

**HOUSE OF REPRESENTATIVES***Monday, December 21, 2009*

The House met at 1.45 p.m.

**PRAYERS**[MR. SPEAKER *in the Chair*]**LEAVE OF ABSENCE**

**Mr. Speaker:** Hon. Members, I have received communication from the hon. Jack Austin Warner, Member of Parliament for Chaguanas West, for leave of absence for the period December 21 to January 02, 2010; the hon. Basdeo Panday, Member of Parliament for Couva North, from today's sitting of the House; and the hon. Ramesh Lawrence Maharaj SC, Member of Parliament for Tabaquite, likewise from today's sitting of the House. The leave which all these Members seek is granted.

**DEFINITE URGENT MATTER**

(LEAVE)

**San Fernando General Hospital  
(Deaths Due to H1N1/Swine Flu)**

**Mr. Subhas Panday** (*Princes Town North*): Thank you very much, Mr. Speaker. I filed a document this morning about 12.00 noon, could I kindly have a copy of the Speaker's version of it, please, Sir?

**Mr. Speaker:** The Speaker has accepted your version of it. Do you want a copy of your own version?

**Mr. S. Panday:** Thank you, Sir. Mr. Speaker, thank you very much for your kind indulgence. Standing in my name, I sought that pursuant to Standing Order 12 of the House of Representatives, I humbly seek your leave to raise the following as a definite matter of urgent importance, namely the sudden recent deaths at the San Fernando General Hospital of the large number of persons, including two who died over the weekend with the H1N1 flu, also known as Swine flu.

This matter is definite because it deals with particular persons who died at the San Fernando General Hospital from symptoms of H1N1/Swine Flu.

The matter is urgent because, if this matter is not addressed quickly and effectively, because of the recent trends, many more persons would die from the symptoms of H1N1/Swine Flu.

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Sir, the matter is of public importance because the deaths from the symptoms of H1N1/Swine Flu are a public issue which affects the nation.

Thank you very much, Mr. Speaker.

**Mr. Speaker:** Hon. Members, I regret very much, this matter does not qualify under this particular Standing Order.

#### **PROPERTY TAX BILL**

[Second Day]

**The Minister of Legal Affairs (Hon. Peter Taylor):** Mr. Speaker, I listened with great interest to what is, indeed, a very important debate in the history of Trinidad and Tobago, if only because of the amount of interest it has generated in the national community. I can hardly remember an occasion within recent times, of course, certainly within my memory, when such a piece of legislation has generated that type of passion and emotion.

What is unfortunate and unfair to the people of Trinidad and Tobago is that a lot of untruths and misinformation are being peddled by some, to my mind, to achieve what is really a political result, and it is done with no reference or consideration to the people whom those persons profess to serve and in whose name they profess to speak.

I personally have prided myself over the years, in listening to debates both inside and outside of this honourable House. What is certain to me is that one must never sacrifice truth on the altar of political expedience. Unfortunately, I feel this is what has happened, to a very large extent, in this debate.

I think the Member for Mayaro has just graced us with his presence. In his contribution on Friday, he sought to deem the actions of the Government as a "grabberment". He sought to suggest that the Government was trying to put its hands on everything, so as to raise money, conveniently forgetting, of course, that this very same Government is spending billions on social development, social services, free education and transportation, in the interest of the people of Trinidad and Tobago.

I listened as well to the Member for Diego Martin West, a Member of the Government, who sought to, apart from take issue with the property tax itself, my mind, do a very great disservice to the facts and what the property tax is really meant to do. I feel, as I have said in my opening statement, that we must not sacrifice truth on the altar of political expediency. It is the very same people whom we profess to represent here and whom we profess to speak for, who are

the ones who must be told the truth and they are the ones who depend on us for a fair dispensation and translation of what happens in the Parliament.

It is for that reason I was somewhat very disappointed with some of the contentions of the Member for Diego Martin West. For example, he spoke of the fact that local communities and local government will not benefit from the tax. He sought to make a comparison with throwing money into these corporations and throwing money behind local government and suggested that is the problem why local government is not more efficient. The issue of local government has never been one about money; we know that. It has been about inefficient systems, inefficient management and corrupt and outdated practices. It has always been a question, therefore, for the Government to take the hard decision and reform local government. I want to commend the Minister of Local Government for the efforts that she has made in having consultants on board for the last four or five years, to develop a framework which has now become a White Paper. It has root and branch reformation of the local government institution. What is the point of throwing more money in a dark hole of inefficiency?

I represent the constituency of Princes South/Tableland and it is a Herculean task to get that corporation to do the most routine of repairs. You go to them for a road, the Princes Town Regional Corporation, and it is some excuse. They would acknowledge receipt, "we will come and check it". When you take stock, you get nothing done, but you examine the constituency for which they have jurisdiction over a period of time and you see a disproportionate amount of money is spent in one area, as opposed to another. That is the reality.

It is not an issue of putting more money into local government. That would be the easiest thing to do. Until you are able to reform local government in a fundamental way, so that you have efficient systems, processes and a greater amount of accountability, "then we talking business". It is misleading in the extreme to suggest that what we are trying to do could be solved by throwing more money into local government.

Mr. Speaker, the Government should have no apology to make for wanting to increase taxation. That is the job of a government. That is how the nation's business is attended to. It is not a question of the Government trying to bramble, hide or pretend that it is not a tax-raising effort. It is, for all intents and purposes, about rising taxes.

I think the Government has an enviable track record to show how that money has been spent from the Consolidated Fund. The Government has an enviable track record, if I may say so, showing how that money has been spent for social services, to infrastructural services and it is a work in process.

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I always make the point that this country is a young democracy. Having come out of a colonial society, we as neocolonial societies, always tend not to bask in our own glory. We tend rather to criticize and denigrate the best that is among us. Fortunately, this is the situation. I am not saying that the Government is beyond reproach. Of course, there are things that can be improved upon. With respect to the property tax, the efforts and the intentions of the property tax, you can see a clear distinction between the old Lands and Building Taxes Act, which is an Act of 1920, which has all the language and paraphernalia of colonialism, for it speaks about tenements and barracks and we have long gone past that. We no longer live in tenements and barracks. In fact, the last time I heard tenement mentioned was in one of Bob Marley's songs.

There is a fundamental need to reform the legislation. I am sure that no one on the other side is disputing that. We need, therefore, to bring the legislation in tune with a modern society and a modern democracy.

Another concern that I wish to express is the reference to the point made by the Member for Diego Martin West, when he said that persons in Diego Martin who might have a property that is worth \$1 million or \$2 million, who have no intention of renting it out, will now be subject to the tax. With all due respect, the property tax issue is not about whether you are renting your property or not. The fact of the property tax is that once you have a building or land, it is liable to being taxed. I went through the references and took out one or two in the Diego Martin area to show the inequity that presently exists. There is a property at No. 141—143 Diego Martin Main Road, this tells you the size, and it covers about three blocks. The capital value is \$1.65 million and the owner currently pays a tax of \$239.50. They would have been paying this for God knows how long. What we are saying, simply, is that the new tax regime must reflect, in all fairness, the values that people's properties have now been elevated to. There is nothing onerous and unfair about that. Persons have been living off the fat of the land for too long and have become comfortable.

**2.00 p.m.**

When you look at the new tax regime, that property, as I said, it is about three blocks. It is a very wide area we are talking about. It is not a 5,000 square foot property that we are talking about. It comes up to \$72 per month in the new regime if the land is residential; if it is a commercial property, it works out to be about \$120 a month; and if it is industrial, it works out to about \$144 per month. Multiply this by 12. [*Interruption*]

For argument sake, even if it goes up to \$2,500 and you have been paying \$239 for the last 20 or 25 years—you have been benefiting from free garbage collection, cleaning of the streets and all of the services that accrue to a community—suddenly you feel that this is oppressive. This is nothing new. This taxation regime is nothing new. It is simply to come into line with an accepted protocol; it is simply to come in line with what is reasonable, given the demands at the time, and given the demands that the people of Trinidad and Tobago have placed on the Government for goods and services.

**Dr. Gopeesingh:** Where the money gone!

**Hon P. Taylor:** Mr. Speaker, the Member also made the point that it is going to cause greater hardship. In any country of the world, you are going to have people who live at the edge of the society. When food prices went up in 2007, there were persons living on fixed income who were experiencing hardship. When the price of oil goes up and the price of transportation goes up—there are always people living at the edge of the society at any point in time. The property tax is not unique in that regard. *[Interruption]* The point is that the Government has already taken account of that by providing a blanket of social support that even predated the property tax. It has become institutionalized. It comes in the form of the Senior Citizens Grant; it comes in the form of the disability grant; it comes in the form of the conditional transfer card; and it comes in the form of the elderly being able to access pre-medical services under the CDAP programme. More than that, the legislation provides for persons who fall within a certain bracket to be exempted from paying the tax. Do you wish to contest that? That is a fact.

Mr. Speaker, if I were to extrapolate how the moneys are spent in the Consolidated Fund, we could look at the effort of the Community Development Fund; we can look at the effort of the Ministry of Public Utilities to have the massive street lighting programme, and those things cost money. It does not cost \$100 to put up a street light or a street lamp. It costs money. This Government removed VAT on basic items. Why? To ensure that the persons who live on fixed incomes were able to have the basic supply to allow for a satisfactory life. In my own ministry, persons do not pay for birth certificates. How many hundreds of thousands of birth certificates we have issued? It costs something.

Mr. Speaker, I wish to make the point that when you look at every strata of the society, you can see where the compassionate and beneficent hand of the Government has entered to soften the impact of inflation by providing subsidies in many instances. Of course, I refer to the subsidy in the petroleum sector. We subsidize the economy to the tune of \$2 billion per annum. *[Interruption]*

**Dr. Gopeesingh:** How much Petrotrin owes?

**Hon P. Taylor:** That is in recognition of the direct relationship between the rise in the price of petroleum and how that would impact on inflation throughout the rest of the economy. Once the price of gas goes up in your car, everything goes up. Taxi drivers begin to raise their fares and everything else goes up with that. The Government recognizes that. That \$2 billion is to subsidize, you and I, the working class. [*Crosstalk*]

How many millions of dollars the Water Taxis cost? How much money the Interchange costs? It was delivered on time; it was delivered within budget. These are tangible examples of the Government working your tax dollars and my tax dollars in the interest of the people. So, you cannot only look at one side of the coin and seek to chastise the Government by saying that the property tax is unfair and so forth. The property tax is nothing new.

