



# FIG Working Week 2024

19-24 May

Accra, Ghana

Your World, Our World:  
Resilient Environment  
and Sustainable  
Resource Management  
for All

Presented at the FIG Working Week 2024,  
19-24 May 2024 in Accra, Ghana

## Land Tax Reform for Greener Economies in the Caribbean: Trinidad & Tobago Case Study (12611)

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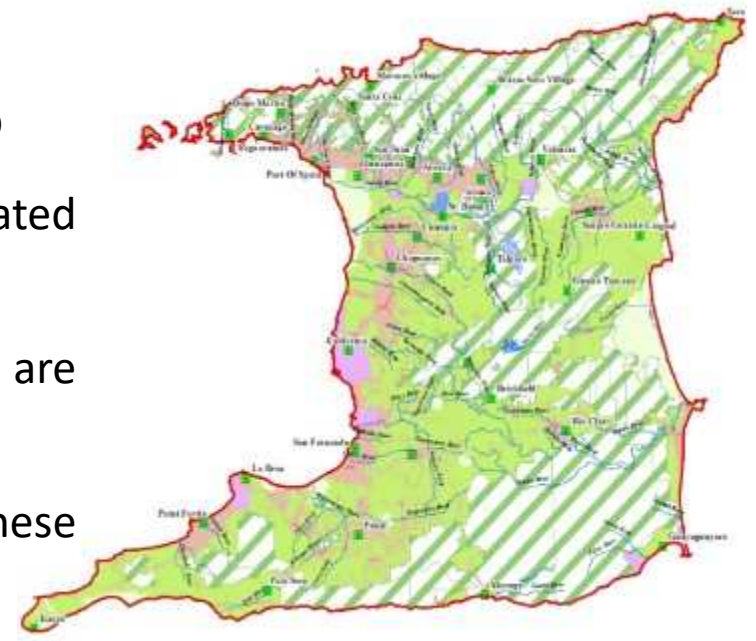
## 1. Trinidad and Tobago

- GNI (GNP) one of the highest in the region
- Unemployment low at around 3.8% (est.), but 20% of population below poverty line
- 44% of country is forested, 10% used for agriculture, around 45% is built-up
- Almost 80% of all socio-economic activities and 70% of population are located close to coast
- Most productive industries – Oil and Gas, Tourism and Fisheries are concentrated in these areas
- And most of the nation's infrastructure therefore is also concentrated in these areas, areas most exposed to climate change

Tobago



Trinidad







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## 2. Property Taxation Regime

- Colonial-era law – the “Lands and Buildings Taxes Act” (1920) was repealed in 2009/10
- Previous attempts to reintroduce a new law were unsuccessful (2009, 2014)
- Tax administration reform is a component of “Vision 2030” and current government’s election promises
- Tax is based on ATV - annual taxable value (90% of assessed rental value)
- Actual tax will be a percentage of ATV, for residential this is 2% - note, this was changed from 3% in March 2024. For commercial property this is 5%, industrial is 6% and agricultural property 1%
- Exemptions exist for publicly-owned properties, religious property, charities etc



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## 3. Frameworks

Government Reports	Frameworks	International Lenders	Research
<p>2016 (NDS) The National Development Strategy 2016-2030 (Vision 2030)</p> <p>2018 (NEP) National Environmental Policy Trinidad and Tobago</p> <p>2021 (UNFCCC) United Nations Framework Convention on Climate Change</p>	<p>2017 (IMF TADAT) International Monetary Fund Tax Administration Diagnostic Assessment Tool (NO Trinidad and Tobago Case Study)</p> <p>(COST-IPTI) Council on State Taxation – International Property Tax Institute</p>	<p>2016 (IDB) Inter-American Development Bank – A Methodological Framework for Comparative Land Governance Research in Latin America and the Caribbean: Trinidad and Tobago Case Study</p> <p>2021 (IDB) Inter-American Development Bank – Country strategy: Trinidad and Tobago 2021-25</p>	<p>Barnes et al, 2001</p> <p>Williams, 2003</p> <p>Plimmer and McCluskey, 2008</p> <p>Griffith-Charles, 2010</p>



