property tax.

The extension was granted until June 6, given that the court had no option but to adjourn the hearing of the appeal which, contrary to what was previously stated, was only filed this morning.

As such, Senior Counsel Anand Ramlogan, who is leading the case for the former government minister Devant Maharaj, to whom the stay was granted, said he needed time to peruse the documents filed, as well as time to respond to those documents.

Justice of Appeal Peter Jamadar, who, along with Justices Gregory Smith and Judith Jones, presided over the case, at the Hall of Justice in Port of Spain, said the court also needed time to view the documents.

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Ramlogan was granted until this Friday to file his submissions while, attorneys for the Commissioner of Valuations as well as the Office of the Attorney General were granted until May 31, to respond. The matter will be recalled on June 6, when it is expected to be heard and a ruling delivered.

Property Tax on hold

A HIGH COURT judge on Friday granted a stay of implementation and enforcement of the decision by Government that all property owners were required to complete and submit a Valuation Return Form.

The judgement, handed down by Justice Seepersad, means that the June 5 extension given to citizens to present their documents to the Valuation Division of the Ministry of Finance for the calculation of the property's Annual Rental Value, has been voided.

The stay will remain in place at least until May 31, Justice Seepersad ruled, after hearing arguments from the lawyers for the claimants and the State.

He ruled: On the application for interim relief, the Court hereby orders that with immediate effect, there shall be a stay of the implementation and/or enforcement of the decision contained in a press release dated April 19, 2017, that "all property owners are now required to complete a valuation...".

The judge added: "In democratic societies, there should always exist a circumstance where the law creates a climate of certainty. Citizens have a right to understand why they are mandated to act in a certain way and more importantly, to be properly informed as to the sanctions to be imposed upon them if they fail to comply with the law".

The judge rejected the argument of the State's lawyer that citizens were not being compelled to file the forms and that it was voluntary.

The judge made the order after hearing from senior counsel Anand Ramlogan who represented former Agricultural Minister Devant who is claiming that the property tax documents are illegal and ultra vires.

Maharaj, a transport minister under the People's Partnership administration, last week delivered pre-action protocol letters to Finance Minister Colm Imbert and the Commissioner of Valuations.

Ramlogan stated in court documents that under the 2009 act, the deadline for the filing of any valuation return form (VRF) was April 1, 2010, and that if citizens had failed to do so by that time, then the commissioner had six months to forewarn them they could be prosecuted for non-compliance.

However, no amendment has since been made to the act and, as such, the State cannot simply impose a new deadline for the filing of the VRF, stated Ramlogan.

"April 1, 2010, having come and gone, the only power which the commissioner has under Section 6 is the power under Section 6(2) to call upon the owner 'to file a return, failing which he may be liable to conviction under this section'.

"Thus, the commissioner will effectively be seeking to forewarn about the risk of and/or initiate criminal prosecution some seven years after the grounds for same arose and some six-and-a-half years after the deadline for doing so expired under Section 33 of the Summary Courts Act. This is plainly untenable," he stated.

Ramlogan submitted that Finance Minister Imbert was not simply allowed to bypass Parliament and impose the new deadline, describing such action as a "most serious violation of the most basic and elementary principles of constitutional law".

"The Government cannot impose the property tax without a lawful assessment and hence the mad rush to do so for the sake of raising much-needed revenue from a financially beleaguered public without reference to the rule of law is reminiscent of the proverb 'the way to hell is paved with good intentions'," said Ramlogan.

Citizens had been given until June 5 to submit their documents. Finance Minister Colm Imbert announced the extension on Wednesday. The initial deadline date was May 22.

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Justice Seepersad was set to rule ex-parte in the judicial review matter at 11.30a.m on Friday.

However, the Express was told that the State learnt of his pending ruling and asked to be allowed to make legal submissions. It was done via a tele-conference from the Hall of Justice in Port of Spain, with the State being represented by senior counsel Deborah Peake.

Peake submitted that the request to citizens was not mandatory and that the State was merely gathering information.

