



TRINIDAD & TOBAGO – October 2022

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UNC SAYS NO TO PROPERTY TAX: 'PEOPLE STRUGGLING TO SURVIVE'

OPPOSITION Senator Damian Lyder says the UNC “stands firm against the implementation of property tax at this time.”

He was speaking at the UNC’s weekly media conference in Port of Spain on Sunday.

In the recent presentation of the 2023 budget, Finance Minister Colm Imbert said the government was “on track” to begin the collection of property tax next year.

He said this will begin with residential homes.

However, Lyder said people in this country were already struggling to survive, so the implementation of this tax is a “draconian” measure.

“Many of these families could barely afford the increased food prices today, the increased fuel prices... many are struggling to keep a job at this time.”

He said the mantra of the PNM seems to be: The rich gets richer while the poor continues to suffer in silence.

“And if you dare protest, you will be accused of wanting everything for nothing.

“It cannot be acceptable to put a tax on hardworking residents and inflict further pain on them unless you are prepared to put equity in place.”

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.

He said when the UNC returns to office, “which will be very soon,” property tax will not be considered.

Opposition Senator Anil Roberts agreed with Lyder saying property tax was a way of “punishing you for your success.”

He said the 2023 budget document should be “shredded and dumped in the labass with kerosene, LPG gas and a box of Three Plumes matches.”

Roberts said the PNM and UNC were not the same as Opposition Leader Kamla Persad-Bissessar “managed this country so well.”

PROPERTY TAX TO HELP ADDRESS FLOODING

PROPERTY TAX will be one of the tools the government will use to tackle illegal structures and illegal cutting of the hills, which contribute to flooding, Local Government Minister Faris Al-Rawi said.

At a virtual media conference on Thursday, Al-Rawi said his ministry received reports of people interfering with state property, which contributed to the flash flooding seen on Wednesday during the passage of a tropical wave.

Asked about this and what is to be done, Al-Rawi said: “The property tax management is going to reveal a lot of these things. For property tax to come into effect in local government, first, to get the money from property taxes, you have to have a survey of every single property in Trinidad at the same time, which is why the returns have come in.”

Al-Rawi said what is being done is identifying the problem and, when property tax is rolled out next year, money collected will go to the regional corporations to spend on those within their respective burgesses. He said there is a “comprehensive and integrated plan” to address floods that are assisted by illegal structures and unlawful actions.

Al-Rawi said, within ten minutes of rain some rivers went from two feet to seven feet. Between Wednesday and Thursday, there were 145 reports of flash flooding – 135 on Wednesday, and the rest on Thursday.

Areas within the Arima, Chaguanas and Sangre Grande borough corporations reported floods along with Tunapuna/Piarco, Princes Town and Mayaro regional corporations.

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“I can tell you that the Tunapuna Regional Corporation had 95 of the events, and Sangre Grande Regional Corporation had 23 events alone. In terms of landslips, we had 30 landslips – all of which were managed.”

Al-Rawi said the ministry issued 2,437 sandbags across the country. He warned that the land remains saturated, so those living in areas known to have landslides should exercise caution. Chairman of the Office of Disaster and Preparedness and Management (ODPM) retired Major General Rodney Smart said the ODPM is well funded to address the emergencies which arise from bad weather.

He said the ODPM, with the permission of the Cabinet, received a donation from the Caribbean Disaster Emergency Management Agency (CDEMA) for a project in the country. Smart said not only is the ODPM well funded, corporate TT and non-governmental organisations partner with it to assist in times of need.

WHITHER GOES THE PROPERTY TAX REFORM?

The budget statement 2022/2023 clearly showed the significant changes in the property tax reform initiated by prime minister and finance minister Patrick Manning in 2005. But after 17 years, we are none the wiser as to when this reform will come to fruition or what form it will take.

In September 2009, finance minister Karen Tesheira declared that collection of property tax would begin in January 2010. A defiant Mrs Tesheira was not backing down in the face of vociferous opposition to the proposed tax. As a concession, a nine-month grace period would be in effect.

The late Mervyn Thompson, government adviser on property tax, found it necessary to go public in January 2010 and state that assessments, required prior to collection, would take five years to complete.

In the budget statement 2022/2023, Finance Minister Colm Imbert did not give a fixed date for the commencement of collection of property tax. He was circumspect and would go no further than say “we are on track to commence collection of property tax in fiscal 2023”.

Mr Imbert’s proposed collection will apply only to residential properties, unlike Mrs Tesheira’s declaration that covered all properties. According to Mr Imbert, the commencement of collection was dependent on achieving valuations or assessments (to use the term in the legislation) of an arbitrary 50 per cent of an estimated 400,000 residential properties.

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Does the Board of Inland Revenue know how many taxable residential properties exist? Why collect property tax from me, but not my neighbour who preferred not to submit a return? Property tax is supposed to be compulsory, not a lifestyle choice.

The property tax reform has changed much since Mr Manning's time. There is no longer any pretense that it will result in a tax only to fund local government.

Historically, 91 per cent of taxable property came under the repealed Lands and Buildings Tax. Revenue from that tax went directly to the Consolidated Fund.

So when the late energy minister Franklin Khan stated that the Couva-Tabaquite-Talparo Regional Corporation would not get the anticipated substantial property tax revenue from the Point Lisas Estate, we should not have been surprised. Did we really expect Central Government to give up control of large sums of revenue to local government?

KAMLA: WITHDRAW FUEL PRICE INCREASE, PROPERTY TAX

Opposition Leader Kamla Persad Bissessar has issued a call for the government to reverse their fuel price adjustment with immediate effect.

Persad Bissessar was at the time presenting her response to this year's fiscal measures in the Parliament on Friday (September 30, 2022). According to her, the government has increased the price of fuel so many times, (five in the last seven years) that driving is no longer an option for many citizens.

She said along with this, there are already many announcements of price increases coming from taxi drivers due to the new price of fuel. She also claimed that food prices too will increase as according to her information, some distributors have stated that their accountants have already informed that the 13 per cent increase in diesel will result in a one to three percent increase in total costs.

"Because of this, there will be the expectation of varying food price increases over the coming weeks for all food items. The impact of a further one percent to three percent for the price of food means that a family who would have paid between \$1000- \$2000 per month in groceries can now expect an increase per month ranging from \$10-\$20 on the lower end and \$30-\$60 on the upper end. All because of the fuel price increase."

According to the opposition leader, fisherfolk will also be heavily impacted and many of them will soon be out of a job.

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“These unnecessary price hikes will bring immense pain and suffering to already burdened citizens. We call on the Government to reverse this fuel price hike with immediate effect.

Persad-Bissessar further called on the Government to also withdraw the property tax as well, noting that the budget in general, offered no hope whatsoever to citizens.

“Prime Minister, people are struggling to make ends meet, the economic times are worse now, review this tax, withdraw this property tax, now is not the time.”

On Monday (September 26), Finance Minister Colm Imbert announced increases in fuel prices - premium and super fuels increased by \$1 (\$7.75 and 6.97 respectively), while diesel is subject to a 50-cent hike (\$4.41).

The price of cooking gas remains fixed at \$21 for 20lb gas cylinders.

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