



## TRINIDAD & TOBAGO – March 2022

---

### CONTENTS

PROPERTY TAX WILL SERVE THE PEOPLE .....	1
INTERVIEW WITH THE PRIME MINISTER: NO BREAK-BACK PROPERTY TAX.....	2

---

### PROPERTY TAX WILL SERVE THE PEOPLE

New Minister of Rural Affairs and Local Government Faris Al-Rawi has said the property tax will only be beneficial to the people and will be used to fund the needs of local government.

Al-Rawi was speaking during the sitting of the House of Representatives on Wednesday, when a joint select committee's (JSC) report on the Local Government Reform Bill, 2020 was debated.

“We are saying the money for property tax will go into serving the people,” he said. “This bill allows for the greatest form of equity. (Corporations) get to save (and) put money to work.

“Property tax in local government is something critical to life. The money that comes from property tax will go into a statutory fund.”

He said the money generated from property tax will be used to construct and maintain local roads, for which local government is 80 per cent responsible, as well as maintain drains, local health, garbage collection, recreational grounds and parks, cemeteries, tourism sites and government schools.

Housing Minister Camille Robinson-Regis said the JSC report was signed by all parties except for the opposition senators, who tabled a minority report which said, among other things, they disagreed with the implementation of a property tax and that there was not enough stakeholder consultation.

### 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.

St Augustine MP Khadijah Ameen said the bill was a tool to implement the property tax and the Opposition will not support any measures to implement it.

Al-Rawi also condemned comments by the Opposition which he said degraded the work of the local government office.

“All of a sudden the dignity in service to the people has been reduced to ‘rat and CEPEP.’”

The Community-Based Environmental Protection and Enhancement Programme is involved in the “beautification” of the environment and falls under the remit of the Local Government Ministry.

“As a member of Parliament coming from local government, as I have served as an alderman (and) my grandparents served in county council, I have generations of service. This is a great pleasure.”

Al-Rawi also disagreed with the Opposition’s claim that there was not enough stakeholder consultation on the bill.

He said from 2008-2016, 8,500 people have been consulted across 250 entities. He said there were also social media interactions amounting to 32,000 contributions on Twitter, 11,000 visitors to the interactive with over 200,000 responses and interactions, and a total of 512,000 interactions from 2015 to date.

He said local government is the most important enterprise the government is focusing on.

During his tenure as Attorney General, he said, he was responsible for 1,900 employees. In local government he is now responsible for 30,000.

## **INTERVIEW WITH THE PRIME MINISTER: NO BREAK-BACK PROPERTY TAX**

Prime Minister Dr Keith Rowley says his government is not going to ask citizens to pay a huge amount of property tax “to break your back”.

In an interview with the Express last week on a wide range of issues, the Prime Minister was asked whether the Ministry of Finance had reached the 50 per cent threshold to commence the implementation of property tax.

He responded: “Two hundred thousand returns had to be had and we have that. We now have to value the properties and then the tax could kick in at that stage.”

### **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.

Told that property tax is another hit on the taxpayer, the Prime Minister said the bottom line was what could be done to improve people's lives in their communities. He asked rhetorically what changes take place during the three-year period that local government elections are held.

"We are going to make changes. We are going to hypothecate (pledge) that money that is drawn from property taxes to finance the local government bodies.

"When you pay that tax, you will be more concerned as a burgess about what services you receive from the local government bodies. So the waste and corruption that they are engaging in at local government will fall prey to you, the elector, who is happy or not happy with how they are handling it and you would then vote with a purpose," he said.

"And if you are in a district where the value of property is high, like some parts of Diego Martin, then you would get a higher quality of life, (as a result of higher property taxes) because the tax on a house in Toco will not be the same as the tax on certain properties in Diego Martin," he added. "Where the local government doesn't collect all that is required, then the central government will top it up. And different corporations will get different toppings- up from the central government, because you want to have a balance and equilibrium in the quality of life across the country."

### The wrong and right thing

He said the Government will be going to the Parliament in the next few weeks with the local government reform bill because it does not intend to hold another local government election under the present system. "You asked me earlier about the Government's survival. Well it is either we survive on doing that right thing or doing the wrong thing. Which do you prefer?" the Prime Minister asked. He said Hazel Manning spent years working on a blueprint for local government reform and then when the government changed in 2010 all this work was disregarded by the UNC government. "Well this government is about treating with these problems. And this is not about bringing pressure but about making improvement and making the local government input more effective," he said.

"Endless people are on the local government payroll. What do they do when the day comes? Do you see them on the road, cleaning the drains, building the curbs, fixing the potholes? Well when you put management in local government with executive authority, that would be addressed.

"And I am invested in that. Because it is through property tax that the owners of property get a benefit for their property by paying a relatively small sum to the State to provide them with services. If the government does not cut the bush on your street, clean the drain behind your property, kill the mosquitoes and the rats, have a Fire Service close by in case your property has a blaze, have a school nearby, if all those things are not had, what would

### 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.

be the value of your house? A man jumps over your wall, what do you do? You call the police....In America that we love so much, you have to pay for your police, school and everything else that gives you any service in your community.

We say pay a property tax and because a lot of people are paying it, you would get a fairly decent pool of money. Paying tax is not an attractive thing. But I am not asking you to pay a huge amount to break your back,” he said.

