



Ministry of Finance



# Voluntary Conveyance of Real Property to Treasurer

GUIDE

THE DEPARTMENT OF INLAND REVENUE



## INTRODUCTION

This Guide is intended to set out the procedure for the conveyance of real property to the Treasurer to satisfy outstanding real property taxes pursuant to section 22A of the Real Property Tax Act (as amended) ('RPT Act'). This should be read in conjunction with the RPT Act which can both be found on the website of the Department of Inland Revenue ('DIR'). If there is a discrepancy between the Guide and the RPT Act, the provisions of the RPT Act will prevail.

## WHEN TO APPLY

Where a person has outstanding real property taxes and surcharges ('tax liabilities') relating to a specified property, he may apply to the Chief Valuation Officer ('CVO') to transfer the said property to the Treasurer to satisfy the tax liabilities. Only the property subject to tax liabilities may be conveyed in fulfilment of the corresponding tax obligations.

## REQUIREMENTS TO CONVEY PROPERTY

In order to convey real property pursuant to section 22A of the RPT Act, a person must satisfy the following conditions:

The person must

1. Have real property tax liabilities outstanding.
2. Own the real property and/or have the legal right and authority to convey the real property which has been assessed to outstanding tax liabilities.
3. Show good and marketable title to the real property
4. Be able to provide evidence to the satisfaction of the CVO of Items 2 and 3 above.

## PROCESS TO APPLY

A person desirous of conveying real property pursuant section 22A must apply for and be granted approval from the CVO by completing the prescribed form, that is, the Voluntary Conveyance of Real Property Form, which is available on the DIR website - <https://bit.ly/VoluntaryRPTConvey>

Additionally, a recent property appraisal report from a BREA-approved appraiser prepared in accordance with RICS standards should be provided. In the absence of such a report, the DIR reserves its right to independently assess the property.

## CONFIRMATION OF DEBT

The DIR will issue a statement confirming the total amount of outstanding real property tax, surcharges and penalties due as at the proposed date of conveyance. This figure will represent the debt to be satisfied by the voluntary transfer of property.

## REVIEW AND APPROVAL OF REQUEST FOR CONVEYANCE

Upon receipt of the valuation and confirmation of debt, the DIR will review whether the property value is sufficient to satisfy the outstanding liability and approve the request to convey the property to the Treasurer.

## EXECUTION OF CONVEYANCE OF REAL PROPERTY

Once approved, a Deed of Conveyance will be prepared and executed by the taxpayer in favor of the Treasurer. The conveyance will then be lodged and recorded in the Registry of Records.

## SETTLEMENT AND DISCHARGE OF TAX ARREARS

Upon registration of the conveyance, the outstanding tax liability will be considered fully satisfied. A letter confirming the discharge of the corresponding debt will be issued to the taxpayer for record keeping purposes.

## REQUEST DOES NOT STOP ENFORCEMENT PROCEEDINGS

A submission of a request for voluntary conveyance does not in itself stay enforcement proceedings. The DIR reserves the right to continue with recovery action until the conveyance has been formally approved and executed.

## EFFECT OF CONVEYANCE

The effect of a conveyance of real property to the Treasurer to satisfy a tax liability is as follows:

All ownership, rights and claims to the property conveyed are relinquished to the Treasurer. The property transfer will be in total settlement or satisfaction of all outstanding taxes and surcharges as approved. Where the property's market value is higher than the total tax liabilities, no extra amount or refund will be paid to the person conveying the property.

## COST OR EXPENSES ASSOCIATED WITH THE CONVEYANCE

Any costs or expenses associated with the conveyance in satisfaction of the tax liabilities will be a cost to the owner/applicant and if incurred by the DIR will be treated as real property tax in accordance of the RPT Act.

## CONTACT US

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