Those of us who seek to come with the whole "Axe the Tax" line, that is an old throwback from England. I am sure my colleague, the Member for Princes Town North, knows that. They borrowed that from England. [*Interruption*] That is not the point. They borrowed a slogan from England that has no reference to Trinidad and Tobago. The council tax system in England, when you examine it, you will see that they have more cause for concern and for protesting than we in Trinidad and Tobago, because the council tax regime is based on the old system of zoning areas in the United Kingdom. This whole "Axe the Tax" system was thought up by the Liberal Democrats.

**Mr. Abdul-Hamid:** They copied that and all!

**Hon P. Taylor:** I must check to see whether it was copyrighted and if they are infringing copyright. It started in the United Kingdom by the Liberal Democrat by a gentleman called Mr. Tom Brake. Their message to the United Kingdom government was that council tax was an unfair tax based simply on an outdated valuation of property with no reference to an individual's ability to pay.

Mr. Speaker, let me inform the House as to how this tax works in the United Kingdom. In 1991, when the original valuations were done—when they began to zone it or band it, it was done by second gear valuations. What does second gear valuation mean? It means that the valutors would drive around in cars—they would not go house to house—and simply drive past a home and decide, okay, you see that house in Nottinghill is probably worth £60,000 and another one £80,000 as the case may be. Second gear valuations meant just that; driving in second gear, so you are driving slow and everything came out. In other words,

they "bust the mark", so to speak, when this journalist of Trinidadian heritage, Trevor Mc Donald, who had a current affairs programme on BBC, began to investigate whether millions of homes had actually been placed in the wrong band or the wrong zone.

There was a gentleman by the name of Mr. Martin Lewis who received thousands of pounds in back payments after he appealed. He said: "Listen, this could never be fair." He lodged an appeal and, lo and behold, he was overpaying his taxes. They recognized that in a particular year, some 97,563 properties in the United Kingdom and Wales were re-banded. In other words, they were put into a different zone, because it was realized after the investigation was done that these people were paying too much taxes, and 70,000 of the 97,563 were downgraded.

Just to expand the point a little more so that people will understand that you do not just take something from another jurisdiction and seek to mimic it in all its forms, even to the point of seeking to generate a type of public outcry, without understanding the historical basis of it. The bands are actual values, and I have pulled out one example. There are zones from (a)—(h), and I took out one from band (d). Band (d) is for values of houses that are worth £68,000—£88,000. So, if you live in Once Worth, you would pay £676.16 per annum; if you live in Hammersmith, you would pay £1,093.33; and if you live in Richmond, which is another area, you would pay £1,490. Mr. Speaker, look at the disparity. We are talking about one zone, but look at the disparity between the rates.

So the point is even if you live in one band, there are glaring inequalities, and this is what the people in England were protesting about. I am saying that inequity has no reference to what is happening in Trinidad and Tobago. In Trinidad and Tobago, we are moving away from the municipal corporations. It is now becoming "boundaryless". We are talking about a country that is 1,864 square miles, a relatively small area, and you have no need to divide up the country as is presently done.

For example, why should a business in Point Fortin attract a different tax from the one in San Fernando as it exists presently? Why should that be? What I am saying is that we have to even the playing field, and that is what it is about. We make no apologies for saying that. We are evening the playing field so that you pay 3 per cent for residential; 6 per cent for industrial and 5 per cent for commercial. It is about equity. Those who wish to comment or pretend that is not what the tax is all about, are sadly mistaken.

If you look now at Caroni or Central, in some areas they are paying 10 per cent, and those are your constituents in whose name you speak. How do you

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justify that? We are saying that we need to bring it down to 3 per cent if it is residential; 6 per cent if it is commercial, whereas now you are paying 10 per cent of the annual rental value. Do you understand that? That is in the definition section.

Mr. Speaker, to continue the point about the United Kingdom, every local authority in the United Kingdom—I just want to complete the point—sets their own rate.

**2.15 p.m.**

In Trinidad, the Government is saying we want to set one rate across the board, so you do not have that disparity. *[Interruption]* We are moving away from the municipalities. *[Interruption]* This is why we need to repeal Part V of the Municipal Corporations Act to make sure there are no boundaries, there is no need to make any reference to boundaries, so we are taking away Part V that deals with the house rate. *[Interruption]*

**Mr. S. Panday:** St. Julien Road, 19 landslips and they have not fixed one.

**Hon. P. Taylor:** Mr. Speaker, if I may say, that is what they want to keep. They want to keep this boundary system, they want to keep this division and they want to keep this inequity. If you want to make some constructive criticism about the Bill do that, but you cannot criticize the whole Bill by pretending that it has no use. We need to move away. We need to move away from the system of boundaries, it is inequitable. *[Interruption]*

In short order, the legislation will modernize the lands and buildings tax regime as I indicated and it will seek to equalize the inequity that presently exists. It will equalize it. Whether you like it or not that is what it will do.

I made reference to the Lands and Buildings Taxes Act and in subsection (3)(b) it speaks about buildings usually described as barracks containing separate tenements severally occupied and it shall be taxed at the rate of 96 cents for each separate tenement. We have gone past that a long time. Who lives in tenements and barracks in Trinidad and Tobago now?

**Mr. Peters:** A lot of people. "All yuh don't now, all yuh living in Westmoorings". *[Crosstalk]*

**Hon. P. Taylor:** Not even the "rastaman" Bob Marley referred to is living in tenement now. Everybody is applying for HDC houses and they are building their own. *[Interruption]* That is repugnant, the whole language of the Lands and Buildings Taxes Act is repugnant to the type of society we are trying to develop. *[Crosstalk]*

**Mr. Speaker:** Order!



**Hon. P. Taylor:** I want to suggest that this new property tax is really fiscal management at its best. [*Desk thumping*] It is an example of fiscal management at its best, so I say axe the COP and the UNC and preserve the integrity of this country.

**Mr. Peters:** People will axe "all yuh" in time.

**Hon. P. Taylor:** Mr. Speaker, another important feature of the Bill of course, is that where you make reference to persons who have left their land unoccupied you have a much longer period of time within which you can come and treat with your land, so there is no question about anybody coming to seize anybody's land. The provision of forfeiture existed in the old legislation.

**Mr. S. Panday:** And your Government is continuing it.

**Hon. P. Taylor:** It existed in the old Lands and Buildings Taxes [*Interruption*] and I would like somebody to tell me, how many cases has Government ever seized or forfeited somebody's land for non-payment of taxes?

**Mr. S. Panday:** Then what is the purpose of the legislation?

**Hon. P. Taylor:** It does not happen, the new legislation simply recognizes—

**Mrs. Persad-Bissessar:** So why are you putting it in? [*Crosstalk*]

**Mr. Speaker:** Order!

**Hon. P. Taylor:** If you want to make that suggestion better you all say that, but do not tell the population that the Government is trying to seize people's land or take people's land as you all are suggesting. [*Crosstalk*]

**Mr. Abdul-Hamid:** As if it is something new, it is not new.

**Hon. P. Taylor:** You all never challenged the Lands and Buildings Taxes Act of 1920 for all the years it was there. [*Interruption*]

Mr. Speaker, the new legislation gives a much longer time frame; it provides a window of opportunity of 16 years within which you can come in and treat with your property. It gives you 16 years, which to my mind is compelling, if not conclusive evidence that the Government is weighing heavily on the side of the citizenry of this country to protect what is theirs. The Government is not interested in taking anybody's land.

**Dr. Gopeesingh:** And 25 per cent interest.

**Hon. P. Taylor:** The people of Trinidad and Tobago must know that it is 16 years they have, and that could be found in the new legislation in clause 45(1) not (3) which speak to that point.

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These are some of the issues, the inconsistencies and the untruths that those who should know better and those opportunists who are really rebels without a cause have been trying to foist on the population of Trinidad and Tobago. They are looking for a port for a storm, but we wish to say that the Government will not flinch from what it believes is right, the Government will continue to be steadfast in providing protection for the disadvantaged in providing the safety blanket as it has done for the last few years for all the persons on fixed incomes.

Do you know how much it costs to provide free tertiary education? Are we suggesting that the Consolidated Fund is not taking cognizance of those things? Are we suggesting that the Heritage and Stabilisation Fund, that the Petroleum Fund, that the \$5 billion that the Government found to bail out CL Financial at a time when there was so much systemic risk to the economy of Trinidad and Tobago, that this Government did not manage the nation's economy and the nation's financing properly? Are we suggesting that? How could you say that in the face of that is controversial evidence?

**Dr. Gopeesingh:** Yes, we are saying that every day.

**Hon. P. Taylor:** You could say that but it is not true. [*Interruption*] You could say anything, no one believes that.

**Dr. Gopeesingh:** Bad governance.

**Mr. Abdul-Hamid:** And how come "all yuh" lost?

**Hon. P. Taylor:** When the financial crisis hit, we in Trinidad and Tobago began to speculate. There were many of us who began to speculate as to whether Trinidad and Tobago was in recession. The prophet of doom and gloom came out. That was their moment in the sun. They were predicting the collapse of the Trinidad and Tobago economy, but guess what? It never happened, because in the face of a 10 per cent unemployment rate in the United States, Trinidad and Tobago unemployment remained at 5.1 per cent and continues so up to this day. [*Desk thumping*]

Just Sunday I went to Better Deal Supermarket in Aranguez. I paid a visit to Mr. Heeran Maharaj. Every Christmas I pay a courtesy call.

**Mr. S. Panday:** For your drinks.

**Hon. P. Taylor:** Well, you cannot begrudge me that in the spirit of the season, even if that is what I went for.

He was saying to me that he cannot get people to work. He cannot get workers. [*Interruption*] I went up to ADM in Arima, big sign saying "workers

wanted", and this is a country that you are saying was not properly managed; this is a country that you are saying was the victim of squandermania. You have an unemployment rate of 5 per cent. Where in the world in the height of a recession you have a country at full employment? *[Interruption]* If this country was the victim of squandermania the Government would not have been able to move with such alacrity to bail out and to support that \$5 billion lacuna that was needed in the wake of the CL Financial collapse. It could not have been done.