At 5.45p.m. Justice Seepersad delivered a 15-page ruling.

He said: "If the intent of the Commissioner was always to engage citizens in a voluntary exercise which was not premised upon any statutory foundation prior to his invocation of either Section 6 (2) or 15 of the Act, the said position ought to have been expressly communicated to the population".

He said: "The public interest can never be served by the sanctioning of any process which imposes an obligation to act. If that process is not premised upon a foundation that is lawful and constitutional".

There will be case management conference on May 31.

Ramlogan's team included Alvin Pariagsingh, Kent Samlal, Robert Abdool-Mitchell, Chelsea Stewart, and Jayanti Lutchmedial.

Business properties next

As soon as the current valuation form exercise is completed with residential owners, who've responded overwhelmingly, the next phase concerning industrial and commercial owners begins, Finance Minister Colm Imbert says.

At yesterday's post-Cabinet news press conference, he said Valuation Division officials will start the outreach to industrial and commercial property owners today, beginning in Pt Lisas.

They will explain the procedure regarding valuation forms for business owners.

Imbert confirmed Cabinet yesterday approved extension of the deadline for submission of residential forms, from Monday to June 5, but he said the deadline would not be extended beyond June 5.

He attributed the "rush" of people submitting forms to people "wanting" to pay the tax. He said the extension was to facilitate this.

"Contrary to the Opposition's attempt to get people not to pay the tax, we're seeing the reverse, people want to get involved in the process to pay it."

Imbert said the "overwhelming response," which Government had seen in newspapers and on TV, was unusual since Trinidadians do not like to pay tax. But Trinis were also famous for last-minute action.

He added, the number of people visiting Valuation Offices exploded recently. In the last week 6,000 forms were submitted and this week, over 90,000. Between Monday to Wednesday about 20,000 to 30,000 forms were submitted daily.

"Due to this response, it's obvious people want to pay the tax so we felt we'd give them an opportunity (by extending the deadline)," he added.

Government will expand the number of submission centres to include buildings in communities and extra staff is being added.

Imbert dismissed claims people were rushing since they feared losing their property. He said there was a five-year process before the state could claim property.

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Nor does the extension have anything to do with the UNC's pre-action protocol letters. He said that he's replying to one letter by today's deadline, but he declined further comment.

Once the process for residential form submission is completed, the exercise concerning industrial and commercial properties begins. "We won't be stopping. We have hired staff for two years," Imbert said.

He said Government started with residential owners since 250,000 of these are already on the valuation rolls. But many industrial and commercial properties, save those in Port-of-Spain, are not on the "books and field visits will be needed to deal with many of them.

"It'll take longer to deal with assessment of Industrial/Commercial properties," he added.

On projected revenue from industrial/commercial properties, Imbert said while the property tax rates for those two categories are higher than for residential, there are fewer industrial/commercial properties than residential. Clarifying issues, he said people overseas can appoint someone to handle the form for them.

If people didn't own a property, but were occupying it, and the owner was not available, they could submit a form as "Occupier."

Imbert assured forms were legal despite it not being the form Parliament approved. He said the Valuations Commissioner is empowered to request more information from owners.

Imbert said it would not be easy for people to devalue properties since T&TEC and WASA bills as well as aerial photographs are available. Valuation officials may only have to visit about 25 percent of residential properties, he noted.

Despite the June 5 extension, Imbert projected Government will be able to collect property tax income in the current 2017 fiscal year and the process should be completed by September.

Despite the June 5 deadline extension, some property owners still came out very early yesterday to submit forms at the Valuation Division's POS office. However lines moved steadily despite the numbers and after lunch the lines had dispersed and submissions ended just after 2 pm.

Valuation supervisors said the system at that office was "more efficient" yesterday. Drop-off boxes were received on Wednesday, adding to efficiencies there. More staff is expected soon. Some owners dropping off forms said they had heard the deadline was being extended, but had come out early and lined up since they wanted to ensure their forms were in.

