



TRINIDAD AND TOBAGO – March 2018

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10% fine for late Property Tax payments

Property owners will be charged 10 per cent interest on property taxes which remain unpaid by March 15 annually, Finance Minister Colm Imbert indicated yesterday.

It's among proposals to amend the Property Tax Act announced yesterday, as Imbert piloted this and amendments to the Valuation of Land Act in Parliament.

The Property Tax Act pertains to collection of the tax while the VOL Act involves mechanisms for value of land.

Before debate began, Opposition MP Ganga Singh unsuccessfully sought to halt debate on the bills, as he said the matter was in court under action filed last year by the United National Congress' (UNC) Devant Maharaj. But Imbert said the matter wasn't sub judice, since the issues in the amendments aren't the same as Maharaj's matter.

Imbert said the property tax is necessary, as T&T was experiencing financial challenges and had lost over \$1 billion in the last nine years of the property tax waiver.

Property tax amendments mandate that the tax will be due payable by September 30 annually. Notice of unpaid taxes will be issued by March 15 annually. A 10 per cent interest fee will be incurred on taxes not paid by that date, Imbert added.

The Board of Inland Revenue can examine objections and decide if to increase or lower taxes. Refunds will be given if there are overpayments and the BIR will be mandated to make a refund within 60 days of an overpayment, he noted.

Imbert added that amendments will also close a loophole whereby some people have been paying tax on land and claiming the land.

Schools - including occupied tertiary institutes - charities and similar bodies will be exempt from the tax. Also exempt are elderly people unable to pay the tax. But if they die, the position of the people who inherit their property will be reviewed every two years to see if they're entitled to a tax waiver. As an example of the tax, Imbert said a property whose rental is \$3,000 monthly (with annual rental value of \$36,000) will incur a property tax of \$972 annually or \$81 monthly.

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Imbert said the VOL act used antiquated systems, caused much confusion and was “arbitrary” and there had never been complete valuation rolls in T&T. He cited different rates used for different parts of T&T. Imbert said once 50 per cent of properties in T&T are valued, the collection of the property tax will start.

Property owners - including those outside of T&T - will be notified by post of valuations. He said the VOL act had been silent on a basis for valuation for owners of town-houses, condominiums and multi-owner structures and they could have avoided paying property tax in the past. But he said amendments will ensure they pay in future. How they will be assessed and how tax will be collected will be done through the Property Tax amendments.

A new format for Valuation Return forms - allowing for more information and better due diligence - will be introduced. He said other forms lacked categories for commercial-industrial buildings. Penalty for failing to file returns will be increased from \$500 to \$5,000.

Owners will be allowed to file objections based on six areas, with a Valuation Tribunal before any court action. He said while he as Minister will appoint the tribunal, he cannot give them directions.

More burden on overtaxed population.

That was the view of United National Congress MP Suruj Rambachan on the two bills, which he said were very contentious. Rambachan predicted “a lot of reaction,” since he said Government hadn’t done a good job of educating the public on this.

Rambachan noted that Imbert said Government wanted to collect \$503 million in property tax in 2017 compared with \$71m collected in 2009. “That’s 700 per cent more in tax revenue. Where is that 700 per cent to be spread across, who’ll bear the burden?” he asked.

“Statistics show that 76 per cent of the population earns less than \$6,000 monthly and if they have to pay \$972 more in taxes - even paying \$81 monthly - it’ll be a strain.” He added: “The cost of living and transport have gone up, people can’t get CDAP drugs and have to buy them. That \$81 monthly is very important. People are paying higher health surcharges, personal income taxes, corporation taxes, Green Fund increases, tax at the gas pump, stamp duty, online tax - a plethora of taxes in T&T!”

Rambachan questioned how the interest on arrears of property tax would be handled. He said people already have to wait long periods for tax and VAT refunds.

“Let’s look at the other side of things and see how this is affecting the people!” he urged Government

Dangerous clauses in Property Tax

OPPOSITION Leader Kamla Persad-Bissessar said there are some dangerous provisions in the property tax legislation including having the finance minister select the members of the valuation tribunal.