The assistance we granted to our Caribbean brothers and sisters through the Petroleum Fund, because we recognized that the interest of the Caribbean is just as much linked with the interest of Trinidad and Tobago and that we could not allow the economies of the Caribbean islands to fail and expect ours to survive, because the Caribbean islands provide the biggest market outside of the US for Trinidad and Tobago's products. You go Grenada and you go Barbados you see everything that is on Trinidad and Tobago's shelves up the islands. You name it, the juices, the soft drinks—therefore the Government had that Petroleum Fund and was able to extend a hand of support.

So when you talk about the property tax and you talk about the Consolidated Fund and squandermania, you have to understand the reality within which you speak. I am saying that the naysayers, that contention cannot withstand scrutiny. It is just shop talk and "ol' talk".

Mr. Speaker, even in the height of the so-called recession, the Government of Trinidad and Tobago was able to fulfil its international obligations, we were able to host the Fifth Summit of the Americas; we were able to host the Commonwealth Heads of Government conference; all of which would have been negotiated and planned for before the financial crisis. It would have had to have been done before the financial crisis, and therefore I am saying that it is again because of prudent fiscal management, prudent monetary policy, that in the face of that international decline in the world economy we were able to do that, and we were able to punch above our weight. We were able to invite the world to Port of Spain, and as is so often in Trinidad and Tobago we were able to stand again at the gateway of history and have a consensus that went out of Port of Spain; the Port of Spain consensus that was transmitted at the Copenhagen conference on climate change.

Trinidad and Tobago will go down in history as the country that was able to host a Commonwealth Heads of Government Conference where you had consensus, and that would speak for generations and that would speak volumes for this country long after we have left this hallowed Parliament. *[Desk thumping]*

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Mr. Speaker, as well, we have to understand that once we are part of the community of nations, once we are part of the family of nations, we have to make a contribution to world affairs. I remember during the Commonwealth Heads of Government I met a young man who came from Nigeria, in fact, he was the assistant to the Governor of the Central Bank of Nigeria. Do you know what he said to me? He said Trinidad and Tobago stands to benefit and is able to speak on behalf of global countries, of global small island nations because of the examples we have set in the international community. [*Desk thumping*] When you understand I am saying all of that to say that the responsibility of the Government is to raise taxes [*Laughter*] as it is to ensure—

**Mr. S. Panday:** Just in time.

**Hon. P. Taylor:**—the proper dispensation of goods and services. The property regime is an attempt to improve the tax collection regime. It is estimated to raise some \$250 million in revenue—

**Mr. S. Panday:** In the first instance.

**Hon. P. Taylor:**—in the first instance.

**Mr. S. Panday:** And after that you break their backs.

**Hon. P. Taylor:** Well, let us see where that will take us. [*Interruption*] Let us see where that will take us. I can stand here and say with a great sense of satisfaction that an amount of the moneys have been well spent, there are improvements to be made, when you look, as I said, at the local government reform, a lot of that efficiency is going to come.

**2.30 p.m.**

A lot of the concerns expressed by the population with poor drainage, poor roads and poor water supply, much are going to be improved when we have the substantial local government reform. So I await the local government transformation and it is out of that I am sure we will see even better allocations of the nation's moneys.

Mr. Speaker, in conclusion I wish to appeal to the population of Trinidad and Tobago that they need to stand with the Government, continue to have faith in the Government and realize that we will do what is right, we will continue to provide the social services and all of the benefits that they have enjoyed insofar as free education and all the social programmes are concerned. The protection for the elderly, the protection for those on fixed incomes who are at the lower end of the social and financial spectrum, that the Government of Trinidad and Tobago is ever mindful of those needs.

I wish to commend and congratulate the Minister of Finance for bringing this legislation in a timely manner and to ensure insofar as it is possible to do so, we will continue to provide for the people of Trinidad and Tobago well into the 21st Century.

Thank you.

**Mrs. Kamla Persad-Bissessar** (*Siparia*): Thank you very much, Mr. Speaker. Mr. Speaker, I have heard the hon. Minister say that the people who are dealing with "Axe the tax", COP and UNC are looking for a port in a storm.

Minister, I want to tell you that every single citizen is looking for a port in the storm of your governance. [*Desk thumping*] So when you bring this Bill today which seeks to create a new paradigm in Trinidad and Tobago for the assessment of property for the purposes of taxation, a new paradigm, and I have heard several contributions from the other side telling us of the old law and this is the old law, but yet you are very clear in your Bill that it is to create a new paradigm and I will return to that.

It is contrary to the view of the hon. Minister there is existing law that is saved in our Constitution, but when you make new law, you cannot put in the old law and say we had it already and it is saved under section 6 as the Minister said. So we will talk about that in a little while.

I will be looking forward to hearing the Attorney General who has a lot of books with him, because I am seriously concerned about the constitutionality of this piece of legislation. I will talk a little more on that in a bit.

Hon. Attorney General, I want to share with you that we were in a meeting, the hon. Speaker was there, and I do not think I am telling tales out of school, but a lawyer came with a lot of books and when someone said you came with all these books, another one said, we just bring all those books to frighten everybody else. So I look forward to his views because we do not share them and I will be happy to hear his contributions.

I want to remind you, hon. Minister, that I was a student of literature before I went to do law. [*Interruption*] Before I went into law, I was a student of literature and a lecturer at the university as well in that field. There is a book which I think many of us have read, it is *A house for Mr. Biswas* by V. S. Naipaul and I am going to quote from it:

“But bigger than them all was a house, his house. How terrible it would have been to be without it, to have lived without even attempting to lay claim to one's own portion of the earth. To have lived and died as one has been born unnecessary and unaccommodated.”

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I bring this quotation because that is what a man's house is. Every citizen's goal or aim is to have a home to call their own without fear or favour, that they can shelter their family. The right to shelter is one of the most important, basic, fundamental rights and as we look at the legislation today, I will raise some of our concerns and I will be happy to hear what Members on the other side have to say and we will vote accordingly.

I know you said it is a simple majority, I do not share that view and I want to be convinced by the contributions on the other side. Because I am of the view firstly, that this tax is not property tax, I believe it is poverty tax that will further bring our citizens to pauperization. I believe this "poverty tax" is a direct attack on the people by Government. I believe it is an act of open warfare at a time where we have been already experiencing so much hardship with government-induced high food prices and inflation.

I also believe that this, in some ways can be viewed as an act of state terrorism against good citizens already emasculated because of the indifference by Government to bandits, to crime, the kidnappings and what is happening in that arena. This is economic terrorism in my respectful view.

Government tells us that it wants to achieve developed nation status in so many years, but the way it wants to get there is by taxing citizens of this country. We saw in the Budget presentation how many taxes were imposed and some of my colleagues have spoken about them. Under the Motor Vehicles and Road Traffic Act, the taxes that were raised which I would not repeat, it is on record and other taxes in this last budget of which this is just another one.

Mr. Speaker, on Friday when we were in this House, do you know what was happening in the developed world? The government of Germany was announcing that they were cutting taxes. The Obama team has also been giving tax breaks, but we want to get to developed country status, but we are taking the retrograde step of taxing citizens in this time.

So whilst other developed countries are cutting taxes, we intend to tax our citizens to achieve this developed nation status which is still very dubious. We will save that for another debate.

You know the *Bible* tells us to everything there is a purpose under heaven and we are saying in this time when the country is in a state of recession and economic hardship, this is not the time to be imposing a property tax on our citizens. To everything there is a time and a purpose, now is not the time in this time of hardship.

The Minister tells us this is fiscal management at its best. If this is what you consider as fiscal management at its best, hon. Member, woe betides the citizens of this land. You have squandered the money, the corruption that we have seen coming out of the Uff Enquiry and so many other areas, you have squandered the taxpayers' money and you now say fiscal management to take back the money from the poor people's pockets. I totally disagree with that statement about fiscal management at its best. It is fiscal management at its worst. [*Desk thumping*]

So we are here today, it is the Christmas season and when we should be giving gifts, the time of giving, bringing good cheer and gifts to people, what are we doing in this Parliament in Christmas week? We are taking money from our people. I think you all are worst than Ebenezer Scrooge. You are worst!

In the last week, Christmas season, you brought us here on Friday, we were not to come today but you have to pass this piece of legislation when this is the time and the season of giving and good cheer. I am sure the Member for Diego Martin Central understands that it is the time for giving and so I do not believe that you are going to have happy citizens during this Christmas time.

I started by saying it is a poverty tax because none shall escape it. Let me state that the hon. Minister of Finance said on the television that this is not a tax on you; this is a tax on your property. Well, if you believe the hon. Minister, the property will get up and go to the tax office and pay property tax.

This is a tax on our citizens and none shall escape. Whether you are a property owner or not, whether you are a tenant of property, whether you are a squatter or not, everyone will bear the burden of this tax. Let us examine the categories. First of all, residential properties are going to be taxed at a lower rate you have told us. We are saying that any increase in taxation on residential properties, the owners will have to find more money to pay; it will involve higher rents to people who are renting from these owners who cannot afford their own homes; students at University of the West Indies and elsewhere will also have to pay more rents because property taxes have gone up; mortgage payments will increase because your property tax is included in your mortgage payment and the Water and Sewerage Authority which uses the annual taxable value of properties to determine the amount of water rate chargeable is also going to increase.

I know the Member of Oropouche East spoke about that and the hon. Minister of Finance tried to dispute that WASA will not increase and we asked where is it in the Bill that the water rates are no longer going to be based on the annual value. Where is it? It is not in the Bill.

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There was a letter from the Chief Parliamentary Counsel to the Ministry of Finance, and you may tell us if that has been superseded because I am looking at the legislation and I see it remaining the same. Questions and concerns were raised about the implication of the language in the Bill and included in those concerns was the fact that the CPC was saying that the definition of land was too wide. This was reported in the *Trinidad Express*.

Hon. Prime Minister, I do not have any spies in the CPC department as you once alleged that I had in the Integrity Commission. This was reported in the *Express* and the letter from the CPC tells us very clearly.

We are worried about this definition of land because it seems quite wide as it is not meant to include not only these various things, but will also include gas, oil, salt quarries, fossils in and under land and land covered by water. How is this new definition to be measured for the purposes of valuation and assessment?

