

# REAL PROPERTY TAX (AMENDMENT) BILL, 2020

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# **REAL PROPERTY TAX (AMENDMENT) BILL, 2020**

## **A BILL FOR AN ACT TO AMEND THE REAL PROPERTY TAX ACT**

### **Enacted by the Parliament of The Bahamas**

#### **1. Short title and commencement.**

- (1) This Act, which amends the Real Property Tax Act (*Ch. 375*), may be cited as the Real Property Tax (Amendment) Act, 2020.
- (2) This Act shall come into force on the 1st day of July, 2020.

#### **2. Amendment of section 3 of the principal Act.**

Subsection (2)(bb) of section 3 of the principal Act is amended by the deletion of the word “assessed” wherever it appears.

#### **3. Amendment of section 10 of the principal Act.**

Subsection (5) of section 10 of the principal Act is deleted and substituted as follows —

- “(5) The Chief Valuation Officer may by notice in writing, require any person to furnish any document or provide any information that —
- (a) he considers necessary to support a return; or
  - (b) is otherwise required for the administration and enforcement of this Act.”.

#### **4. Amendment of section 22A of the principal Act.**

Subsection (5) of section 22A of the principal Act is deleted and substituted as follows —

“(5) No value added tax shall be payable on a conveyance of real property pursuant to this section.”.

**5. Amendment of section 24 of the principal Act.**

Section 24 of the principal Act is amended —

- (a) in subsection (2), by the insertion immediately after the words “virtue of that notice”, of the words “and such amount may be recovered by the Chief Valuation Officer as if it were a tax due and payable under this Act”;
- (b) by the deletion of subsection (3) and the substitution of the following —
  - “(3) Notwithstanding any other law to the contrary, any person who complies with a notice served pursuant to this section shall be relieved of his obligation to the taxpayer and incurs no liability to the extent to which he complies with the provisions of the notice.”; and
- (c) by the insertion immediately after subsection (5), of the following new subsection —
  - “(6) Any person who contravenes this section commits an offence and is liable on summary conviction to a fine not exceeding ten thousand dollars or to imprisonment for a term not exceeding six months or to both such fine and imprisonment.”.

**6. Amendment of section 25B of the principal Act.**

Subsection (1)(b) of section 25B of the principal Act is amended by the deletion of the words “stamp duty” and the substitution of the words “value added tax”.

**OBJECTS AND REASONS**

Clause 1 of the Real Property Tax (Amendment) Bill, 2020, (“the Bill”) makes provision for the Short Title and the date of the commencement.

Clause 2 of the Bill seeks to amend section 3(2)(bb) of the Act, to change the term “assessed value” to “value” in relation to residential property.

Clause 3 of the Bill seeks to amend section 10(5) of the Act to empower the Chief Valuation Officer, by notice in writing, to require any person to furnish any document or provide any information that supports the return or is otherwise required for the proper administration and enforcement of the Act.

Clause 4 of the Bill seeks to amend section 22A(5) of the Act to additionally prescribe that no value added tax shall be payable where a property is conveyed to the Treasurer in settlement of real property taxes.

Clause 5 of the Bill seeks to amend section 24 of the Act to provide that any person who complies with a notice served thereunder shall be relieved of his obligation to the taxpayer to the extent of his compliance thereof regardless of the provisions of any other law. Additionally, the clause seeks to provide for the insertion of a new subsection (6) to provide that any person who is summarily found by the court to have contravened this section, to have commit an offence and be liable upon conviction to a fine not exceeding ten thousand dollars or to imprisonment for a term not exceeding six months or to both.

Clause 6 of the Bill seeks to amend section 25B(1)(b) of the Act, to include value added tax as one of the charges for which a purchaser will not be liable where the Treasurer exercises the power of sale in relation to land that has outstanding real property tax.