



# TRINIDAD AND TOBAGO – April 2018

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## **Minister: Squatters to also pay Property Tax**

Squatters, other illegal land occupants and people with “less than perfect” property titles will have to pay the upcoming property tax along with other citizens, says Minister in Finance Allyson West.

West confirmed the situation in yesterday’s Senate debate of amendments to the Valuation of Land law.

Debate will follow on amendments to Property Tax law for the tax to be collected.

On concerns about people who hold land certificates, but aren’t owners, West said, “Yes, the intention is that anybody who falls under the definition of owner, whether legal owner or occupier, will have a tax liability.”

“It doesn’t matter that you’re not the legal owner of the land or (you are) a squatter, as someone occupying property, you’re also enjoying the benefits of services provided by the regional corporations of the State.

“Why should you, because you’re illegally occupying land or because you’re occupying land under a less than perfect title, why should you not contribute to payment for those services? That’s Government’s position. We’re intending to assess properties like that to tax and to collect taxes from people in that area. I’ll deal with that when I come to the Property Tax Legislation.”

In an upcoming debate on the Property Tax, West said she’d also detail how the system will work for squatters who have certificates of comfort and those who don’t.

West assured upcoming land valuations won’t be bad and the property tax— based on annual rental value—won’t be high, I feel the annual rentable values won’t be unreasonable.”

She said concerns that elderly people wouldn’t be able to afford the tax were unfounded, also since the legislation provides relief for those unable to pay. West said her recent quote on increase of fines for non-submission of valuation forms—that “\$500 was nothing”—was meant in the context that people often pay high prices for Carnival fetes and costumes.

“I’m not saying (\$500) isn’t a lot, but it’s not enough of a deterrent on non-submission,” she added.

West said Government had heard other senators’ concerns on the minister’s power to appoint a tribunal—to hear objections to valuations and the tax—and amendments were being proposed on this.

## **Minister: Govt bracing for objections to land valuation**

### **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.

Government expects a “slew” of objections to upcoming valuation of land exercises and has proposed a tribunal to handle objections, says Minister in the Ministry of Finance Allyson West.

West spoke about the matter yesterday while piloting amendments to the Land Valuation legislation in Senate. That bill runs in tandem, with Property Tax amendments also soon to be debated

The Valuation Bill corrects inaccuracies in valuation law. As a result, the last comprehensive valuation was in 1948 and some properties’ value remained low while newer ones command high values, West added.

In recent years, she said, property values rose at “an insane pace” with “insane movement of prices”. Amendments are geared to rectify inequities, she added.

Among amendments, each unit in multi-owner buildings (condominiums and commercial buildings) will be seen as individual land with its own value.

Buildings valued at \$18,000 and less will carry a minimum value of \$18,000 and the minimum tax liability will be \$540 annually.

The fine for failing to submit Valuation Return forms— requiring more information from owners— was increased from \$500 to \$5,000. West said. “\$500 was nothing.”

Because the Tax Appeal Board is overburdened, she added, the proposed tribunal will handle the “slew” of objections anticipated. Owners can also go to court.

Opposition Senator Wade Mark objected to the tribunal being appointed by the Finance Minister, saying it gave the minister too much power.

Mark particularly decried West’s comment that \$500 was nothing.”

“It means something for the poor man...! This legislation will render people property-less, landless and homeless..”

Saying the Opposition doesn’t support the bill, Mark added: “ Two things you don’t tamper with— people’s religious beliefs and a man’s property! Land causes revolutions.

### **High Court strikes out property tax lawsuit**

Former United National Congress (UNC) agriculture minister Devant Maharaj has been criticised over his lawsuit challenging Government’s move to implement property tax, last year.

Delivering a 22-page judgment in the Port-of-Spain High Court yesterday, Justice Jacqueline Wilson dismissed Maharaj’s lawsuit in which he was questioned a decision of the Valuation Division of the Ministry of Finance to require all property owners to complete and submit valuation return forms, necessary for the calculation of property tax.

Commenting on the ruling Finance Minister Colm Imbert posted on twitter “Government wins property tax (valuation of land) case. Claim made by Devant Maharaj dismissed with costs.” He also posted a link to the court ruling on the Ministry’s website.

While Wilson admitted that there was uncertainty over whether the submission of the forms was voluntary or could attract penalties for non-compliance, the position was clarified by the Commissioner of Valuations shortly after Maharaj filed his lawsuit in May, last year.

She also noted that the Court of Appeal had ordered the Commissioner to publicly announce the voluntary nature of the process, as Maharaj continued to pursue his claim.

As a result of the clarification, Wilson ruled that Maharaj’s challenge against the binding nature of the request could not stand.

In her judgment, Wilson criticised Maharaj for his inconsistent evidence in the lawsuit.

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“The ambivalent statements, together with the Claimant’s approach in seeking the Court’s intervention before the Commissioner’s response to the pre-action protocol letter fell due and his tenacity thereafter in pursuing redress on the nature of obligations imposed by the forms when he had received the Commissioner’s unequivocal response thereto, called his motives into question and undermined the value of his evidence,” Wilson said.

As part of her judgment, Wilson ordered Maharaj to foot the State’s legal bill for defending the claim.

She also described the commissioner’s statement on voluntary nature of the process as reasonable and credible.

“It is reasonable that the Commissioner, in seeking to facilitate the taxation regime after a prolonged hiatus, would in the first instance seek to obtain information from landowners on a consensual basis while reserving the right to exercise more intrusive powers at a later stage,” she said.

She rejected Maharaj’s claim that the forms, which required information including utility bills, email addresses and telephone numbers, breached citizen’s constitutional right to privacy.

She said that Maharaj’s interpretation of the constitutional right was too wide.

Maharaj sued the commissioner and the Ministry of Finance after it issued a press release calling on property owners to complete and submit valuation return forms by May 22, last year, as it sought to enforce the Valuation of Land Act 2010 after a six-year tax moratorium.

Even as Finance Minister Colm Imbert extended the deadline due to long lines of property owners at Valuation Division offices, Maharaj applied for an injunction stopping the collection drive, on May 19.

The injunction was granted by High Court Judge Frank Seepersad but was overturned by the Court of Appeal on June 6.

The decision on the injunctions was largely based on procedural errors in filing the applications and the assurance from the Commissioner.

Maharaj was represented by Anand Ramlogan, SC, Alvin Pariagsingh and Jayanti Lutchmedial.

Deborah Peake, SC, and Ravi Heffes-Doon represented the Commissioner, while Fyard Hosein, SC, and Rishi Dass represented the Finance Ministry.

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