



# TRINIDAD AND TOBAGO – February 2018

---

**PROPERTY TAX IN TRINIDAD & TOBAGO..... 1**

**80 ENTITIES EXEMPT FROM TAX LIABILITY ..... 2**

**REVAMPED PROPERTY TAX PROPOSALS FROM GOVT ..... 2**

---

## Property Tax in Trinidad & Tobago

Whats the current position with property tax?...still in courts?

Yep... 3 separate lawsuits in fact...

Legal action holds up property tax implementation

Three legal actions now before the High Court will determine when and if the government can implement its proposed property tax, according to Senator Allyson West, former partner and territory tax leader in the Tax and Corporate Services Department of PricewaterhouseCoopers, TT. She is a senior member of the Law Association, and on June 30 took up the position of Minister in the Ministry of Finance to handle the administration of the tax.

“The tax will essentially be as laid in the legislation that has already been passed in Parliament,” she said in an interview with Business Day. “There are some amendments that we need to propose to the legislation which we should be doing soon, but we are waiting on the court matter that is still being litigated. And what we need to do is proceed to do the evaluations and raise the assessments so we can communicate with the public on what their obligations will be and how soon that will start.”

Former Minister of Works and Transport in the United National Congress (UNC) administration, Devant Maharaj; UNC activist Ravi Balgobin Maharaj; and Chaguanas resident Lutchmidat Ramcalle have gone to court seeking judicial review of the government’s decision to introduce the tax. Ramcalle is also pursuing a constitutional motion claiming that in seeking to introduce the tax, the government was simply motivated by the need to raise as much money as possible by collecting property tax.

Former Attorney General Anand Ramlogan is representing Ramcalle in the constitutional motion. Ramlogan said there is the feeling that the public has been “ambushed” by the government and the haste with which the government has moved to implement the property tax is in flagrant disregard of the enshrined fundamental rights of the people. He said the Minister of Finance intends to collect the tax based on the Property Tax Act of 2009, which gave a deadline of April 1, 2010. Ramlogan said that deadline had long expired and the property valuation forms issued to the public by the government were invalid, illegal and null and void because they were based on the Valuation of Land Act.

Ramlogan said the government cannot simply bypass Parliament and impose a new deadline without amending the law. He charged that this is a serious violation of the most basic and elementary principles of constitutional law, adding that it is reflective of an arrogant dictatorship.

West told Business Day the commencement of the property tax will depend on “how soon we can get the valuations done and in practice by the matter which is before the court.” She said the government “was prepared to go ahead with the tax using the

## 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.

information which we would have received in May, but then the court matter came up, so that has stymied our progress somewhat, but as soon as we determine where we are vis-a-vis that matter, we will know how to proceed from that."

Shaken by the dire warnings of Minister of Finance Colm Imbert that there would be no postponement in the implementation of the property tax and even the likelihood of jail time for those who did not comply in filling out and returning the valuation forms, many householders across the country rushed to government revenue offices to file whatever documents they had in their possession, hoping to fend off some of the more unpalatable consequences of not doing so. Waiting in the sun in the long line outside the Revenue Office in Five Rivers, Arouca, in June, one woman was overheard telling another, "Let me file this document before they auction my house!"

West said these misconceptions arose because, as is the tendency of TT citizens, many people waited until the very last minute to file their documents and "people tend to get a little extreme. Because we wouldn't start by auctioning a house." She said the law clearly lays out the powers and duties of the tax authority in respect of the property tax and none of them include auctioning off a house for the owner's failure to file a return."

West told Business Day, "We had a date for the filing of the return and on the basis of that we would have done the evaluation and sent out the assessments, but as I said, that has been stymied by the court matter. So we are waiting to see what results from that, but in the meantime, we are doing what we can in terms of getting ready for the implementation of the disposition of the tax."

Among the preparations is the digitization of the Land Registry, which West said, is coming along "slowly but surely." She was unable to say when it would be completed.

### **80 entities exempt from tax liability**

The National Carnival Commission (NCC) and the National Steel Symphony Orchestra are among a group of 80 entities which are exempt from tax liability. This information is contained in the Property Tax (Amendment) Bill 2018 which was laid in the House of Representatives last Friday by Finance Minister Colm Imbert.