The CPC asked:

“Since WASA's rates are tied to land value as established by the State wouldn't these increases have correlative increases in WASA's rates?”

And so, hon. Minister, we would be glad for your comments because on the last day when the Member for Oropouche East raised the matter, the Minister said it was not so and there was an official from WASA saying yes, it will increase. So right hand and left hand are not clapping. Tell us as far as the law stands and until you change that law, which you are not doing here, WASA's rates are going to increase the day you pass this Bill and it becomes law.

This is not all that will go up. When we look at the commercial properties we are saying increases in tax on industrial plant and machinery will obviously increase the cost of manufactured goods. Where is this going to go? Do you think the manufacturers are going to keep that cost to themselves? It is going to be passed on to the citizens of this land.

For commercial properties, we are going to get increase in rent to tenants in small businesses, malls and wherever they are. The tax goes up, all these people will have to pay more and their prices will also go up. So the price of goods and services across the board will increase, that is why I say none shall escape. Those are the ones that we see immediately that meet the eye, but there are others hidden in there.

We come back to the definition of what land includes and the definition of land in this Bill says that it will include

“all structures, machinery, plant, pipelines, cables and fixtures erected upon, in, over, under or affixed to land;”



That is what land is. So when you are going to pay property tax on land, this is the definition of land.

The Trinidad and Tobago Electricity Commission (T&TEC) light poles are on the land. What is going to happen to light bill rates when you increase? TSTT poles are on the land affixed or into the land; this has now become part of this new property tax regime.

**2.45 p.m.**

People paying for cables, how would those operate? We are going to get T&TEC and TSTT increases. Oil and gas pipelines are also affixed running on, over and under the land. The prices of products from oil and gas would also increase because you have increased the property tax. None shall escape this. That is why I dub it as the poverty tax and not property tax.

We need to ask the hon. Minister to reconsider her statement when she said that the majority support the tax. In the last few weeks, I have been through several areas throughout the country. Over the weekend on Saturday and Sunday, I was on the road in the constituency. I have spoken to so many people and I have not met one person who agrees with the Minister and supports this property tax. I ask the Minister to clarify her statement and call on the Minister to tell us who in this nation, which groups or who has been consulted and said yes they support this property tax because I cannot find a single person supporting the tax.

That would not happen. Look at what is happening outside this Parliament when people raise their voices. We saw what happened on Friday when people raised their voices against this callous tax. People raised their voices outside. The Government used its resources to brutalize and batter people outside this Parliament. This is the seat of democracy, people are raising their voices against the tax, the Minister said that the majority agree and yet, people are against this tax. What do you do? Resources are utilized to beat and brutalize.

Is that how the Government deals with people who stand up for their rights? I remember in Barrackpore in my area when protestors were being assaulted and arrested. Do you know why? They were protesting because of the state of the roads. When the Minister talks about putting the money in the Consolidated Fund and you cannot disaggregate it, it is for all these things and government expenditure, it sounds like really nice rhetoric. Come and see the roads in the constituency of Siparia. Go to Point Fortin, Toco, Ortoire Mayaro and see the roads. Tell us what you are doing with all this money. Go and see. When you say the taxes would go into the Consolidated Fund—*[Interruption]* I will not be distracted by you, Sir.

**Mr. Dumas:** When last you went there?

**Mrs. K. Persad-Bissessar:** I represent my constituents. I am not going to be distracted. When the hon. Minister tells us that the taxes will go in the Consolidated Fund to be spent for the general good and well being, would one not have a difficulty with that? The history of your government has been one of rural neglect. We have seen it. It has been even in Port of Spain. Your supporters, you are not taking care of them. You want to tell us it is the Consolidated Fund. I do not agree and I would tell you what you need that money for in a minute. I am not convinced by the arguments as for what this money is to be used.

Outside Parliament people are expressing their views. What do you do? You brutalize them. When they protested in Barrackpore you brutalized them. When they are talking democratically that this is their right, that is what the democracy is about. You brutalize them. We see it all over the country. There are so many people who are saying that they will not pay this tax when you pass this law because you want to pass it with a simple majority. When people say that they are not paying this tax, what are you going to do?

Are you going to send Mongoose gangs to break down their doors because they are not paying the tax? Clause 37 says, any person authorized by the BIR. Not a police officer, not any officer of stature or standing. Any person could go in authorized by the BIR. Are you going to authorize mongoose gangs? Are you going to use resources of the State to brutalize and terrorize? You have done it already. The LSA has been breaking down houses in this country for the last several years. Those were squatters' houses. Now you want to break down the door of the houses of private persons in this country.

Let me read clause 47 for you in case you did not get time to read it. Clause 47 is very clear. It deals with distress and levying where people are not paying.

Clause 37(3) states:

“For the purpose of levying any distress under this section, any person may, if expressly authorized in writing by the Board, execute any warrant of distress, and if necessary, break open any building in the daytime for the purpose of levying such distress.”

I know that my colleague raised it. We have so "much tief" coming in the night. We have said that this Government would come like a thief in the night. Now they want to come like thieves in the daylight to break down people's houses. That is what you are saying here. You are saying that this needs only a simple majority.

How can that be right? How can you do that? When you do that you must do it with due process, our Constitution tells us.

You cannot be deprived of property without due process. That due process must mean that any person cannot just go there. Somebody decides that he or she is sending those "fellas". The LSA has been sending people to break down houses. Are you sending anybody to break down door in the daylight? There must be due process. It must be if you want to do that, you must do it properly through a magistrate or High Court where it is more than \$15,000 with a High Court judge.

If it is below \$15,000 you go through the Magistrates' Court. Who is the BIR to authorize people to break down houses? Do they have enforcement powers in that regard? You are giving them that in this. That power is not saved under any law in the Constitution. This is new law. This is not the existing law. Whatever was there was there. This is a new Bill, new piece of legislation. You cannot give the BIR that power without a special majority in Parliament.

Are they going to send gangs? *[Interruption]* One moment please. Are you going to send mongoose gangs to break down people's doors in the broad daylight? Because we are so worried with bandits and crime when people knock on your doors, what is going to happen? Who will know who is "de "police and who is "de tief". How would we know who is authorized? This is very, very dangerous. I ask the Government to withdraw completely all the provisions for distress and forfeiture.

**Mr. Taylor:** I thank the hon. Member for giving way. The hon. Member knows that as an attorney, the issue of distress is a common law remedy and there are certain safeguards in the common law that would provide as to how one would give effect to distress. There are certain common law provisions that one has to take into consideration.

**Mrs. K. Persad-Bissessar:** I do not want to argue law with you in this Chamber. As a good attorney that I know you are, you would know that when you pass the statute, the statute would supersede the common law. *[Desk thumping]* You would have statutory provision. I do not want to argue law with you here. We can do that in the court house. I am serving notice today, that if you pass this law in the way that it is framed we are going to take you to court. *[Desk thumping]*

Here we are. We have seen what has happened with the protests about this. Mr. Speaker, you may remember—I think you were in the Chamber when the UNC was in government—we ran this country when oil was \$9 a barrel. That was during the global Asian financial crisis. Oil is around \$69 and has been very high. *[Crosstalk]*

**Mr. Speaker:** If the Member for Fyzabad wishes to engage his colleagues opposite, there is one door there, one there, one there, one there. You may come behind the Speaker's Chair. Please let us hear the Member.

**Mrs. K. Persad-Bissessar.** Thank you, Mr. Speaker. At \$9 a barrel we built schools, bridges, roads, safety and security. That is not the most important point today. At \$9 a barrel the UNC did not create one single new tax when the revenue was so low. At a time when the revenue has been so high, we are introducing what we feel is a draconian piece of legislation to increase taxes on the heads of the working poor and those people on fixed incomes.

You talked about exemption but it was not exemption. It was deferral for senior citizens. We have 110,000 senior citizens. Do you know whom you are forgetting? Those people who are on fixed incomes and collect a pension. All the people who worked in the government service and those with the minimum wage who would have to take out of their pockets, in a time of financial hardship and recession.

What is the justification for this tax? With respect I am of the view that this is the biggest con job I have ever seen in a long time. I have listened to the debate. I have read what is in the public domain. Others who have spoken—there is a gentleman named Stephen Kangal. Mr. Speaker, you may know him. I think he has hit the nail right on the head. He said that taxation is endemic to the PNM.

The justification that is being put out from the Government's side is that this regime is old, inequitable and this current proposed tax is equitable. You will forgive me for thinking that the Minister told us that she is coming for equity. There are two words equity and equitable; they have slightly different meanings as you may well know, Sir. Inequity in the system is old. It is from 1920. It is outdated. The Government attempts to paint itself as a great leveller. They are going to equalize everybody. Everybody is going to be treated equally. That is the justification. This tax is to deal with equities and introduce equality of treatment. We are rushing it through Parliament for one reason and one reason only. It has nothing to do with equity. I will come back to that point. The only reason that the Government is rushing this through now is that it has spent all the money it had; borrowed all that it could borrow and now it needs more to sustain the squandermania and corruption to help their friends and families.

You are taxing people to fund your extravagant lifestyle in a time when we are in a recession. Deny it how much you want. Economically, it is very clear. I think that the Governor of the Central Bank has also said that we are in a state of recession. Why are you in denial? Why do you not admit that we are in a state of recession and cut back the squandermania?

I am reading Thomas Jefferson, the third US President who had this to say. This is with respect to taxing people. If government has a right of debanning ad libertum and of taxing us to the full amount of their demand, if we do not comply with it this would leave us without anything we can call property.

What does it mean? The Government's demand is voracious. Its appetite is voracious. It is hell-bent on mega structures and all these huge summits. I heard the Minister talk about the summit and congratulated them for reaching a consensus. Was this not the same Government that hosted the Summit of the Americas? I saw one man signing a declaration. How can you talk about consensus among the nations? My colleague is telling me that he agreed with himself and signed the document. Himself to himself.

Expenditure and squandermania you want to fund. Your demand, your appetite is voracious. You would not rest until you pauperize the people of this country. That is why I say poverty tax today. Is that property tax equitable? The Minister says that it is to deal with equity and inequitable whatever way, those words. Let us see if it is equitable.