“You cannot have ministers in this business,” she said while delivering the feature address at the UNC’s Monday Night Forum at the Don Miguel Hindu primary school in San Juan.

She said one of the provisions is to establish a valuation tribunal to replace the Tax Appeal Board.

She pointed out while the board had security of tenure and is selected by the independent Judicial and Legal Service Commission, members for its proposed replacement hired and fired by the Finance Minister Colm Imbert. “Little imps to do his bidding (is what members of this board will be). Something is fundamentally wrong with this process. You are going before the friends of the Minister,” Persad-Bissessar said. Saying the requirements for this tribunal is an attorney of ten years experience and two people with wide experience in property, Persad-Bissessar said the latter two could be, “any fly by night” person.

She reminded party faithful of the last time this Government attempted to introduce property tax, including forcing people to submit valuation forms, it was the UNC that fought and stopped them.

Persad-Bissessar said Government has promised an education programme on property tax but she asked, “where is this?”

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She said the draft property tax legislation will punish people if they are not home for the assessment and if you do not pay, “they want to seize your home.”

On other national issues touched on in her address, Persad-Bissessar slammed the new vessel the Galleons Passage firstly for being selected by a committee of ministers and secondly for lacking a roof, toilets and having chairs shaped like those in the “pit” in old time cinemas. “These people cannot, cannot be serious.

This is the biggest scandal to rock T&T this year,” she declared.

Persad-Bissessar also reminded that this government which moved swiftly to end the school laptop programme is now making pronouncements that the schoolbags of children are too heavy and could damage their backs.

Property tax could mean higher rents

TABAQUITE MP Suruj Rambachan said the amendments to the property tax legislation could lead to increased rents for citizens.

He was contributing to debate on amendments to property tax and valuation of land legislation in Parliament yesterday. He said that because property owners have to pay taxes their rental costs may go up and with hundreds of small businesses having to pay the property tax as well they may have raise the prices of their goods and services.

“The burden is a very real one.” He said that while \$81 per month on a property with \$3000 monthly rental value did not seem like a lot it must be taken into account with so many other things that had risen including cost of living and cost of transport as well as other taxes such as health surcharge, stamp duty and personal income.

“There is a plethora of taxes that people pay in this country.” He said \$81 means nothing to a man who buys a Ford Mustang to drive but it would mean something to a man driving a 10 year-old Nissan B14. He said people would not mind paying taxes if they received value for money. “People perceive it as a reactive tax to bleed the pockets of people to fund their incompetence.” He also pointed on that citizens do not receive interest on the tax refunds and VAT refunds which they have been waiting years for. Rambachan expressed scepticism that Government would provide refunds for the current legislation within 60 days as promised. “That is pie in the sky.”

Rambachan expressed concern about the finance minister appointing members of the valuation tribunal. He said that while Finance Minister Colm Imbert said his role stops after he appointed the members he also had the ability to suspend members if they did not follow his wishes. He said there is always a resistance to taxes but that would be more acute if people perceive their taxes were being wasted and he called on the Government to ensure that the taxes would be used in the regions where they are collected as is envisioned by local government reform.

Opposition fumes over passage of property tax bill

Opposition Chief Whip David Lee has condemned the actions of the Government in the aftermath of the passage of the property tax bill on Friday saying the Parliament was hijacked and the Opposition was prevented from continuing the debate. He described the actions of the Government side as “being thoroughly deceitful, dishonest and tyrannical.”

Speaking during an interview yesterday, Lee said given the importance and impact the proposed amendments to the Valuation of Land Amendment Bill 2018 and Property Tax Amendment Bill 2018 would have on the country, all Opposition MP’s were prepared to speak on behalf of their 350,000 constituents. He explained, however, that at the beginning of the sitting on Friday, the leader of Government Business, Camille Robinson-Regis indicated that they would not be completing the debate but would be sending up three speakers initially and would be obliged if the Opposition did the same.

Lee said as Chief Whip he discussed the matter with his colleagues and it was agreed that there would be six speakers – three on both sides – and they would return at a later date to complete the debate.

