

## OBJECTS AND REASONS

This Bill would amend the *Land Tax Act*, Cap. 78A to make provision for the rate at which land tax is to be calculated in respect of the Grantley Adams International Airport Inc., the Queen Elizabeth Hospital Board and the Barbados Port Inc. and also to clarify the existing provisions relating to the rate at which land tax is chargeable under the Act and for related matters.

### *Arrangement of Sections*

#### *Section*

1. Short title.
2. Amendment of section 6 of Cap. 78A.
3. Insertion of sections 6A, 6B, 6C, 6D, 6E, 6F, 6G and 6H into Cap. 78A.
4. Amendment of section 44A of Cap. 78A.
5. Commencement.

**BARBADOS**

A Bill entitled

An Act to amend the *Land Tax Act*, Cap. 78A.

ENACTED by the Parliament of Barbados as follows:

1. This Act may be cited as the *Land Tax (Amendment) Act, 2007*. Short title.

Amedment of  
section 6 of  
Cap. 78A.

**2.** Section 6 of the *Land Tax Act*, in this Act referred to as the principal Act, is amended by deleting subsections (2A), (2B), (2C), (2D), (2E), (3) and (4).

Insertion of  
new sections  
6A, 6B, 6C,  
6D, 6E, 6F,  
6G and 6H  
into  
Cap. 78A.

**3.** The principal Act is amended by inserting the following sections immediately after section 6:

"Tax payable  
on residential  
property.

**6A.** Where a person owns land on which a dwelling house is erected and the dwelling house is used exclusively as a residence, that person shall pay tax at the rate specified under section 6(1).

Tax payable  
by a pensioner.

**6B.** (1) A pensioner shall pay tax at the rate specified under section 6(1) and the actual amount payable shall be calculated

(a) on 50 per cent of the amount by which the improved value exceeds \$125 000; and

(b) with effect from 1st April 2008, on 50 per cent of the amount by which the improved value exceeds \$150,000.

(2) No reduction shall be permitted under subsection (1) unless,

(a) the land in respect of which the tax is levied is owned by the pensioner and has a dwelling house thereon; and

(b) the dwelling house is used exclusively by the pensioner and his immediate family for their permanent habitation.

(3) For the purposes of subsection (1), "pensioner" means a person who satisfies the Commissioner that

- (a) he is in receipt of a pension and has attained the age of 60 years; and
- (b) he is ordinarily resident in Barbados.

Tax payable  
by a hotel.

Cap. 342

Tax payable  
in respect of  
villas.

**6C.** A hotel shall pay tax at the rate specified under section 6(1) and the actual amount payable shall be calculated on 50 per cent of the improved value of the land; but no such reduction shall be permitted unless it is a hotel within the meaning of section 2 of the *Barbados Tourism Authority Act*.

**6D. (1)** The proprietor of a villa shall pay tax at the rate specified under section 6(1) and the actual amount payable shall be calculated on 75 per cent of the improved value of the land.

(2) For the purposes of subsection (1),

(a) "proprietor" includes the owner of a villa and any person, not being the owner, who for the time being has immediate control over the management of the villa;

(b) "villa" means a house that

- (i) has at least three bedrooms and is valued at not less than \$525 000;
- (ii) is managed by a company or real estate agent, and employs no less than 3 persons;
- (iii) is registered with the Barbados Tourism Authority; and
- (iv) is available for the accommodation of guests for reward for at least 9 months in every year.

Tax payable  
by the  
Grantley  
Adams  
Airport Inc.  
Cap. 308.

**6E.** (1) The Grantley Adams International Airport Inc., a company incorporated under the *Companies Act*, shall pay tax at the rate specified under section 6(1) and the actual amount payable shall be calculated on 50 per cent of the improved value of the land.

(2) Subsection (1) does not apply to land in respect of which the Grantley Adams International Airport Inc. has created a term of years.

Tax payable  
by Queen  
Elizabeth  
Hospital.  
2001-14.

**6F.** (1) The Queen Elizabeth Hospital Board, established under the *Queen Elizabeth Hospital Act*, shall pay tax at the rate specified under section 6(1), and the actual amount payable shall be calculated on 50 per cent of the improved value of the land.

(2) Subsection (1) does not apply to land in respect of which the Queen Elizabeth Hospital Board has created a term of years.

Tax payable  
by Port  
Authority  
Inc.  
Cap. 308.

**6G.** (1) The Barbados Port Inc., a company incorporated under the *Companies Act*, shall pay tax at the rate specified under section 6(1), and the actual amount payable shall be calculated on 50 per cent of the improved value of the land.

(2) Subsection (1) does not apply to land in respect of which the Barbados Port Inc. has created a term of years.

Declaration  
as a  
condition  
precedent to  
the  
reduction of  
tax.

**6H.** No person shall be entitled to pay the tax on the basis prescribed by section 6A, 6B, 6C, 6D, 6E, 6F or 6G unless that person has submitted to the Commissioner a declaration in respect of the matters specified in those sections; and the matters so specified are conditions precedent to the payment of the tax at the reduced rate."

4. Section 44A of the principal Act is deleted and the following is substituted:

Amendment  
of section  
44A of Cap.  
78A.

"False  
declarations.

**44A.** A person who, for the purposes of section 6A, 6B, 6C, 6D, 6E, 6F or 6G makes a false declaration which to his knowledge is false in any particular, is guilty of an offence and is liable on summary conviction to a fine of \$10 000 or to imprisonment for 6 months or to both."

5. Sections 62E, 62F and 62G, inserted by section 3 of this Act, take effect from the 1<sup>st</sup> day of April, 2005.

Commence-  
ment.