In every other country where you have a property tax, it is based on the market value of the property. It varies from area to area. It is directly related to the quality of infrastructure, utilities and facilities. It not about what the Minister talked about, "boundaryless". They are creating something that is "boundaryless" and everybody would get the same treatment with respect to facilities and infrastructure.

### **3.00 p.m.**

You have to bring up those who are below; and those who are up, you can leave them there. This "boundaryless" is nice rhetoric, but where you have property taxes, this is predicated upon the area and what obtains in terms of infrastructure, utilities and facilities.

In Penal, property owners will be forced to pay the same rate for residential or commercial property as property owners in other areas. Why? Because that is the legislation you are passing. *[Interruption]* You are saying 3 per cent for residential property. Are you now contradicting yourself? You just told me "boundaryless" equity—everybody paying the same. Are you now telling me it is not true? Are you for real? That was the equity: Everybody, regardless of where you come from, is paying the same per cent.

In Penal and other areas of the country, there is flooding when it rains and no water in the dry season; not to mention the condition of the roads. So where is the equity?

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When people go to the hospitals, they cannot get beds. A pregnant woman about to give birth cannot get a bed at the hospital and they want to talk about equity. You are telling people, who have seen this Government engaged in unequal treatment against them, to give more money to the Government, so that they can be meted further unequal treatment, and while the Prime Minister's friends live large on the taxpayers' backs, there are children in this country who cannot get medical attention. Thank God for good citizens who sometimes contribute for people who need medical attention that they cannot get here. Where is the equity?

In the legislation itself, the very wording is a manifestation of Government's policies of exclusion. I have looked on over the years and I want to say that the claims in this country—the Prime Minister and others will speak about religious beliefs and so on—[*Interruption*]

**Mrs. Gopee-Scoon:** You are quoting from the *Bible* now?

**Mrs. K. Persad-Bissessar:** No, Ma'am. I will do that later, if you want to hear me. The Prime Minister has shown clearly that he is a pious man. He quotes for us from time to time. This Bill talks about exemptions and it tells us in the definition clause about that exemption. I quote it because I am very concerned about it. I want to talk about the categories of exemptions because I want to demonstrate that in your very thinking you operate with a mindset of exclusion.

At clause 16:

“All lands in Trinidad and Tobago is liable to taxation under this Act, subject to the following exemptions:

(a) land used exclusively as a church or churchyard...”

I have examined this Bill—every line, every word—and there is no definition of a church. There are thousands of people in this country who worship in a temple or a mosque, so why are they confining the exemption to churches. It may not have been deliberate, but it is the same mindset we found when we came into government. It took a UNC government to give the Baptists their holiday. It is because of the same mindset that we opened up the education sector. For the first time, we gave schools to the Pentecostals, for example. We opened it up to the Muslim community; we opened it up to the Anglicans, Catholics; and to the SWAHA for the first time. That was a policy of inclusion. This is a mindset of exclusion that "church" is not defined in this Bill or the second Bill. Why?

Only churches will be exempt. What happens to the mosques and the temples? What happens to the Raja Yoga, which is neither a mosque nor a temple, but is

still for religious purposes? It is a mindset of exclusion that is manifested in this Bill. This cannot go like that. It is discriminatory and, on that ground, it can be struck down as unconstitutional because it provides an exemption for some and not for others.

There are places of worship that are not necessarily called mosques, churches or temples and we need to look at that. It is a manifestation of the mindset of the Manning regime, the regime of the hon. Prime Minister.

Mr. Speaker, do you remember how long it took for the Trinity Cross to be removed? It was old law saved under the existing law saving clause, but because of the judgment of the hon. Justice Jamadar, where he showed clearly that it was discriminating against people, that steps were taken thereafter to remove it. It took many years.

Let us not repeat that mistake in this Bill, which is the law now being debated, whether we made it or you made it. I do not think any one of you will have a problem including temples, mosques and other places of worship in the definition of "church".

You know why I think it is a dangerous provision? Immediately after, in the same provision, in clause 16, under the same chapeau which deals with these exemptions, you get religious organizations mentioned. So, you thought of religious organizations, but did not go forward to put it.

Let me explain what I am saying:

“land used exclusively as a church or churchyard, and every cemetery or burial-ground that is enclosed and actually required, used and occupied for the interment of the dead, but not land that is rented or leased by a church or religious organization.”

So why exempt church only and when you come to say who will not get, you say "not land used or rented by a church or religious organization". Same religious organization. What is the difference between the temple and the mosque? It is exclusionary and we will not support such exclusion. *[Interruption]* I am not supporting this Bill at all in this form. You will not shortcut me. I want to raise the points why. I am giving my reasons. I will tell you clearly what we will do in a minute.

I was talking about whether or not the tax is equitable. I said it is not. I raised the issue of exclusion and different facilities in both islands and why we must all pay the same percentage. Many see the property tax as a penalty tax and let me explain why. From reading the Bill, the tax is based on a fictional rental value and

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that represents a new policy of Government. I am told that tax is usually based on income or expenditure. Thus we have had VAT and taxation on gratuity, et cetera. This property tax is different. It is equally applicable to the unemployed, the poor, the retired, the single mother making ends meet, the farmer, gas station attendant, teacher, mason, people making doubles and those selling sugar cake. It is equal; none shall escape.

Equality and equity are two different concepts and property tax is definitely not equitable. People who are not employed will have to pay this tax or they risk losing their homes. When we do things in the course of fairness and natural justice, you always have extenuating circumstances where people can go before a magistrate or high court judge so that you can put your worst-case scenario and plead for mercy. You can say: We cannot do it now, but we can probably do it another time because I am unemployed.

The hon. Minister talked about people not finding workers. You have only yourselves to blame. You have acted as a sponge and sucked up all the labour in your make-work programmes. What is worse is that you treat them very badly. They do not have any of the facilities. We talk about CEPEP and URP, but you have given them these jobs, make-work jobs, but you do not give them any of the benefits and protection that they need and are entitled to under all the international treaties.

Do not complain that someone is telling you they cannot get people to work. You have sucked up the labour and, at the same time, you have treated workers as though they were still slaves and indentured labourers. They have no benefits; they have nothing to come; they work for 10 days and then you throw them aside and take another set for 10 days because you are creating voter banks. People are smarter now. People are no longer from the crash programme days gone by. People understand.

The property tax is like a penalty tax. It is based on fictional rental value. Taxes are always based on income and expenditure, for example, income tax, or tax on expenditure, like the VAT. This tax comes straight to your heart and your home.

Hon. Member for Diego Martin North/East, the only word that comes out of his mouth is foolishness. I will not allow him to distract me. What arrant nonsense, foolishness and "dotishness"! I think those are appropriate words to describe the hon. Member, so leave us alone!

The people who have saved for their retirement have found that the Government has induced double digit inflation over the last few years. Their purchasing power parity of their savings would have been adversely affected; they



would be faced with a fall in their standard of living and their pride becomes worse now with this new property tax. Though they may not have benefited from additional income, they are being treated as if they did because they now have to get more money to pay. That, in itself, is a punishment for ambition.

People have worked hard, saved, built a house in whatever way they did. As Naipaul said: This house is so important: it is central in your life. And then here it is, you have to pay a tax. It is like a penalty. So people who do not have a house, do not have to pay, but because you have worked hard and built a house, pay. Pay for the PNM's squandermania and corruption.

A man has his home, Christmas is coming and fellows like to paint their houses and do a little extra work. You do not want to increase the value of your house now because when the value goes up, this Government will tax you. How will you spend this Christmas? Will you paint and put an extension, new electricity and water lines, bathroom, kitchen or whatever it may be, when you know they will come like thieves in the daylight to take your money away because your value has increased? We are totally against this. It is a penalty for hard work. That is how I see this property tax.

What is the method of calculation? [*Interruption*] Do not worry about how much my house is worth. Worry about your own. I will take care of mine. The method of calculation—the mall is sold, Sir—because of the downturn in the economy.

The method of calculation is inappropriately based on estimated rental value.

### **3.15 p.m.**

This is an assessment which is based on a wide range of characteristics and it differs from property to property. The value of a neighbour's property is merely one of several factors which determine the rental value of the property. Look at that coming into the mix. The legislation provides for the use of the valuation's roll, created under the Valuation of Land Act, which is the other Bill that we are debating.

Earlier this month, the Minister of Finance indicated the valuations collected by the department set up at the various regional corporations would have been used for assessment. These evaluations were done by persons who were not qualified or experienced to do these assessments. Let us start there. If that is different, I ask the Minister to tell us that. We know that the valuations done as poorly as they were done, were assessments not of rental value, but a market value. We are coming again with—[*Interruption*] tell us what is the market value and provide the evidence. This is the information that we have. Those persons have gone—they are looking at market value.

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The Bill, at clause 13, provides for the calculation of the annual rental value, which would be based on an estimated per cent of market value. And you calling that lie? The Bill itself is saying that. [*Interruption*] Tell me and I would show you the evidence. The Bill says that you are going to be taking an estimated per cent of market value, less allowances and deductions. The method of calculation is totally out of kilter. When you use the term "annual rental value", that is based on a percentage of what, the annual market value of the property? Property tax is not based on any assessment of rental, but it is based on a percentage of market value. You are in double standards and doublespeak. On the one hand you are saying we would tax you on your annual rental value and ratable value and on the other hand, when you read the clauses in the legislation, it is market value that you are looking at.

**Mr. Speaker:** Hon. Members, the speaking time of the hon. Member has expired.

*Motion made,* That the hon. Member's speaking time be extended by 30 minutes. [*Dr. H. Rafeeq*]

*Question put and agreed to.*

**Mr. Speaker:** Before I call upon the hon. Member, let me indicate to those Members who sit in close proximity to the Hansard reporter, she is having great difficulty in recording the contribution from the Member for Siparia. So if you must talk, as I have said before, you can go outside, or you can come behind the Speaker's Chair, but please, have some respect for the Hansard reporter and for the House.

