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Govt seeking to improve property tax collection in 2018/19 — McKenzie

LOCAL Government Minister Desmond McKenzie says that the Administration has been making efforts to improve its collection of property taxes in 2018/19.

Speaking in the sectoral debate in the House of Representatives this week, the minister said his ministry recognised that the failure to achieve the revised target of \$9.6 billion for 2017/18, was partly due to the fact that the mobile units introduced into the system have not been approved to collect cash.

He said that in 2017/18, \$240 million was collected by the units and the ministry has received “clear feedback” that rural property owners prefer to pay their taxes using cash.

“We have now retrofitted the mobile units to take cash, in a secure way, and we are awaiting the final inspection report from our partners, Tax Administration Jamaica, as well as official approval to proceed from the Ministry of Finance,” McKenzie said.

“We will also be revising the marketing and collection strategies to ensure that we can substantially raise compliance levels in a number of parishes. In 2017/18, compliance levels were lowest in St Catherine (75 per cent), Westmoreland (77 per cent), Clarendon (76 per cent) and St Elizabeth (67 per cent),” he explained.

The minister noted that much of the revenue that is used to finance the services that local government provides and facilitates comes from property taxes. He also admitted that the results from property tax collections for 2017/18 were “mixed”.

“We have had a year of mixed results. We conducted a sensitisation and compliance campaign, which included town hall meetings in the parishes with the lowest levels of tax compliance. I must say that the turnout at these meetings and the enthusiasm of the participants were very encouraging,” McKenzie said.

“Having collected \$7.6 billion in 2016/17 and, in so doing, exceeded that year's target, the standard was raised for 2017/18. Unfortunately, the total collections for the last fiscal year of \$8.5 billion — though \$800 million higher than the previous year's collections — did not meet the revised target of \$9.6 billion,” he added.

The minister also noted that one of the services supported by property taxes is street lights, and that the financing of the service continues to be challenging.

He said that over the past nine weeks, \$1.7 billion has been paid over to the Jamaica Public Service (JPS), to address arrears.

“And this is where the greater weight of this challenge lies. When this Administration came into office in 2016, it inherited a debt of \$3.7 billion. Over the 2017/18 financial year the bill for street lights to the Jamaica Public Service was \$3.29 billion. In the same period, the ministry disbursed \$2.4 billion to the company,” he pointed out.

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He said that since April of this year, the ministry has been billed \$303.6 million, and paid the JPS \$400 million. Overall, he said \$3.9 billion has been paid to JPS in the last two years.

“We continue to have discussions with the company to ensure that the arrears, which are still over \$6 billion, are reduced and ultimately liquidated,” McKenzie added.

Property Tax Collection to be Intensified

Story Highlights

- The Government will be implementing several strategies to intensify property-tax collection this year, says Minister of Local Government and Community Development, Hon. Desmond McKenzie.
- Addressing the Social Development Commission (SDC) staff recognition awards ceremony at the Caymanas Golf and Country Club in St. Catherine on April 26, Mr. McKenzie said the Ministry will be collaborating more with agencies, such as the SDC, to promote awareness, which is expected to increase compliance for the payment of property taxes.
- Property-tax payments provide for the collection of garbage, public sanitary conveniences, running water, road-improvement works, street lighting, poor relief and community beautification.

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Meanwhile, the Minister noted that over the last eight weeks, the Government paid approximately \$1.7 billion to the Jamaica Public Service (JPS) Company for street-light arrears.

“We still owe close to \$6 billion in arrears for street lights and, therefore, we will have to rely heavily on the SDC to intensify the programmes on the road to go into the various communities,” he said.

Mr. McKenzie commended the staff for their sterling and exemplary work, pointing out that their contributions have assisted in transforming the lives of persons with whom they interacted.

The SDC’s reward and recognition programme, which was implemented in 2012, honours staff for outstanding performance based on specific criteria.

The SDC, which falls under the Ministry of Local Government and Community Development, is the Government’s principal community mobilisation and organisation agency.

It operates in urban and rural communities islandwide, engaging residents in sport, social, cultural and economic activities, aimed at facilitating their empowerment and development.

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