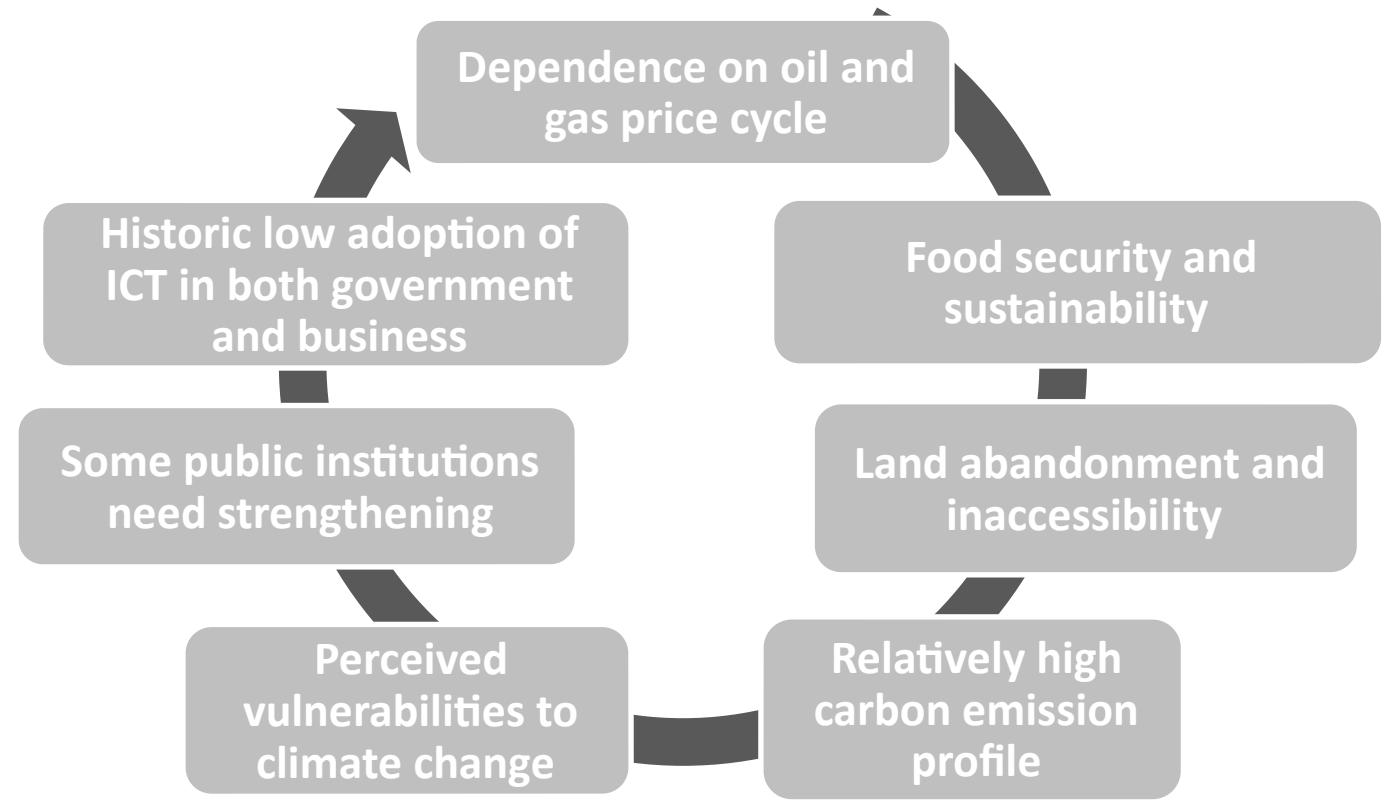
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## 4. Sustainability Challenges – UNFCCC (2021), Vision 2030 (2015), NEP (2018)







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## 5.1 Frameworks – TADAT

### IMF Tax Administration Diagnostic Assessment Tool

- 32 Questions questions arranged in nine key performance outcome areas (POAs)
- 179 assessments completed since 2013
- Trinidad and Tobago reviewed in 2017
- Looks at whole tax system, not limited to property tax



