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Published by the Taxpayer Relations Unit
of the Inland Revenue Department,
Castries, St. Lucia

April 2002



INLAND REVENUE DEPARTMENT

Saint Lucia

Ministry of Finance, International Financial Services & Eco-



Property Taxes



Let's Build Together!

FOREWORD

The Inland Revenue Department has responsibility for managing Land and House Tax in St. Lucia. As part of its mandate the Department has the responsibility for:

1. Valuation of all properties on the island;
2. Maintaining the National Tax Roll;
3. Collecting all taxes due and payable;
4. Dealing with Objections

This Booklet is intended to help property owners better understand the procedures and requirements of the Property Tax Unit and their rights and responsibilities as property owners.

The contents of this booklet are intended as a guide and reflect the position of the Department at the time of writing.

INLAND REVENUE DEPARTMENT - ST. LUCIA
MARCH, 2002

Income Tax Benefits from paying Land and House Tax

Effective Income Year 2001, mortgage interest will only be allowed as an income tax deduction, if the land and house taxes have been paid and are up to date. Further, home owners and business owners are entitled to a deduction for any taxes paid.

Exemptions

With effect from April 1st 2001, the following exemptions are available:

Residential (owner occupied) property.

1. Persons who have attained the age of sixty (60) and whose sole source of income is a pension or a survivor's benefit;
2. A household whose income is less than \$6000 per annum;
3. First time home owners the rates of exemption are based on the mortgage values and are available for three years from the date of first occupancy.
 - a. Mortgage value of up to \$200,000 - 100%
 - b. Mortgage value of \$200,001 - \$400,000 - 75%
 - c. Mortgage value of \$400,001 - \$600,000 - 50%
 - d. Mortgage value of over \$600,000 - 25%

Commercial Property

4. Any new property completed after April 1st 2001 - 100% exemption for three years

Exemptions are granted on application, after all relevant facts have been considered. Persons who have been granted exemption will be officially informed by the Department.

Responsibilities of Taxpayers

- Property owners are obligated under the Law to declare their properties within thirty (30) days of their ownership of a property. This declaration is to be made on a prescribed form called a **Declaration Form** which can be obtained from the Department or any Town or Village Council. Failure to declare can result in an assessment made based on information available to the Department.
- Property owners are expected to provide true and correct information when complying with the Department's request or completing the declaration form.

Rights of Taxpayers

- Taxpayers have a right to seek information on the assessment and or the valuation of their property.
- Taxpayers are entitled to be notified in advance of any planned visit by officers of the Department. All taxpayers are to be treated fairly, professionally and courteously.
- Any taxpayer who is aggrieved by an assessment has a right to object within thirty days after the date of service of the notice of assessment. In the first instance he can object to the Comptroller and can further object to the decision of the Comptroller to the Appeals Commissioners. If he wishes to appeal a decision by the Appeals Commissioner, there is a right of further appeal to the High Court and the Court of Appeal.

Valuation of Property

One of the primary responsibilities in managing any tax system is the determination of the values on which the tax will be based. For Land and House Tax, the value to be determined is the value of immovable property (land and building) and the process by which this value is determined is called a Valuation.

The Department's Property Tax Unit will be embarking on an island wide valuation exercise. This exercise requires that a team from the Unit visit each property on the island. Visits are normally scheduled in advance with the owner, who should be present to provide any relevant information that the officers may require. The Valuation process normally involves entering the premises to conduct a physical inspection, taking measurements and photos, as well as viewing the documents of title.

Classification of property

The method of valuation used is determined by the classification of your property. Currently there are three broad classes of properties, they are:

- **Residential Properties:** any property used predominantly for dwelling purposes.
- **Commercial Properties:** any property used predominantly for commercial purposes by the owner but does not include rental property used primarily for residential purposes.
- **Combination Properties:** any property used for both residential and commercial purposes.

All residential properties will be valued by the Department's valuation team; the owners of commercial properties must submit a return to the Department declaring the value of their property.

Methods of Valuation

Residential properties are assessed using their Annual Rental Value, whereas Commercial properties are assessed based on their Market Value.

*A combination of the two methods will be used to value **combination properties**.*

What is Annual Rental Value?

The amount, it is assumed, that a particular property is likely to yield over a period of one year if that property were put up for rental. This value assumes that the transaction occurs at arms length and takes into consideration a number of factors some of which include the size, location, available amenities and infrastructure and the prevailing market conditions. **The assessed rental value should not be less than the actual rental value of the property.**

What is Market Value?

The price for which immovable property can be sold or purchased in an open market on the date of evaluation.

Tax Rates to be applied

To determine the tax due and payable the following rates are applied:

Commercial Property	- .25% of the market value
Domestic Property	- 5% of the annual rental value
Combination Property	- the Comptroller shall make a determination of the apportionment of the assessed tax due on a combination property.

Land:

10 acres or less	- Nil
Over 10 acres, less than 50 acres	- 25 cents per acre or part thereof
Of 50 acres, less than 100 acres	- 50 cents per acre or part thereof
Of 100 acres, less than 500 acres	- 75 cents per acre or part thereof
Of 500 acres and over	- \$1 per acre or part thereof

Tax Roll

This is an official list of properties assessed. For each property it shows location and description, name of owner, assessed value, tax levied and any exemptions.

The Roll is available for viewing to members of the public at the Council Office in their area or at the Department and/or any of its offices in Vieux-Fort and Soufriere.

Collection of Taxes

The Department has the responsibility of collecting all Land and House Tax due and payable on the island, the Minister of Finance by authority of the Land and House Tax Ordinance has appointed the local authorities as Collectors. Thus taxpayers are advised to continue to visit the Council in their area to make payment. Payments for rural areas should still be made at the main office of the of the Inland Revenue Department in Castries or any of its sub offices in Vieux-Fort and Soufriere.

Notice of Assessment

Tax Payers are notified of their Property Tax Liability via an Assessment rather than the Tax Roll posted in the Council office in their area. Individual Assessments will be issued to the Councils and taxpayers should collect them from the Council in their area.

When are Property Taxes due?

Taxes are due and payable within thirty days of the date of the notice of assessment.

Interest at a rate of 2% for every period of three month after the due date will be applied to outstanding taxes.