Several said they didn't know about the extension. A couple said they'd planned to submit forms yesterday whether there was an extension or not.

A Maraval woman said despite the extension she still came out early as she had to go to work and "wanted to get this over with since it caused a lot of stress..."

Property Tax rush too much for offices

Members of the public can ease up on the rush—Government is moving to extend the date for submission of Property Tax Valuation forms from Monday May 22 to June 5.

Finance Minister Colm Imbert announced yesterday he'll recommend to today's Cabinet meeting that the deadline for submitting forms be extended by two weeks from Monday.

In a statement, Imbert said the move is being made due to the overwhelming response by property owners over the last few days to submit their Valuation Return Forms. He said an announcement on the extension will be made shortly after today's Cabinet meeting.

Government had given May 22 as the deadline for submission of the forms, accompanied by as many of the 13 requested supporting documents—deeds, bills, 2009 property tax receipt—as home owners could supply.

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Submission of the information is the first phase of Government's property tax exercise aimed at collecting some \$500 million.

On the basis of the information and possible field visits later on, property rental values will be assessed and taxes will be formulated on the basis of this.

All of this week, however, Valuation offices around T&T—including Tobago—have been reporting very long lines and a huge "rush" of people seeking to submit forms and documents in order to beat Monday's deadline.

Yesterday, people were lined up outside of the Port-of-Spain Valuation office from 6 am, after that office opened early to accommodate demand. At 10.45 am, there was still a long line of people and officers made accommodations in the building to get them out of the sun.

To prevent excessive lines, a security officer was outside on the pavement distributing forms to people who needed them. To attend to the large numbers, tents were set up at the back of the building where officers also dealt with individuals.

Colin Hamilton, who went to the PoS office at 7.05, said he was out in 10 minutes.

"Job well done, keep up the great work. It shows there are public servants who are considerate of those they're employed to serve," Hamilton told the T&T Guardian.

Similar comments came from Kyron Ramoo about the San Fernando process, where he said lines were long but moving quickly.

Officials said the PoS office is expected to obtain drop-off boxes by the end of the week for home owners to deposit their packages. Similar boxes are expected to be supplied to other Valuation offices, valuation supervisors added. For home owners who drop packages off into the box, their receipt for submission of the information will be sent in the mail, supervisors added.

Senior officers at several regional offices said their staff was stretched to the limit in handling the exercise. Valuation supervisors said 500 more staffers will be in place from Monday to assist the various offices.

Business people are very anxious they'll have to pay millions in property tax and poor people are scared the tax will "drive them under" in the current recession, UNC's Devant Maharaj said yesterday.

"It's an unconstitutional law - people must resist it. If it's been found recently that 79 per cent of HDC people who have mortgages don't pay the mortgage, how will they pay the tax?" Maharaj said.

"Our concern is the method being used and how it's being done. Among the grounds in our pre-action letter, we've stated the Valuation rolls being used are non-compliant with certain schedules, as they seek private information.

"The Valuation form also violates the right to privacy, since it seeks certain information from people. It also fails to draw attention to the fact that non-submission could lead to summary conviction and a \$500 fine."

Maharaj acknowledged Imbert recently said he wouldn't pursue moves towards court action that would demand the fine. But he said because Government didn't advise on the matter properly, people could face sanctions.

Let courts decide on property tax

The Property Tax Act is unconstitutional. There is simply no way to save it in its current form.

The crux of the Act's unconstitutionality can be found in Part V, entitled "Recovery Of Taxes". Those provisions (sections 31 – 47) all bestow incredible powers on the State. For instance, the provisions deem unpaid taxes to be charges against the land in question, and authorise seizures of personal property.

Those provisions directly, and quite plainly, infringe sub-section 4 (a) of the Constitution. Namely, "the right of the individual to life, liberty, security of the person and enjoyment of property and the right not to be deprived thereof except by due process of law".