# IMF 2017 TADAT Tax Administration Diagnostic Assessment Tool

## TRINIDAD AND TOBAGO

<p><b>POA 1: Integrity of the Registered Taxpayer Base</b> UKN</p> <p>P1-1. Accurate and reliable taxpayer information: Valuation Division sends forms of return to each address. Response rate not published.</p> <p>P1-2. Knowledge of the potential taxpayer base: Every property sent an assessment</p>	<p><b>POA 4: Timely Filing of Tax Declarations</b></p> <p>P4-10. On-time filing rate. UNKNOWN</p> <p>P4-11. Use of electronic filing facilities: New electronic system. DIFF</p>	<p><b>POA 7: Effective Tax Dispute Resolution</b></p> <p>P7-19. Existence of an independent, workable, and graduated dispute resolution process (IPTI): In existence and used, but vague and untested. DIFF</p> <p>P7-20. Time taken to resolve disputes (IPTI): Not in a timely manner.</p> <p>P7-21. Degree to which dispute outcomes are acted upon: UNKNOWN</p>
<p><b>POA 2: Effective Risk Management</b></p> <p>UNKNOWN</p>	<p><b>POA 5: Timely Payment of Taxes</b></p> <p>P5-12. Use of electronic payment methods: New electronic system. DIFF</p> <p>P5-13. Use of efficient collection systems: N/A</p> <p>P5-14. Timeliness of payments: N/A after Sep 24</p> <p>P5-15. Stock and flow of tax arrears: N/A No (IPTI)</p>	<p><b>POA 8: Efficient Revenue Management</b></p> <p>P8-22. Contribution to government tax revenue forecasting process: UNKNOWN</p> <p>P8-23. Adequacy of the tax revenue accounting system: N/A</p> <p>P8-24. Adequacy of tax refund Processing: UNKNOWN</p>
<p><b>POA 3: Supporting Voluntary Compliance</b></p> <p>P3-7. Scope, currency, and accessibility of information: (IPTI) Not always current; no info on entitlements</p> <p>P3-8. Scope of initiatives to reduce taxpayer compliance costs: no specific simplified record keeping and reporting arrangements for small taxpayers and no pre-filled tax declarations are available.</p> <p>P3-9. Obtaining taxpayer feedback on products and services: Taxpayer feedback on products and services is obtained on an ad hoc basis. However, input is sought from key taxpayers and intermediaries on design of new ICT services.</p>	<p><b>POA 6: Accurate Reporting in Declarations</b></p> <p>P6-16. Scope of verification actions taken to detect and deter inaccurate reporting: Put SPIN on it</p> <p>P6-17. Extent of proactive initiatives to encourage accurate reporting: N/A</p> <p>P6-18. Monitoring the extent of inaccurate reporting: Not done</p>	<p><b>POA 9: Accountability and Transparency (IPTI)</b></p> <p>P9-25. Internal assurance mechanisms: Believed to be improving based job adverts.</p> <p>P9-26. External oversight of the tax administration: UNKNOWN</p> <p>P9-27. Public perception of Integrity: UNKNOWN</p> <p>P9-28. Publication of activities, results, and plans: Somewhat, the government have been notifying the public of the new tax but had to provide additional explanations to how it's calculated.</p>



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## 5.2 Frameworks – International Property Tax Institute

### IPTI-COST Scorecard

27 questions arranged in three main groups:

- Transparency
- Consistency
- Procedural Fairness



International Property Tax Institute





# IPTI SCORE CARD (International Property Tax Institute USA)

## TRINIDAD AND TOBAGO

TRANSPARENCY	CONSISTENCY	PROCEDURAL FAIRNESS
<p style="text-align: center;"><b>CENTRALIZED INFORMATION</b></p> <p>Clear and separate website for property valuation with tax forms available</p>	<p style="text-align: center;"><b>CENTRAL AGENCY OVERSIGHT</b></p> <p>Central Valuation with 9 local offices throughout T&amp;T with the Commissioner of Valuations using standard data collection forms available through the website.</p> <p>Taxpayer can challenge a valuation as out of line with comparable properties among nine other objection reasons.</p>	<p style="text-align: center;"><b>INITIAL REVIEW</b></p> <p>Taxpayer have a legal right to a review before a revaluation is finalized by objecting to their assessment.</p> <p>No 60-day window for appeal, but only 30 days.</p> <p>Assessor required to produce evidence upon which valuations are based with 12 months to reply but no indication of detail needed.</p>
<p style="text-align: center;"><b>VALUATION NOTICE</b></p> <p>Somewhat clear and understandable with appeal factsheet</p> <p>Taxpayers received notice for the upcoming assessment roll. It is unknown what will happen at the next revaluation.</p>	<p style="text-align: center;"><b>EQUAL ASSESSMENT PRACTICES</b></p> <p>The state have consistent due dates for property tax filings and payments but with several pushback deadlines.</p> <p>Tax rates are dependent on the type of property as a %age of assessed value less 10%: residential 2%, commercial 5%, industrial (P+M) in a building 6%, industrial (P+M) not housed in a building 3%, agricultural 1%.</p> <p>On unpaid or late payments interest is charged at 15%, higher than the bank base rate of around 7%.</p>	<p style="text-align: center;"><b>FAIR INDEPENDENT TRIBUNAL</b></p> <p>The party bearing the burden of proof in connection with an assessment appeal is the objector.</p> <p>Taxpayers have a right to independent review introducing new facts and issues through the Appeal Tribunal and the High Court.</p> <p>The taxpayer has 12 months to appeal to the tax appeal board, exceeding the 60-day mentioned as good practice by the scorecard question</p>
<p style="text-align: center;"><b>VALUATION PRACTICE</b></p> <p>No tax collected for 15 years, no valuation for several years, no other valuation information available with mostly a rental comparison method is used.</p>	<p style="text-align: center;"><b>ASSESSOR TRAINING/OUTREACH</b></p> <p>Assessors/appraisers are required to hold one of several recognized professional qualifications with individual stakeholders informed of their assessments.</p> <p>Unknown Continued professional development requirements.</p>	<p style="text-align: center;"><b>OTHER PROCEDURAL FAIRNESS</b></p> <p>No fee for submitting an objection.</p> <p>The taxpayer must pay the disputed tax regardless of an ongoing appeal.</p> <p>Only the owner can appeal, however the definition of owner is broad and includes tenant, receiver, attorney, guardian, agent etc.</p>



