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GUIDANCE NOTE

PPG No.006/2020

Land Tax Act Cap. 78A

Land Tax Relief

Background

Under the Land Tax Act, Cap. 78A taxes are payable by property owners on an annual basis on the property they own. Land Tax is levied on three (3) types of land: improved residential land, improved non-residential land and vacant land. Each type of land attracts a different rate of tax and the rate is dependent on the value of the land.

Property owners are notified of the tax payable via Land Tax Demand Notices which are commonly referred to as Land Tax bills. These bills are issued annually and are generally sent via post. Bills are due to be paid by March 31 of the following year. Bills paid after March 31 attract a penalty of 5% of the unpaid tax plus 1% interest per month on the principal and penalty.

Applicable Rates

The tax rates for the land tax year 2020-2021 apply as follows:

Improved Non-Residential and Residential Land

Tax Year	Improved Non-Residential	Improved Residential
2020-2021	0.95%	0.0% on first \$150,000 0.1% on the next \$300,000 0.7% on the next \$400,000 1.0% on excess over \$850,000

Vacant Land (land with no building or residence)

Tax Year	Rate	Vacant
2020-2021	0.8%	Land measuring less than 4,000 sq. ft.
2020-2021	0.9%	Land measuring over 4,000 sq. ft. valued up to \$450,000.
2020-2021	1.0%	Land measuring over 4,000 sq. ft. and valued greater than \$450,000.

Discounts

According to Section 28 of the Land Tax Act, Cap. 78A a 10% discount is granted where the tax due and payable is paid within 30 days from the date of the tax demand notice, and a 5% discount where the tax due and payable is paid within 60 days from the date of the tax demand.

In light of current levels of unemployment and delays with the delivery of international mail brought on by the Covid-19 environment, a decision has been taken to extend the deadline for taxpayers who may wish to benefit from the discounts.

In this regard, the Barbados Revenue Authority wishes to advise that:

- A 10% discount will be offered to property owners once the full tax due is paid by **November 30, 2020**.
- The 10% discount deadline will be extended from **September 23, 2020 to September 30, 2020**.
- A 10% discount will also be offered to taxpayers who pay their Land Tax bill in three equal monthly instalments, the first of which must be made on or before **September 30, 2020**. The last instalment must be paid on or before **November 30, 2020**.
- Where the payments are made in the manner specified above a 10% discount will be given. However, the discount will be applied when the final payment is made.
- A 5% discount will be offered to property owners once the total tax due is paid by **December 31, 2020**.
- Taxpayers are not required to enter into a written payment arrangement to benefit from the discounts.
- Payments can be made online using Ezpay+, the Cave shepherd mobile App, Surepay Online, online banking, cash, cheque, wire transfer, or in person.

Policy and Planning
Barbados Revenue Authority
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