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The Constitution does, however, permit laws to infringe constitutionally protected rights. Such laws must be “reasonably justifiable” and passed with a special majority. Sub-sections 13 (1) and 13 (2) state that:

“An Act to which this section applies may expressly declare that it shall have effect even though inconsistent with sections 4 and 5 and, if any such Act does so declare, it shall have effect accordingly unless the Act is shown not to be reasonably justifiable in a society that has a proper respect for the rights and freedoms of the individual.

An Act to which this section applies is one the Bill for which has been passed by both Houses of Parliament and at the final vote thereon in each House has been supported by the votes of not less than three-fifths of all the members of that House.” (See also, para. 2 of the Privy Council decision in *David Gopaul on behalf of H V Holdings Limited v Vitra Imam Baksh on behalf of the Incorporated Trustees of the Presbyterian Church of Trinidad and Tobago*, [2012] UKPC 1).

The Property Tax Act, however, was passed with a simple majority. It cannot benefit from this constitutional exception.

Indeed, although our Constitution is modelled after the Canadian Charter of Rights and Freedoms, the constitutional protection for property rights is something unique to Trinidad and Tobago. It is absent from the Canadian Charter of Rights of Freedoms for political reasons and concerns over the division of powers (between the Federal Government and the Provinces). If the constitutionality of the Property Tax Act were put before the local courts, it would be an ideal moment for our nation to chart its own constitutional jurisprudence and protect its citizens from the excessive reaches of the State.

Dr Emir Crowne,
Port of Spain

No property tax deadline extension

Finance Minister Colm Imbert said yesterday that property taxation revenue is an important component of national income “which has been postponed for the last seven years. It’s estimated Government lost over \$2.5 billion in property taxation since 2009.”

While the current property tax exercise is proceeding smoothly, he said, “We don’t intend to extend the May 22 deadline (for the valuation form and document submission) since it’s necessary to get on with the job of assessing rental values and determining the applicable property taxes, so tax collection can commence.”

Speaking during his mid-year review yesterday, Imbert said rental value of some properties will be easily assessed - from information - without a visit from valuation officials and up to 75 per cent of residential properties may not be visited. But new properties particularly could expect “visits,” he added.

Government is in the final stages of recruiting 180 field assessors and 15 supervisors for the Valuation Division. UWI’s Geomatics Engineering and Land Management unit will ensure all are equipped for the field work, he said.

On completion of the Valuation Rolls’ update, home owners will receive a notice with details of the tax payable, he added, “only then, actual tax collection will commence.”

Imbert confirmed he’s examining remittance of residential tax and other taxes to Local Government bodies to assist their cash flow, but industrial property tax will go to central government.

Imbert said long-standing weakness in management of Customs and Inland Revenue tax administration will be addressed via legislation by year-end to implement an integrated Revenue Authority.

Government will also employ “young and not-so-young professionals and graduates” in the second half of 2017, to assist with VAT and other tax collections.

Anand fights property tax

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Former attorney general Anand Ramlogan has issued a pre-action protocol letter against the Commissioner of Valuations, arguing the decision to require property owners to submit a Valuation Return Form is unauthorised, illegal and contrary to law and in excess of the jurisdiction conferred by the Valuation of Land Act.

Acting on behalf of his client Ravi Maharaj, of Riverside Road, Curepe, Ramlogan cited Section 6 of the Valuation of Land Act, which makes provision for every owner of land in the country to file a return on their land on the prescribed form by April 1, 2010.

He noted that under the act, a person who wilfully fails to make a return, or who makes a defective or incomplete return, or which contains false information, is liable on summary conviction to a fine of \$500.

Ramlogan said on April 19 the Ministry of Finance issued a release advising that all property owners were now required to complete the VRF. This was followed by notices in the newspapers for owners to submit the forms with documents. He said his client received a copy of the VRF in the mail informing him that the deadline for submission was May 22, 2017.

But Ramlogan said it is clear that a step had been taken to send the notice, which is subject to the supervisory jurisdiction of the High Court, "with the court able to quash the decision and declare it unlawful."

In addition, he said because the Summary Offences Act establishes a limitation period of six months from the time the complaint was made, "it is not now possible to prosecute anyone who fails to make a return" by May 22.