He said, to his utter shock and amazement, after their second speaker, Princes Town MP Barry Padarath, was finished, “The Minister of Finance stood to conclude the debate disregarding the agreement made between myself and the leader of Government Business, therefore, denying our other speakers the opportunity to contribute.” Lee wondered whether the

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decision to cut short Padarath's presentation had anything to with him citing references where the current Prime Minister was highly critical of the imposition of a property tax during the Patrick Manning-led administration.

An angry-sounding Lee declared, "This is a form of blatant dishonesty on the part of the Government as, not only did they break our agreement, but they also denied 16 Opposition members of Parliament the opportunity to speak on behalf of their constituents. What is even more damning is the fact that earlier, the Opposition had also agreed with Government's request to debate both bills as one given that we thought this would be in the best interest of the Parliament and, more so, the nation."

Lee said Government's "oppressive" action was more evidence "that the Keith Rowley-led administration is the most insincere, most dishonest and unpatriotic administration to govern Trinidad and Tobago." He said Government's actions on Friday "ruined the dignity of the House of Representatives and further indicate that this Government will use any means possible to silence the Opposition in an effort to violate, burden and disrespect the citizens of our country."

Meanwhile, former government minister under the People's Partnership administration, Devant Maharaj is calling on Finance Minister Colm Imbert to withdraw the present amendments to the property tax laws with immediate effect saying Government was trying to reintroduce the "infamous" tax while his case was still pending before the High Court.

In a media statement, Maharaj called the passage of the property tax bill a gross disrespect to the court and the rule of law, Maharaj said Minister Imbert was trying to outmanoeuvre the court by introducing this bill which sought to, fundamentally, alter the policy and structure of the existing property tax laws to the detriment of an unsuspecting and innocent citizenry.

He reminded that Madam Justice Jacqueline Wilson had completed the property tax trial in the case he filed against the Government in the public interest. He said the court indicated that it would deliver its judgement by the end of February 2018. Unfortunately, this was not done and hence the judgement was outstanding.

Nevertheless Maharaj said, "The Government has a duty to show respect for the judicial arm of the State and should not preempt the court in such an obscene manner. This rush is clearly an attempt to use the window of opportunity presented by the delay in giving judgement to defeat the interest of justice. I, therefore, call upon the Government to allow justice and due process to take its natural course and halt the vulgar attempt to steal a march on the justice system when there is no justification for such an unusual course."

No property tax judgement yet Govt persists

Devant Maharaj says as the litigant against the State regarding the property tax, he is calling upon Finance Minister Colm Imbert to withdraw the present amendments to the property tax laws with immediate effect.

In a release from the former transport minister yesterday, Maharaj said "The Government is trying to reintroduce the infamous property tax while my case is still pending before the High Court.

"This is gross disrespect to the court and the rule of law. Imbert is trying to outmanoeuvre the court by introducing this bill which seeks to fundamentally alter the policy and structure of the existing property tax laws to the detriment of an unsuspecting and innocent citizenry.

"This bill is a vulgar attempt to politicize the property tax by removing powers which were previously given to the Commissioner of Valuations and the President as Head of State and place the reins firmly in the hands of Imbert."

He said the Finance Minister will now be in a position to exert direct political influence and control as Clause 23 A of the Valuation of Land (Amendment) Bill gives him the power to appoint the members of The Valuation Tribunal.

Maharaj said the abolition of appeals to the Tax Appeal Board which was a superior court of record appointed by the President and its replacement with appeals to this Imbert-appointed tribunal smacked of political bias.

He said that that it was a recipe for chaos, victimization, and social disaster.

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Maharaj said Laventille West MP Fitzgerald Hinds's statement in Parliament that 150,000 property owners submitted property tax returns was mischievous and misleading. He said many people submitted these returns because they were misled into thinking that they had no choice but to do so because the request mailed to property owners was couched in mandatory terms.

MPS DISAGREE ON COMPLETION OF DEBATE

While Opposition Chief Whip David Lee has accused Government of reneging on an agreement regarding last Friday's Property Tax/Valuation of Land amendment debate, Government House Leader Camille Robinson-Regis says this isn't so.