**Mrs. K. Persad-Bissessar:** Mr. Speaker, I would ask, through you, for the Minister to tell us how many properties in our country have been assessed for the rental value. That is what the tax is going to be based on. We do not, at this time, have a rent assessment board in place to assist in the valuation of rents. No rent assessment exists. I think the hon. Speaker is well aware of that in the practice of the law. I ask the Minister further to tell us, when you went to the 3 per cent, 5 per cent and 6 per cent of annual taxable value, why did you choose three and not four? Why did you choose five and not three? Why did you choose six and not one? What was the criterion to put a tax of 3 per cent on the residential? What was it, 6 per cent on the commercial? It was industrial, 5 per cent and 1 per cent on agriculture. What was the reasoning or the rationale? We would be very happy to hear that, so we can try to understand where the equity is and where the equitable treatment may be.

Further, why are you taxing agricultural land at all? We need food security in this country. We spend on a food import bill about \$4 billion per year. As the recession continues and the economy gets worse, those prices are going to cost us

greater, it will be more, danger, in terms of food security. Why do you want to tax agricultural land? Would you tell us, please? Once agricultural land has crops on it, leave the farmer alone and let them plant food, so that we can have some measure of food security in this country. You cannot speak on both sides of your mouth and say in one breath: "Look we want farmers. We want mega farms. There is so much we are doing for agriculture." But what are you going to do? You are taxing agricultural land. Once the land is being utilized, please leave it alone. Do not tax it. Tell us why you want to tax agricultural land in a time when we set priorities? A government has to set its priorities and we are not seeing those priorities being set. On the one hand you tell us one thing and on the other hand, the legislation is saying something else. Leave the farmers alone. Leave the agricultural land alone.

Further, how will you determine what is agricultural land? If I have pawpaw trees and tomatoes, which I do by the way, is that agricultural land or is that going to be—*[Interruption]* read the section for me, because I am not of the view that the Bill answers this question. I have read the Bill. If there is a provision that tells us how you determine agricultural land—it is the same issue raised by my colleague for Oropouche East, on the last occasion. If it is being used for more than one purpose, which of those percentages are you going to apply?

How is the property to be treated? Read it for us please and educate us. I know you would love to do that. It is not there. If you find it, I will take back those words. How is the property treated if an individual resides in one part and rents out the other? This is what was raised by my colleagues.

In my constituency and in many others, there are cultural factors which come into play. For example, the parents build on some posts. They built the upstairs because of flooding. They tried to do an upstairs for the years with the flooding, and when the children are grown up, what do they do? They block around the downstairs and you now have a second owner living in the downstairs. That happens in many homes, not just my constituency of Siparia. This is common in many areas of the country. How will this be treated? There would be two persons: parents upstairs and children downstairs. How is that treated? How are apartment buildings and townhouses to be considered? That is the point again; it is being used for two purposes, business downstairs and home upstairs.

What is the basis for classification into the four assessment groups? Please, tell us if you are going to say if the business is downstairs, that is one rate and if you are living upstairs that is another rate. How are you going to do it? It is not possible. It is land with a house affixed. I await your clarification.

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The Government should have done some preliminary assessment of the social and economic effects of this taxation; the various income groups in the population and the different geographical limitations in the country. It is only this which would have advised the Government to bring and to speak about the effects of this tax.

This is a Government that spends billions. There is no cost benefit analysis or feasibility study. They do not even know how much they are going to raise out of this tax. I heard people giving us all different amounts. I think the hon. Minister who spoke before me said \$250 million and others are saying different things. Do you know what I would look at? I am not listening to what they say. I am going to look at the document that is in black and white in this Parliament. This was laid in this Parliament for the budget debate. Do you remember that? This was laid. This is the Draft Estimates of Revenue for the financial year 2010 and it tells us what they estimated it to raise. When we take all of this—to save time I would just refer to the pages, which are pages 2 and 53. Estimates of revenue, is what you are going to be estimating to collect in 2010 from this tax.

Two hundred and fifty million dollars is what it has gone up to. I do not know what others would say. When you take this and put it together, it is nothing about \$250 million. They estimated \$148 million to be raised. How could \$148 million have jumped already? "Yuh eh even pass de law yet, it jump up by another \$100 million." That is \$100 million more. The Minister tells us \$250 million. When you came with your budget and you put your revenue, this was not true. When was that? It was not long ago. Just a few months ago, we did the budget here; "\$148 point-something" million was your estimated revenue. In a few months that has now gone to \$250 million. By next year, what will it be? By the time they are finished it would be billions of dollars that would come out of taxpayers' pockets to fund their extravaganza.

This property tax will wreak hardship on us. They cannot even give us one number as to what the revenue amount would be. The question arises: Why more money? Why do you need more money at this time that you are rushing this through? This Government cannot run this country. They have spent \$568 billion. That came in revenue. As I have said before, we were able to run this country efficiently as a UNC government, with \$9.4 billion; \$1.3 billion per year, during the period 1997—2000 we built 46 pre-schools, primary schools, secondary schools, roads and bridges.

We put in place an emergency rapid response. Do you remember long ago if your father or mother was sick you could not get anyone to take you to the hospital? Now you can call EHS. "Wing, wing, wing" you hear them coming and

they can help you. We did all of this with \$9.4 billion, with oil at US \$9 per barrel. With an average of \$1 billion per year, the Minister of National Security was able to introduce crime fighting and a rapid response system. What we are seeing now is that the murder rate is averaged at 103 per year. That was bad, but it gets worse. Under this Government, \$2.9 billion, in 2006 and murder leapt to 371; \$3.4 billion in the Ministry of National Security in 2007, the murder went up to 550. The following year \$4.8 billion and murders went up again. Last year the Minister got \$5.1 billion and this year it is expected that the murder rate will cross 500. You talk about taking the Consolidated Fund money and using it for the common good of the nation, and yet we are not seeing the results. We are not seeing the improvement in the quality of life of our citizens. We are seeing the exact opposite. It is deteriorating at a very rapid rate.

As I close, I ask: Why the rush? I already talk about Christmas season. Why do I say it is rushed? They would tell me no, they had it a long time, since they made the budget speech. I do not know when it was there, but I can see the signs of rush in the drafting of the Bill itself. We see that is being rushed because we could see the silly typo errors, right from the very first page, the table of contents. It states "land omitted form" when it should be from. In 20 it states refund and tax "payed". These are simple, little things but it is part of the rushing, because I know that there is good staff in the Chief Parliamentary Counsel. There is very good staff there and they would not allow this, but they are being rushed to bring these so these "fellas" could get money in their pocket. When they spend it out for Christmas, they want in the new year to have money in their pockets to continue with their squandermania. Why the haste? What is so important? Why this had to go? Why could we not take out there and let people talk about it and look for a way if you really want to look for a just and equitable way; why not? Why did you rush it? For the first time we heard of this property tax was in the budget debate a couple of months ago. It suddenly dropped from the sky. It did not drop like manna from heaven, it dropped like a crow from heaven to grab and take away. Why did you hurry up and push, through you, Attorney General why did we not see the legislation for SAUTT? They are operating for four years. It is coming, but no rush for that. For four or five years it has been operating illegally. You are not rushing that to come here. You are rushing with that, but no you are rushing to tax people to send your agents to "beat up people" when they are talking.

Why did you not hurry the victims of crime (compensation) legislation from the last Parliament one year ago? When we met in the anti-crime talks with the hon. Prime Minister and the Attorney General, you promised us that part of the package would be victims of crime legislation to amend and increase the amount.

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What has happened to that? It was laid on the Order Paper in last session. It has never seen the light of day again. Why are you not rushing that? The procurement regime, why is that not being rushed? Anything for good governance, transparency and accountability and to help our citizens, no rush for that. When it is to get money, rush it and come within the last week of the year in the Parliament.

There are some who are of the view that this tax is really to help the PNM friends and family. Why do you need all this money at this time and why is it so important to you? As I have said before, you do tax only as a last resort.

**3.30 p.m.**

You should make sure, from the expenditure side, that there are no leakages, so you keep as much as you can for the common good; for the common wheel. There is tremendous leakage in the fiscal management of this Government, and that leakage comes from the level of corruption. [*Desk thumping*] The money is leaking, and there is leakage on the expenditure side.

I do not have to repeat it, it was on national television, and that is what we saw exposed in the Uff Commission of Enquiry. Mr. Speaker, right here, in the last few days, we were told that Mr. Calder Hart, a close friend of the hon. Prime Minister, receives quarter million dollars in salaries and perks from this Government every month. How many millions is that for the year? Was that not told to us here on Friday? [*Interruption*]

**Hon. Member:** How much?

**Mrs. K. Persad-Bissessar:** Mr. Speaker, \$70 million per year. Listen carefully, it is salary and perks. Do you want to talk about the salary alone? We will talk about the perks. When you put them together—the millions in leakage to Mr. Hart; the millions in leakage to the friends in Petrotrin where all this corruption is taking place—all those leakages are millions. If you did not have to pay that, there is no need to raise \$250 million in tax—[*Desk thumping*—there is no need to get \$250 million from property tax, because all you had to do was to plug those leakages. Plug them! [*Interruption*] I think you had a good time there and I am very happy for you. [*Desk thumping*] I do not mean it nastily. It is a nice place, I do not have a problem with that, but come to Siparia, Penal, Barrackpore, Mayaro and everywhere else, and there is no water and roads. Let us talk about that. [*Interruption*] Where is the health centre? Which health centre? Come to Goocharan Trace; come to Caroni East; come to Princes Town! Do not stay in the Waterfront and so on. Do not stay up there, come down and see these things.

Mr. Speaker, I am saying that we must look at these leakages and we must stem the leakages, and do not just say when you run out of money, let us go to the bank and get some more. Who is the bank for this Government? It is the taxpayer; the poor people; they become the bank for this Government. We cannot allow this; we cannot support this that way. We have seen it happening all the time.

I call on the Prime Minister, through you Sir, to stop the pillage of the Treasury; it is not too late. I call upon this Government to stop this legislation now, and take it back so that people can look at it—take it to the parliamentarians; take it to the public. The consultation that was done in the last couple weeks cannot be sufficient for something as draconian as this. The Bills were not even ready when the consultation was held. This cannot be sufficient for something so far-reaching. It cannot be. Have a heart, it is Christmas time. Hold this back; roll it back and look at it again.