In any event, he said with April 1, 2010 having come and gone, the only power the commissioner has is under Section 6(2) is to call upon the owner to file a return, failing which they may be liable to conviction under this section.

Ramlogan said "the Minister cannot simply bypass parliament and impose a new deadline without amending Section 6." This, he said, "is a most serious violation of the most basic principles of constitutional law and has left our client with the indelible impression of arrogant dictatorship.

He said the Government "cannot impose the Property Tax without a lawful assessment and hence the mad rush to do so for the sake of raising much needed revenue from a financially beleaguered public without reference to the rule of law is reminiscent of the proverb the way to hell is paved with good intentions."

Ramlogan said he has advised his client that the decision to require property owners to submit a VRF is "unauthorised, illegal and contrary to law and in excess of the jurisdiction conferred by the Valuation of Land Act."

He said his client is filing a claim for judicial review arguing that he is under no obligation to submit the VRF or any listing, a declaration that the state cannot prosecute anyone for failing or refusing to file the VRF and a declaration that neither the Commissioner of Valuations nor the Minister of Finance has the legal authority to submit a VRF on or before May 22.

The commissioner has been given seven days to respond. That response must include whether he accepts the claim and if not he must explain why.

Attorney: Ignore property tax

Silly. Stupid. Ridiculous. Asinine. That's how attorney Jagdeo Singh, who heads Fortis Chambers, described the Government's position on citizens' failure to fill out the valuation return form.

Fortis Chambers and Liberty Chambers, headed by Anand Ramlogan, are seeking to protect citizens' interest in the court.

He told residents of Bamboo No 2 that on pure matter of law, if a form was not addressed to them, they could not be prosecuted for failing to submit property tax documents.

"So it is a silly, stupid, ridiculous and asinine thing for the minister to say that he can prosecute somebody in the criminal court for failing to fill out a form that is not addressed to you."

Singh told them they should not fear that police will "come in the middle of the night and cart you off to some police station."

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He did urge them, however, to exercise restraint and be respectful of the law.

Singh and St Augustine MP Prakash Ramadhar addressed close to 80 residents yesterday at a property tax meeting at the Bamboo Government Primary School.

Singh said: "Under the Valuations of Lands Act, the Commissioner of Valuations is the only person in Trinidad who could ask a citizen to supply details about your property for valuation purposes.

"However, there is a process to do that. It is not simply by slipping a flyer in your mail which is not addressed to you and asking you to supply the information.

Meanwhile, Ramadhar said it was "a double-headed attack" on the law.

He said: "There are those working on behalf of your interest to protect us all from the property tax.

"I feel confident that we shall and we will succeed."

UNLAWFUL TAX

As May 22 deadline looms, lawyers send AG pre-action protocol letters

ONE week before the deadline by which citizens must submit completed Property Tax forms, two separate legal challenges are being mounted against Government's intended revenue earner that could cripple it until the foreseeable future.

The first legal charge, led by former attorney general Anand Ramlogan, has been joined on the track by another action led by the law chambers of Larry Lalla.

Ramlogan represents former agriculture minister under the People's Partnership, Devant Maharaj, and United National Congress (UNC) activist Ravi Maharaj, and has delivered lengthy pre-action protocol letters to Finance Minister Colm Imbert and the Commissioner of Valuations.

Now the State faces a second team challenging the constitutionality of its much-maligned Property Tax, on behalf of private citizen Lutchmidat Ramcallie of Church Street, Chase Village, Chaguanas.

In a lengthy pre-action protocol letter yesterday, attorney Kiel Taklalsingh of Lalla's Fortis Chambers stated the team intended to approach the High Court to seek "urgent declaratory relief" on behalf of Ramcallie, and has given the State until May 18 to respond.