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## 6. Review Summary (IDB, 2016)

- Historic lack of analysis/reflection
- Delay in implementation – leaves unknowns as to effectiveness
- Also staff human capital requirements not published
- Improvements in electronic payment services
- Good information campaign

## Further specified issues

### Priority of Vision 2030 – Goal 3

- Physical infrastructure
  - Inaccessibility to land
  - Inefficient use of land
- Digital infrastructure
  - Cadastre / Land records



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## 7. Example Case Study – Vrindavan Eco-Estate

- 52-acre former cocoa and coffee plantation surrounded by rainforest in the heart of Trinidad island
- Eco-farming with permaculture and biodynamic agriculture preserving and protecting the balance of ecosystems – present
- Eco-tourism steeped in respect for the nature’s biodiversity and intended to reduce carbon footprint – future
- Eco-community through conscious innovation and education on regenerative agriculture – future
- Early stages have involved improving access roads and building a bridge
- In 2024 a 0.9 km stretch of road will be upgraded to give access from the south providing access for utilities and potable water







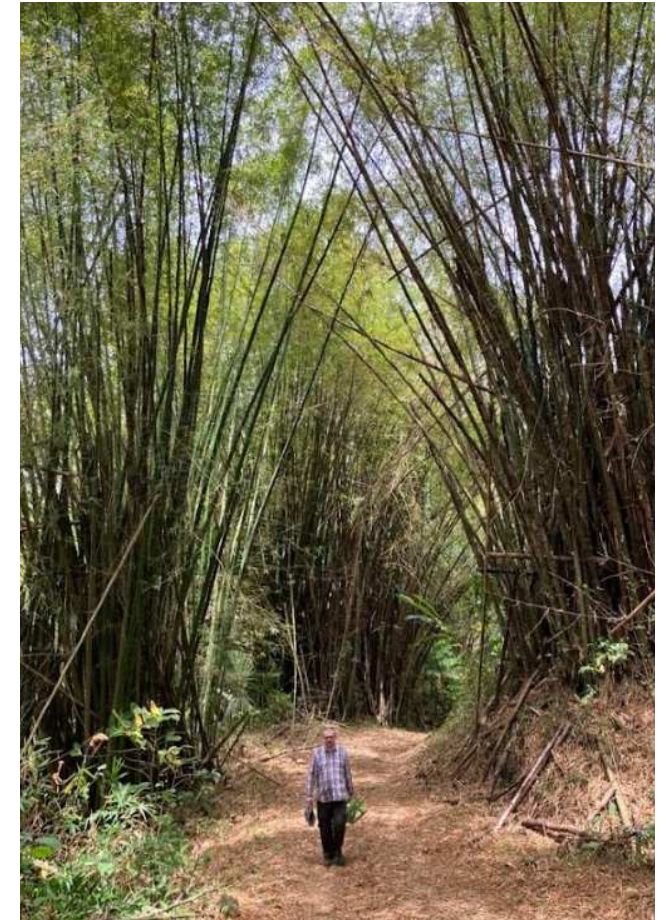
