

BULLETIN

Real Property Tax Incentives Introduced in The Bahamas

On the 25th of February, 2013 Prime Minister Perry Christie, in his 2012/2013 Mid-Year Budget Statement, with a view of strengthening and assisting the administration of real property taxes in the Bahamas, introduced real property tax incentives to take effect on March 1, 2013. The fundamental components of these incentives are as follows:

- To reward residential property tax payers who are current with their assessments, the Government will rebate 5 percent of the annual real property tax assessment, provided the owners remain current with their payments over the next three years.
- To encourage self-registration, the Government will waive all back taxes (if any) of owners of residential properties valued above the \$250,000 exemption threshold, and owners of commercial properties, who have never received a real property tax bill, provided they register their properties with the Chief Valuation Officer by June 30, 2013.
- To ensure registered property owners who are in arrears became current, the Government will:
 - waive 50% of the sum owed - assessment and surcharges - where no more than three years of accumulated arrears exist, provided payment is made by June 30, 2013.
 - waive 100% of the surcharges, where more than three years of payment arrears exist, provided payment is made by December 31, 2013.
- Apart from the 5% rebate for residential homeowners who are current, the Government will address complaints where persons receive increased billings.
- The Government will automatically review all instances of year-on-year variations in residential property tax assessments of more than 15 percent or where the average yearly increase between revaluations exceeds 10 percent.

Higgs & Johnson
Ocean Centre
Montagu Foreshore
East Bay Street
P O Box N 3247
Nassau, BAHAMAS
Tel: 242 502 5200
Fax: 242 502 5250
E-mail: info@higgsjohnson.com
Web: www.higgsjohnson.com

For more information, contact Sterling H. Cooke at scooke@higgsjohnson.com or Stephen J. Melvin at smelvin@higgsjohnson.com.

The information contained in this bulletin is provided for the general interest of our readers, but is not intended to constitute legal advice. Clients and the general public are encouraged to seek specific advice on matters of concern. This bulletin can in no way serve as a substitute in such cases.