Implementing Property Tax

According to a 2014 OECD report entitled "The Political Economy of Property Tax Reform," taxes on property are considered good taxes for governments, as it is difficult to evade since property is immovable, and it is thought to have less of an impact on economic behaviour than other taxes such as income and sales taxes. Despite this, it is criticised as being unfair, because it is unrelated to ability to pay or to benefits received; as being unsuitable because it supports services that are not related to property; and for its negative effects on housing, land use, and urban development.

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Renewed interest in the property tax has led a number of countries to undertake major property tax reforms in recent years. Issues and challenges in implementation include determining what is included in the tax base, assessing properties, setting tax rates, and administering the property tax system.

No form of taxation is more dependent on administration than the property tax. How well property taxes are administered affects, not only their revenue, but also their equity and efficiency. Administrative issues include the capacity to administer the tax, manual rather than computerised functions; collection rates are low, and enforcement is almost non-existent. Even countries with relatively good property tax administration often have problems updating values on a regular basis.

The obvious question here is – are we equipped and ready – both on a resource and administrative level to implement property tax assessment and collection? Administration of the property tax can be sufficiently costly to be an obstacle to implementation. However, frequent valuations maintain the legitimacy of the tax and reduce the risk of sudden, dramatic shifts in tax burdens from large increases in assessed values. The costs associated with regular assessments and reassessments include computer software and support, training and availability of in-house staff, and training and availability of appraisers (Dornfest 2010). This high administrative cost has led to failure of implementation of the property tax in many countries.

Studies show that residents are more willing to pay property taxes when local services, such as roads and garbage collection, are adequate and efficient. Do we consider the fulfilment of local services adequate in Trinidad and Tobago? What about the fact that property tax does not reflect a real cash flow but rather an imputed one that may not necessarily reflect the owner's current financial situation. What about the volatility of the debt which will be impacted by increases in the values of the property that is outside the control of the owner, such as those brought on by market forces? And possibly even by government policy itself? What if the government decides to build a school or hospital near to your home and therefore possibly raise your home's market or rental value? In reality, "tax policy is the product of political decision making, with economic analysis playing only a minor supporting role" (Holcombe 1998). It seems generally essential to link the implementation of property tax to broader reforms in public sector management aimed at improving both public services and governance. This must be part of a wider policy that would gain some sort of economic benefit for the population.

The future of local property taxation in any country seems highly dependent on the role that governments are expected to play.

For example, implementation of local property tax, accompanied by changes in the transfer system to support and encourage accountability to citizens for the taxes they pay and the services they receive may be a more promising path. On the other hand, a simple attempt to implement property taxes with nothing else changing, pushed by a government trying to reduce its budget deficit by off-loading more fiscal responsibility on citizens, is unlikely to be received with much enthusiasm.

Property owners have tax hotline busy

The property tax hotline is ringing off the hook by those wanting more information.

And property owners who choose to rip up or ignore the forms being sent in the mail can do so legally but, be warned, there will be repercussions down the road.

Valuation Return Form (VRF) have been sent in the mail to homeowners. The forms can also be downloaded from the Finance Ministry's website.

Valuer at the Finance Ministry Emeris Garraway-Howell told the Express yesterday that the property tax hotline has been ringing constantly.

She said 42,271 property tax forms have been downloaded from the ministry's website.

The Finance Ministry website received a total of 64,820 hits with 42,447 visitors to the property tax page.

Some people have decided to get an early start as some 800 VRFs have been submitted.

Opposition Leader Kamla Persad-Bissessar, on Sunday following a motorcade in South Trinidad against the property tax, ripped apart a VRF and called on citizens to not fill out and submit the forms— the first stage in the implementation of property tax.

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Persad-Bissessar said the forms were deemed null and void and no charges can be laid against property owners who fail to submit them.

“I am a lawyer and I have consulted with other lawyers. We have gone through the Valuation Land Act, we have gone through the Property Tax Act and it is very clear that this form is null and void,” she said.

She is right. There is no provision in the law that a person can be penalised for discarding this form.

Penalty for ignoring form

Garraway-Howell said there is no law against ripping up the form but there are consequences later for not complying with the requests of the Valuation Division.