PM to public servants: Half a loaf is better than none

The Prime Minister noted that the PNM Government came to office at the time when the country’s revenues were down and the Kamla Persad-Bissessar government had already “vacuumed out the savings” from the National Gas Company and maxed out the overdraft with the Central Bank. It also left a \$6 billion debt to public servants to be paid, along with a higher wage bill, he said, adding, “Amidst all this, we had to fight to stabilise the economy and the Government had to cut expenditure. But we had to do it in such a way that it did not cause too much pain. We kept people in public sector jobs as far as we were able to.

And we are saying to the unions that there is no money to offer (public servants) pay increases. (We are saying) We want to work with you and we want you to understand that it is more beneficial to save jobs than to get pay increases for some people and loss of jobs for others. They have been led to believe that every three years they must get a pay increase but the economy cannot sustain that without cutting employment levels. And we rather everybody get half a loaf than have some with a loaf and a half and others get none,” he said.

He said with shrinking revenues the Government has still managed to expand the social support programmes. “Only this morning (last Thursday) I was talking to the Ministry of Social Development to say that the rate at which this ministry is increasing its demand on the Ministry of Finance is unsustainable. But the bottom line is if you look at the amount of money allocated to that ministry, it is an increasing amount because people go there for that support if they lose their opportunity elsewhere.

“We have not eliminated a single programme. What we tried to do is to make them more efficient and try to ensure that the people who are getting the help are the ones who the programmes were designed for and we try to cut out the double dipping and triple dipping and smartmanism, but you would not hear that [we have not cut a single social support programme] from the detractors.”

The Prime Minister said the Government also had a \$5 billion development programme involving construction projects which was designed to help in job creation. “You never hear anything about them- except if something happens and you have to shut a site down like the Central Block of the Port of Spain hospital construction site. We are still trying to work that

#### **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.

(Central Block problem) out.” John Comfortable will tell you ‘we don’t need any more big projects’ but they help to put bread on the table.”

PM on high food prices: Start planting

On the issue of rising food prices, the Prime Minister said the Government was aware of the problem.

He said some people believed that the Government could influence food prices. “I was around when a PNM Government tried to influence food prices downwards. That Government tried to buy cheese and sell cheese in this country. Government started to buy pumpkin to sell pumpkin, started buying pork and selling pork.

Government had something called the Central Marketing Agency where it used to buy from farmers and sell to the population in the city. Of course, when the Government bought ten tonnes of pumpkin, it might have sold two tonnes at a loss, and all the rest got rotten and they had to throw it away. When that business was shut down, they had a whole warehouse with pork in Chaguaramas to throw away. Because the Government as a grocer is a bad idea. Bad idea!” he said.

He said NFM buys grain. Ukraine is major exporter of grain, as is Russia. If Russia is sanctioned for the invasion and Ukraine’s ports are under attack and their grain can’t get to market, what everybody else (who exporting grain) will do? And it no longer becomes just a question of price, but also a question of availability because even with the raised prices, you might be in the queue but you can’t get grain. And because we are an integral part of the world economy...it will affect us. And the danger with the food is that even if you have the money to buy it, it might not be available, he said.

He said the country can address that two ways. “Produce as much as you could produce here. And since you can’t produce wheat here, it means you have to change your taste a bit.”

The Prime Minister said during the Covid-19 pandemic the Government distributed about \$100 million in locally produced food — vegetables such pumpkin, baigan, lettuce, tomatoes, along with a chicken or two in the food baskets. “You could plant patchoi and within four weeks you eating that. Baigan, within two months you eating that. I have a little garden in the back there (at the residence). My silk fig, bear a bunch big like this clock (in the room). Talk about nice? Is the biggest bunch of silk fig I have ever seen. When the silk fig ripe and I have a box full, I give away some.

Yesterday (last Wednesday) I went in the garden and picked tomatoes. Day before yesterday I picked 20 pounds of tomatoes, I give it away. You (the population) can do things like that. I have a cousin every day she (sending photos) in my phone showing me sorrel,

#### **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.

ochro, strawberries in pots growing in her yard. Yuh ever see strawberry in Trinidad, ripe and turning red?” he asked.

“And that makes a big difference. So the food that we rely on- including the edible oils-we import. And the meat? We import animal feed. And, of course, you are competing with China to get the inputs for animal feed. So even though we have the infrastructure for poultry, the feed price is going to go up.

One of the things the Government could consider, Government levies a tax on imports....But I am wary about removing that. Because when in attempting to bring relief to the price of food in 2015, we reduced VAT from 15 per cent to 12.5 per cent, did you hear anything about any reduced prices? I can't recall reading a story anywhere about the price of anything having gone down because the Government reduced the VAT.

They (businesses) just pocketed the money. So the Government lost the revenue but it didn't impact the situation (with respect to prices). And I suspect that if we reduce the tax on imports, it will be just like giving the importers that benefit. So I am thinking that it might be better to take the tax (revenues) and put that money into social programmes where at least some people will get the benefit of it.

“So in dealing with rising food prices, each person has to see at the personal level how it impacts them and how they would respond. You can't leave the response to the Government alone,” he said.