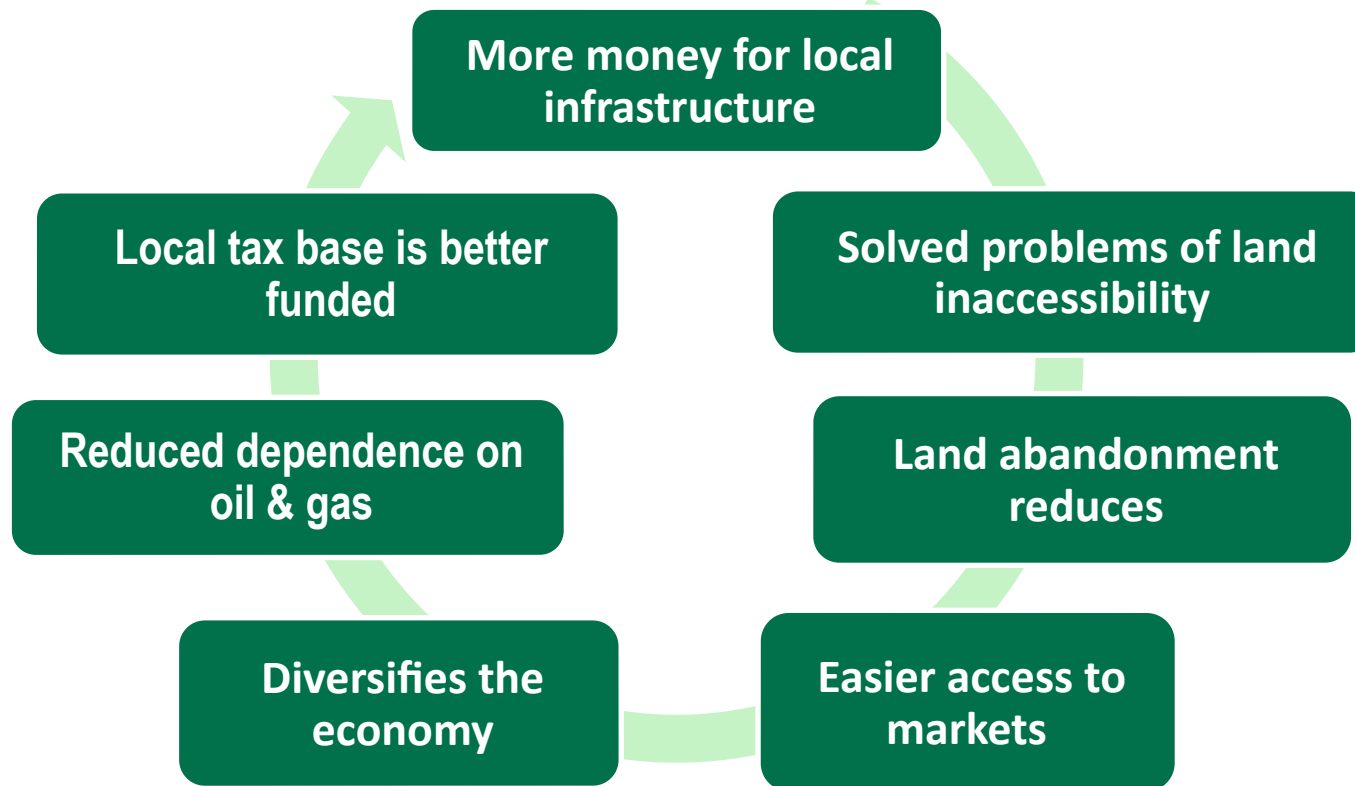
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## 8. Vrindavan in context of the new property tax (NEP, 2018)





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## 9. Conclusions

- Success of new tax remains to be seen
- Link of local tax with local spending still to be demonstrated in the country
- Good tax can encourage optimal use of already developed land, and can;
- Encourage unused/abandoned land back into production
- Can tackle dual problem of environmental sustainability and lack of economic diversification

## New Land Tax – still an opportunity?

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**SUSTAINABLE DEVELOPMENT GOALS**

International Federation of Surveyors supports the Sustainable Development Goals

## Commission #9

Valuation and the Management of Real Estate

Serving Society for the Benefit of People and Planet







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LinkedIn

- Over 12 years commercial real estate experience
- Worked in several countries in Central and Eastern Europe as a valuation surveyor
- Working with UCEM since September 2015, Senior Lecturer
- Programme Leader for access and foundation-level courses
- Teaches property valuation on UCEM's BSc and MSc Real Estate programmes