“There is nothing in the Valuation of Land Act that speaks about discarding forms being illegal, so I would say no, tearing it up or discarding it in any way is not illegal,” she said.

Asked what happens next if a person fails to submit the VRF, Garraway-Howell said the Valuation Division will send a notice addressed to the property owner advising them they have not submitted a valuation return and will ask the property owner to again do so.

She said if the property owner ignores this notice, there is provision in the Act to deal with this.

Garraway-Howell referred to the Valuation of Land Act which states that a notice under subsection (2) shall be sent by registered post.

The Act states “A person who wilfully— (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 of five hundred dollars.”

She said if persons wilfully do not submit their valuation then they are committing an offence and are liable for this fine.

\$5,000 fine

Garraway-Howell said property owners should submit their deed, the Real Property Ordinance (RPO) certificate, land and building tax receipt and WASA or T&TEC utility bills with their VRF.

“One of the things that will also help us not to visit your house is if you give us a copy of your plan, the layout of your house,” she said.

Asked what are the consequences if a property owner refuses to allow the valuation officer to enter his premises, Garraway-Howell said a person can be fined \$5,000 under section 32 of the Valuation of Land Act.

She said there is no information with regard to an extension so they are working strictly within the confines of the May 22 deadline.

Property Tax FAQs

This article will delve into the facts on this tax to provide answers to some Frequently Asked Questions.

Firstly, the idea that property is only to be taxed in a single mode is entirely untrue. At this time, we have laws which allow for these four types of property tax:

- Stamp Duty – paid by purchasers as a transfer tax;

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- Income Tax – to be paid by owners on rental income, at a rate of 25%, earned from investment properties. This tax is widely evaded.;
- Capital Gains Tax – to be paid by vendors, upon disposal, at a rate of 25%, on the uplift between the purchase and selling prices. This tax is widely avoided since it is only due on disposals which take place within 12 months;
- Property Tax – to be paid by owners of property and based on 3% of the adjusted rental value, which is the subject of the current, widespread discussion.

Now, to the property tax.

Property owners have enjoyed a seven-year tax holiday between 2009 and 2017, so how much money was lost? The Estimates of Revenue for the Property Tax for 2010 were for \$325M, so even on the most conservative estimate, the sum lost would have been of the order of \$2.275Bn.

The last year in which property taxes were paid – i.e. House Rates in the Municipalities and Land & Building Taxes in the rest of the country – was 2009. In that year, the amount paid was \$142.52M, compared with an estimate of \$325M for 2010.

When one compares the property taxes paid in 2009, at \$142.52M to the 2017 Estimate of Revenue of \$503M, the anticipated increase is of the order of three and a half times. But that is only if one is comparing like with like, which is quite unrealistic. So what are the changes one should consider?

The three main changes are:

- There were many new buildings put up in the intervening seven-year period;
- There were substantial improvements and extensions to many existing buildings in that period;
- In 2009 one of the issues which emerged was that some 200,000 properties were said to have been excluded from the records, so those now have to be included.

There is a great deal of agitation on the vast increase in the Property Taxes which will be payable, so that issue needs some reflection. Quite apart from the ratios set out above, one has to consider the low level of taxes paid previously. For example, speaking from my own experience, it was common for the House Rates due on a good quality small office to be under \$600 and for a middle-income house to be under \$150 – these are annual figures for properties in POS.

These are the national totals of Property Tax paid in the period 1993-2009, compiled from:

- House Rates, which was paid in Municipal Corporations – POS, San Fernando, Arima, Chaguanas and Point Fortin.
- Land & Building Taxes, for the rest of the country.

Getting the data

Last week's article deplored the lack of a database and I was therefore pleased to see that one is now available on the Ministry of Finance website.

That is a big improvement in my view and would make the entire process convenient for property owners.

Completing the form

The Valuation Return Form does not require that property owners provide all the requested details, those are merely in the form of a request.

Property owners can complete the form by providing their name, contact details, property address and a single, identifying item—a previous land tax receipt or just the assessment number will suffice.

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