Whilst we are saying to stem leakages, how can you have uncontested evidence before the Commission of Enquiry about dealings about Mr. Hart and his wife's family and so on and that was not controverted. It is uncontroverted evidence that they chose not to come and say nay or yea. So it stands. Mr. Hart is sitting on all these boards and collecting all these contracts. His contract has been renewed and he has been given bonuses and so on. How can we do that and say that we are looking after the common good of the people of this country? How can we do it? Mr. Speaker, I call on the Prime Minister to fire Mr. Calder Hart now. That evidence stands; [*Desk thumping*] he has to go; he cannot stay there. There is leakage on the expenditure side and we cannot have that continuing. You want to tax us, but the money is leaking out somewhere else. We need to stop that at this time.

There is one other issue I need to raise and that has to do with whether the legislation needs a simple majority or it does not, but before I do that, I want to talk about what it means in terms of the amount of money that has to be paid. The Ministry of Finance, in a full-page advertisement, in the *Guardian* on September 11, 2009 gives some clarification as to how the new system of the property tax would be calculated. They used the guidelines and the data provided by the Ministry of Finance. I sought the assistance from a person who is versed in revenue matters, and that person assisted me in calculating the property tax on four properties in different parts of the country and compared them to the amounts that are currently being paid. This is the formula in the *Guardian* full-page advertisement. What we have found is that the new property tax ranges between 600 per cent to 1,000 per cent.

Let us take three properties: one in Penal which is in my constituency, one in Palmiste and one in St. Augustine. The monthly rental is \$2,500; the annual taxable value is \$27,000, and the new tax per annum is \$810; and the present tax

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plan is \$120. So, you have gone to an increase of 675 per cent. So, what are you telling me about 3 per cent, 5 per cent and 6 per cent! That is how it sounds, but in terms of the amount that you will have to take out of your pocket and pay for the property in Penal, it is 675 per cent increase. For the property in Palmiste it will be a 623 per cent increase; Union Hall, San Fernando, 982 per cent. In St. Augustine in an apartment building, the more you will have to pay is 810 per cent. So, the 3 per cent, the 5 per cent and the 6 per cent really hides what you would be required to pay in terms of the percentage coming out of your pocket. As I said, it ranges between 600 per cent to 1,000 per cent. That is what the new system will be putting into effect.

I am told that the Government is rushing this new tax but the systems are not in place. I would ask the Minister to tell us if this is so. The systems are not in place to implement the taxation in a just and equitable manner. For example, I am told that the computerization records at the district revenue offices are not yet complete, and I could give an example. In the Siparia District Revenue Office, I know that for a fact, because we do have matters that we deal with there—I hope it is not a spy inside there. You know, every time you get information is some spy. These are good citizens of the country who are concerned with what is happening.

**Dr. Browne:** Is it Nigel?

**Mrs. K. Persad-Bissessar:** No, it is not Nigel, this is someone else. The installation of the computers and the networking between the district revenue offices and the Valuation Division is not yet complete. Again, I cited Siparia, but there are others where the networking has not taken place.

The training of staff at the district revenue offices is not yet complete. I know that 50 valuation officers did get some training; if that is complete or not, the Minister can tell us. I am told that these valuation officers have to visit all the properties in Trinidad and Tobago. I think I did hear, if I am not mistaken, the Minister saying that they have to visit all the properties in Trinidad and Tobago to determine the expected rental of your property and to calculate the annual taxable value. Today is December 21, 2009 and not one person has gone out there. This is my information, tell me if it is wrong.

The cost of the new system thus far—I am told that there has been a heavy expenditure on computers, printers and installation. Fair enough, because you want to computerize—is \$100 million. I am further told that two software packages purchased from Gamma for the Valuation Division and GRM for the BIR Division from a company called main Shrum of the USA at a cost \$100 million.



That is \$200 million that we know about so far, and you know how the numbers climb with this Government.

The problem I am told is that the main Shrum software that was purchased is not designed to accommodate all the functions in the district revenue offices and a number of the functions will have to continue manually. Tell me if this is true or not. This is information that I have received. So, you have spent all this money already, and the system is not complete and you are rushing to start it. Do you know what I think is going to happen? In their rush to get more money in the New Year with this, they are going to push it through and with these things not being completed, there is going to be utter chaos and confusion. Well that is not new to that Government, but even worse is the injustice that would result. If the system is not properly put in place for implementation, then who is going to suffer? It is not the Government. They are still levying at you; they are still putting in a tax where they are going to come at you for your property and for your money. I want the Minister to tell us if these matters are so.

There are many who feel that this poverty tax or "poverty tax" as I have called it, would be the Achilles heels of this Government. The increases will be across the board; none shall escape. There will be a 600—1,000 per cent increase, and people who pay a couple hundred will have to pay so much more.

This Bill is not good law. I call on the Government to stop this debate and give further consideration to the provisions in this Bill and talk to the citizens of this country. Do not beat them up, but talk to them if you want to find something that is just and equitable. This is a rushed job by the Government to fund its squandermania. As I said, this is not good law.

Mr. Speaker, through you Sir, the hon. Attorney General will share his view as to why he thinks this is constitutional, but I am not of the view that it is. The hon. Minister of Finance told us that section 6 saves it, but as you know, section 6 only saves the existing law; it does not save new law. It saves old law that existed before the Constitution came into effect. *[Interruption]* I have six minutes, but I would ask you to please tell us. Section 6 does not save the new law. \

Section 5 tells us.

“Except as is otherwise expressly provided in this Chapter and in section 54, no law may abrogate, abridge or infringe or authorise the abrogation, abridgment or infringement of any of the rights and freedoms hereinbefore recognized and declared...”

We are of the view that this Bill does that.

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Section 6 says "Exceptions for Existing Law". That is what it says in Part II. The Minister of Finance, an attorney herself, says that Part II is saving this new Bill. It says in section 6:

“Nothing in sections 4 and 5 shall invalidate—

- (a) an existing law;
- (b) an enactment that repeals and re-enacts an existing law without alteration; or”

Clearly, we have repealed that old one, but we are re-enacting with many alterations. It continues:

- “(c) an enactment that alters an existing law but does not derogate from any fundamental right...”

Here we are altering the existing law; we are derogating from fundamental right. I am of this firm view.

Section 6 (2) says:

“Where an enactment repeals and re-enacts with modifications an existing law and is held to derogate from any fundamental right guaranteed by this Chapter in a manner in which or to an extent to which the existing law did not previously derogate from that right then, subject to sections 13 and 54...”

You will speak, you have 75 minutes.

Mr. Speaker, I am of the view that this is unconstitutional, and it is not saved. It is very clear that we are passing new law. Section 5 tells us that no law now may come and abrogate and infringe except in accordance with sections 13 and 54.

What section 54 tells us? We need a special majority. What does 13 tell us? It must be reasonably justifiable. Is it reasonably justifiable in a society which has a proper respect for the rights and freedoms of individuals? So, even if you are through with it, you still have the hurdle; is it reasonably justifiable in a society that has a proper respect for the rights and freedoms. It is not reasonably justifiable in this time of economic recession. In this time of hardship, it is not reasonably justifiable. So we do not agree with you. I serve notice today, unless you can convince us otherwise, we are going to take you to court on this matter. [*Desk thumping*]

Finally, I want to make it very clear that I am on record as saying that a UNC Government will scrap the tax, and I say it again on the *Hansard* record that when the UNC forms the next government, we will roll back the tax and scrap that tax completely. [*Desk thumping*]

I thank you very much. [*Desk thumping*]

**3.45 p.m.**

**The Minister of Works and Transport (Hon. Colm Imbert):** Thank you, Mr. Speaker. I would leave the Attorney General to deal with the Member for Siparia, except to say that I am shocked that she cannot properly interpret section 6(1)(c) and section 6(2) of the Constitution which are crystal clear, and the Attorney General is asking for the opportunity to tap you up, I will give him that opportunity.

**Mrs. Persad-Bissessar:** "Tap me up"?

**Hon. C. Imbert:** Yes.

**Mrs. Persad-Bissessar:** So you come violently—[*Inaudible*]

**Hon. C. Imbert:** Verbally.

**Mrs. Persad-Bissessar:** I would ask you to withdraw that statement. [*Crosstalk*]

**Mr. Speaker:** Well yes, I think it is not parliamentary to use such words.

**Hon. C. Imbert:** The Attorney General has asked for an opportunity to correct her.

**Mr. S. Panday:** Apologize to her.

**Hon. C. Imbert:** Like a school child, and so he shall.

**Mr. S. Panday:** Apologize.

**Hon. C. Imbert:** Mr. Speaker, now it is clear to me that the leadership struggle in the UNC is having—

**Mr. S. Panday:** Mr. Speaker, Standing Order 36(1).

**Hon. Member:** He has not even started yet.

**Hon. C. Imbert:** "Wha going on here?"

**Mr. Speaker:** Well, I have to rule. I have to rule! [*Crosstalk*] Order! It is said sometimes what goes around comes around, but not quite, please.

**Hon. C. Imbert:** Mr. Speaker, why are they so jumpy?

**Dr. Gopeesingh:** [*Inaudible*]

**Hon. C. Imbert:** You be quiet. [*Interruption*] I do not answer to you.

**Mr. Speaker:** Order!

**Hon. C. Imbert:** Mr. Speaker, it is clear to me that the leadership struggle in the UNC has so "confuffled" Members opposite that the Member for Siparia came to this debate totally unprepared, "bazodee" in advance from the political licking she shall get from the Leader of the Opposition. I have made that prediction today; she shall get a political licking from the Leader of the Opposition.

**Mrs. Persad-Bissessar:** Would the Member give way?

**Hon. C. Imbert:** No! No! [*Crosstalk*] No, I am not giving way. [*Crosstalk*]

**Mr. Speaker:** Order!

**Hon. C. Imbert:** The Member for Siparia is a senior attorney.

**Hon. Jeremie SC:** No, no.

**Hon. C. Imbert:** An experienced attorney, you will accept that? [*Interruption*] Senior in age in terms of graduation from law school. Therefore, one would expect that if the Member for Siparia was coming to this House to speak about law, the Member would take the time to read the law, because I have heard the most astonishing questions coming from the Member for Siparia as to, for example, "What is agricultural land"? We made it clear at the commencement of this debate that we were taking the Valuation of Land (Amdt.) Bill and the Property Tax Bill together. You, in putting that matter to the House said that Members can speak on both Bills.