The NCC, orchestra and the other 78 entities are defined in the legislation's schedule as, "State Enterprises controlled by the State for public purposes exempted from tax liability." The other 78 entities include all 14 local government corporations, the Central Bank, Land Settlement Agency, Firearms Appeal Board, CEPEP; The TT Electricity Commission, Water and Sewerage Authority (WASA), Police Complaints Authority, Children's Authority, Children's Life Fund Authority, TT Blind Welfare Association, the Zoological Society of TT and all of the country's regional health authorities.

Clause Four of the bill will amend Section 10 of the Property Tax Act to make it clear that taxes will be collected annually. Clause Five of the bill amends Section 15 of the Act, to ensure the fact that a building or other chattel creates a tax liability, does not by such liability, "give the person liable to the tax any legal entitlement to the land."

In his 2017/2018 Budget presentation in the House last October, Imbert said a comprehensive list of all properties is being built. Upon completion, Imbert said this would form the basis for meaningful assessments to be made and for property taxes to be paid by all property owners commensurate with the rental values of the properties. "We intend to have a fully implemented property tax system in 2018," he stated.

### **Revamped Property Tax proposals from Govt**

Is Property Tax looming for properties used for religious, educational and charitable purposes?

The areas—so far exempt from the tax—are spotlighted in new proposed Property Tax legislation laid last Friday.

New Property Tax proposals, plus new proposals concerning the Valuation of Land (VOL) act, were part of a supplemental package laid in Parliament.

The proposals concerning the VOL involve a revamped Valuation Return form, seeking expanded details about properties.

### **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.

As Government sought to implement the Property Tax last year, media reports had noted the Property Tax Act exempted properties such as churches/places of worship, school compounds/playgrounds, property used for charitable/philanthropic work, land occupied by state enterprises, public hospital facilities and university/tertiary education facilities.

In May 2017, Finance Minister Colm Imbert was quoted as saying churches and schools were exempted from the tax, but Government had no plans to tinker with the law to include “wealthy churches,” since it simply wanted to implement the law then.

New Property Tax proposals circulated in Parliament last week, however, stated, “Clause 6 seeks to amend section 16 of the Property Tax Act, to remove from the list of places exempt from taxes a repletion that occurs in paragraph (c) which already appears in paragraphs (a) and (b) ‘lands attached to, or otherwise actually used in connection with and for the purposes of a place of learning maintained for educational, philanthropic or religious purposes, the whole profits from which are devoted or applied to such purposes’.”

Imbert and Minister in the Finance Ministry Allyson West didn’t respond to emails seeking clarification on Clause 6 and the prospects for property used by churches, schools and charitable work from the T&T Guardian yesterday.

Under other new Property Tax proposals, reference to “an incorporated charitable institution” will be deleted and replaced with “a charity exempted from Corporation Tax under the Corporation Tax Act.” Properties being exempted from the tax include lands belonging to/in occupation of a Statutory Authority or state enterprise.

The proposals list approximately 80 state entities—from Wasa and TTEC to municipal corporations—to be exempted from property tax.

Under proposals, objection to an assessment of the tax must be filed within 21 days after receipt of the notice of assessment, rather than after the tax becomes due and payable. Someone who has objected to their assessment and is dissatisfied with the decision is entitled to appeal to the Tax Appeal Board.

Proposals specify how valuation assessments will be done for town houses, condominiums and multi-owner commercial accommodations. Proposals regarding the Valuation of Lands (VOL) Act include a new Valuation Return form.

Last year, Government issued a form for property owners to submit. The Opposition challenged the format and the courts ruled it could be submitted voluntarily but wasn’t mandatory.

The proposed new form appears more structured than the last form.

Details being sought include which municipal corporation area a property is located in, whether it was bought in the last 24 months, the purchase price, whether any tenants’ rent include water/TTEC rates, cable/Internet, security/service charges. The proposed form also seeks details on commercial/industrial building rentals.

The VOL proposals also seek to increase the penalty for failure to file return forms from \$500 to \$5,000.

Another section involves how valuation would be conducted for town houses, condominiums and multiple-owner commercial units.

The proposals are expected to require a simple majority—Government—votes for passage rather than Opposition support. Debate is expected between this month and next month.

#### MORE INFO

The proposed Valuation of Land bill allows the Commissioner of Lands to notify the Finance Minister once the Commissioner is of the view that more than 50 per cent of all lands in Trinidad and Tobago have been valued and the Minister would then declare that the valuations are in effect.

The Commissioner will also be able to revalue land where he believes it is overvalued or under-valued.

#### 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.

Other aspects concern appeals, speedy attention to this plus establishment of a Valuation Tribunal to hear objection and how this functions.

**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.