Lee said, "Given the important impact these amendments would have on T&T all Opposition MPs prepared to speak on constituents' behalf. However, the leader of Government Business indicated they wouldn't be completing the debate that day but would have three speakers initially and would be obliged if the Opposition did the same.

"I agreed and informed my Parliamentary bench we'd only have six speakers—three on each side—and return another day to complete debate. To our surprise, when our second speaker completed presentation, the Finance Minister stood to conclude debate disregarding the agreement between myself and the Leader of Government Business."

Robinson-Regis replied, "We did agree to three speakers each, but didn't agree to have them one after the other. Speakers proceeded but after their second speaker, their third was out of the chamber. When the House Speaker looked around to see who from their side would speak and no one was standing, she recognised the Finance Minister who concluded debate."

The amendments will be debated in Senate on Tuesday.

Colm: Farmers to pay 80 cent land tax

A FARMER will typically pay just 80 cents per month under the new Property Tax, said Finance Minister Colm Imbert yesterday. He was winding up debate jointly on two bills to amend the Property Tax and Valuation of Land Acts in the Lower House. Imbert chided the United National Congress for having done nothing to reduce the 10 per cent tax payable on all types of land across the board in Chaguanas.

Saying agricultural land in that borough is now at 10 per cent of the monthly rental value of the lot, he boasted that by the Property Tax legislation the Government is cutting the rate by one-tenth to a new rate of just one per cent. Saying a typical farmer's lot rents for \$80 per month, he calculated the new tax rate at just 80 cents.

"Our property tax will be one of the lowest in the world," Imbert trumpeted. "The Member for St Augustine (Prakash Ramadhar who was not present) owns a property in Florida. It's online. The tax on that is \$30,000 and he pays it happily." Imbert defended the Valuations Tribunal to which property owners will be able to appeal the size of valuations of property tax on their properties.

He said it would have been totally unconscionable to have added property tax appeals to the burden already on the existing Tax Appeal Board (TAB) which already hears appeals involving the likes of VAT and petroleum production taxes. He said the tribunal offers a system "much simpler, less costly and easier" than the TAB.

Imbert said that at any time in an appeal to the tribunal including after judgement, a property owner can also send their case to the High Court for a determination. "We are not taking away rights but making it better." He defended the independence of the tribunal, reading property tax legislation that said the minister shall not give directions to the tribunal for any particular case.

Regarding appointments of the tribunal, he said any tribunal member can appeal his/her dismissal by judicial review if alleging the minister acting whimsically in evoking the appointment.

150,000 submit property tax returns

LAVENTILLE West MP Fitzgerald Hinds said despite Opposition "scaremongering" people want to pay property tax and more than 150,000 have filed returns. "Property owners know in their hearts they are willing (to pay)."

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He was contributing to debate on amendments to property tax and valuation of land legislation in Parliament yesterday.

He said more than 150,000 people had already submitted returns for tax notwithstanding the obstructionist behaviour of the Opposition.

Hinds said the Opposition mouthpieces have said that 100 per cent of properties must be valued by the Commissioner of Valuations which was impossible because every day new properties were being built and this is why the Government has proposed 50 per cent of properties.

He lamented that since 2010 Government has lost more than \$1 billion in revenue from property tax because of the last administration's opposition.

"Left up to them we will have none."

He said that with national revenues down and public debt up and corruption rampant over the last five years Government needs revenues to do the people's work.

On concerns of the power of the finance minister to suspend valuation tribunal members Hinds said it would be subject to natural justice and judicial review. "The (Opposition) scaremongering is designed to create smokescreens and doubts in citizens." He responded to questions by Tabaquite MP Suruj Rambachan on how the taxes would be spent and responded that it would go into the consolidated fund.

He stressed that the land and building taxes regime was problematic, rates varies across the country and there was no valuation on the land but it was based on size. He said that taxes are paid on property everywhere in the world and only because of the Opposition's "axe the tax" campaign and populist approach it was not done.

Hinds said \$81 a month on a property with a rental value of \$36,000 a year or \$2.60 cents a day was one of the least in the hemisphere. Hinds said he views property tax as not only a tax raising measure but also something to make TT better.

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