I would have expected the Member for Siparia to read the Valuation of Land (Amdt.) Bill. It is obvious she has not. In the Valuation of Land (Amdt.) Bill clause 4—obviously the Member was sleeping or—

**Mr. Abdul-Hamid:** Plotting

**Hon. C. Imbert:**—plotting, or campaigning or doing something on Friday evening, but she was not listening to the hon. Speaker or to anybody on this side.

In clause 4 of the Valuation of Land (Amdt.) Bill there is a definition for agricultural land as follows:

“...land used for, or vacant arable land where the sole use may be for the following purposes:

- (a) the cultivation of crops or the rearing of livestock;
- (b) the cultivation and processing of food or food products, or rearing of livestock; or
- (c) horticultural use,

but does not include land used—

- (d) for ornamental or recreational purposes or as accommodation lands for non-agricultural purposes; or
- (e) kitchen gardens.”

Now, that is English. *[Interruption]* So, the definition is there and if you do not understand that, go back to school.

Now let me go move on, Mr. Speaker, to clause 5 of the Valuation of Land (Amdt.) Bill. *[Inaudible]* Yes, I have to scold the Member. In clause 6 it says:

"Commissioner to make valuation"—that is the marginal note, and it reads as follows:

“The Commissioner shall make a valuation of the—

- (a) site value and improved value; or
  - (b) capital value and annual rental value,
- of every parcel of land.”

And this is the answer to your second question. I hope you now understand what agricultural land is. It means land they plant things on or they mind animals on. That is what it means. *[Interruption]*

Now, let us go to the definition in clause 5:

- “(2) For the purpose of computation of the annual rental value of land or any part thereof under this Act, the Commissioner shall apply the percentages or any combination thereof set out in Schedule I.”

Now, Mr. Speaker, as I said the Member for Siparia is an experienced attorney. I do not think anybody would doubt that. Therefore, when you take these words, "For the purposes of computation of the annual rental value of land or any part thereof under this Act, the Commissioner shall apply the percentages or any combination thereof set out in Schedule I"—even a first year student of law would understand, you would look at a parcel of land, you would look at the different uses on the parcel of land, if there are buildings on the land it will attract a different percentage; if the land is vacant it will attract a certain percentage; if it is used for agricultural purposes on one piece it will attract a certain percentage; if it is used for commercial purposes on another piece it will attract a certain percentage. So the Commissioner will look at the land or any part thereof and use any combination of the percentages in the Schedule.

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When you go to the Schedule you would see what the rates are for land in black and white:

“PERCENTAGES TO BE APPLIED TO LAND IN COMING TO A DETERMINATION OF THE ANNUAL RENTAL VALUE

Agricultural: 2% of the capital value of the lands and any buildings thereon.

Residential: Vacant land— 3.5% of its capital value.

Commercial: Vacant land— 5% of its capital value.

Industrial: Vacant land— 5% of its capital value...”

Everything is there. So, if you have a shop below and a house above you use different rates and apply it to the particular section of the property. It is obvious. [*Interruption*]

Now, let me deal with some of the other misinformation that is in the public domain. The property tax will be based on what has been known in Trinidad and Tobago for the last 100 years. Let me reemphasize that. The use of annual rental value to determine property tax has been in force in Trinidad and Tobago for over 100 years. Therefore, for a Member like the Member for Siparia, an experienced Member, to come and pretend that she does not know that, that the Member does not know that property tax is based on an annual rental value, and that has been our practice—in fact, I am told it is for 150 years that that is our practice—that is either pure ignorance or it is an intention to deceive the national population.

What bothers me the most, I remember the Member for Siparia well. The Member for Siparia in another incarnation contested a seat in the 1991 general election for—

**Mrs. Persad-Bissessar:** Mr. Speaker, Standing Order 36(1).

**Mr. Speaker:** Let him develop his point, if he is really straying I will—

**Mrs. Persad-Bissessar:** Stop him.

**Hon. C. Imbert:** I am so sorry you will get no chance. As I said, in 1991 the Member for Siparia contested and lost a seat on a ticket for the NAR party. In 1991 the Member was a member of the NAR, an NAR candidate.

**Mrs. Persad-Bissessar:** Are you campaigning? [*Crosstalk*]

**Hon. C. Imbert:** Now, let us go to the Municipal Corporations Act—I heard some foolishness just uttered by the Member for Oropouche East, who is also ignorant—of 1990. Act No. 21 of 1990, passed by the NAR government of which the Member for Siparia was a part—

**Mrs. Persad-Bissessar:** And lost her seat.

**Hon. C. Imbert:** You were a part of the NAR government and you lost a seat in 1991. This Municipal Corporations Act was passed by your Government in 1990—and you are an attorney, you are not illiterate and you have a university education, so you are not a fool. Let me now read section 82—

**Mrs. Persad-Bissessar:** Are you campaigning?

**Hon. C. Imbert:** I said you are not, you have post-graduate qualifications; you are an eminent lawyer; you are no fool [*Interruption*] and therefore, let me read section 82 of the Municipal Corporations Act. As I said and I want to repeat, passed by the NAR of which the Member for Siparia was a part. Section 82:

“In determining their annual ratable value of any ratable hereditament within the Municipality for the purposes of this, part, the Assessor shall, whether or not the ratable hereditament is tenanted or used, take into account—

- (a) the amount of annual rent that a tenant may reasonably be expected to pay...”

Let me say that again. Section 82 of the Municipal Corporations Act which your government passed, the one that you were a candidate for, unsuccessful in 1991, passed this law with your support which said that:

“82. (1) In determining the annual ratable value of any ratable hereditament within the Municipality for the purposes of this Part, the Assessor shall, whether or not the ratable hereditament is tenanted or used, take into account—

- (a) the amount of annual rent a tenant may reasonably be expected to pay for the ratable hereditament, having regard to the purpose for which the hereditament is actually used, occupied or tenanted, or where it is not actually used, occupied or tenanted, to the purpose for which it is reasonably suitable;”

So is that a case of yesterday is yesterday and today is today? [*Desk thumping and crosstalk*]

Mr. Speaker, you know, I have heard so much—I do not want to say "dotishness"—foolishness uttered in this Parliament between Friday and today by those holier-than-thou, sanctimonious hypocrites on the other side. [*Interruption*] It is your government that passed a property tax law in 1990 that related it to rent. Your government! [*Crosstalk*]

**Hon. Member:** Shame!

**Mr. Speaker:** Order!

**Hon. C. Imbert:** You have no shame. You know what is horrible about all of this? The Municipal Corporations Act established—

**Dr. Gopeesingh:** Mr. Speaker, Standing Order 36(4), that was insulting language—[*Crosstalk*]

**Hon. C. Imbert:** What is that? What happen, you could give but you cannot take?

**Dr. Gopeesingh:** You are a hypocrite. [*Crosstalk*]

**Hon. C. Imbert:** What happen, you could give but you cannot take; you are a hypocrite.

**Dr. Gopeesingh:** You are a hypocrite.

**Hon. C. Imbert:** Yeah, whatever. [*Crosstalk*] Mr. Speaker, in that 1990 law that was passed by the NAR the municipal corporations were entitled to apply a property tax of up to 10 per cent. [*Interruption*] Let me repeat that; in 1990 the NAR government of which the Member for Caroni East was campaign manager for the former Minister of Foreign Affairs in the NAR government—do not deny that.

**Dr. Gopeesingh:** So what?

**Hon. C. Imbert:** "Aah", you admit it. The Member for Caroni East was a leading member of the NAR; the Member for Siparia was a leading member of the NAR; in 1990 the NAR government passed a law which established property tax in Trinidad and Tobago at a rate of up to 10 per cent based on the rental value that a tenant would be reasonably expected to pay; 10 per cent, that is what you passed.

Now when the NAR government passed this I did not hear any crying and weeping. [*Interruption*] Weeping, beating of chest, pulling of hair and gnashing of teeth about how people would lose their houses; [*Crosstalk*] I did not hear any of that. [*Crosstalk*] Throughout the 1995—2001 period the UNC did not repeal this law. They did not change that section of the Municipal Corporations Act. I did not hear any of those—I did not see those crocodile tears during that period.

You know, based on this law here, the Municipal Corporations Act of 1990, passed by them over there, you know what the property taxes are now in San Fernando? I know you reside or you have property in San Fernando so you might have an idea, but let me assist the Members opposite who do not know.



**4.00 p.m.**

Based on the Municipal Corporations Act which made it law that municipal corporations could tax people for their property at a rate of up to 10 per cent of the rental value, these are some of the taxes that people are now paying:

No. 5 Danford Street, Marabella, the current tax is \$5,328 per annum.

**Mr. S. Panday:** The PNM did that.

**Hon. C. Imbert:** The UNC and NAR did that; you passed this law, it is your law. On 20 Cedar Street Cedarville, \$2,112; on Mc Coney Street Gulf View, right now people are paying \$12,000 in property tax. On Mount Moriah Road, San Fernando, \$4,800; that is the present tax and now I will tell you what will happen.

When we pass this law, a person at No. 5 Danford Street, Marabella who currently pays \$5,328 per year with the new rate of 3 per cent will pay \$1,798. [*Desk thumping*] That is why I say I cannot take this dotishness.

The person who lives at Cedar Drive, Pleasantville who currently pays \$2,112 because of the inequitable and horrible policies of the NAR government, his or her tax will reduce to \$712. [*Desk thumping*]

The person who lives at Pleasantville Circular who currently pays \$1,728 will now pay a tax of \$583; the person who lives on Mount Moriah Road who currently pays \$4,800 will now pay \$1,620. [*Desk thumping*] And I have to listen to this foolishness.

Commercial buildings are the same thing, taxes will go down by almost 40 per cent in the City of San Fernando.

Let me also give you the philosophy behind this law because Members opposite know very well what is going on but they pretend not to know. The Valuation of Land Act makes it clear that where land is vacant, you use the capital value multiply it by a prescribed percentage and get the annual rental value. It is clear and it is the Valuation of Land (Amdt.) Bill which the Member for Siparia did not read. For vacant residential land, you take the capital value which is the amount you would get for sale on the open market of the property. That is what the capital value is in layman's term.

**Dr. Gopeesingh:** Who determines that? That is where the corruption is.

**Hon. C. Imbert:** The Valuation Division will determine that. We will send you to value it. For vacant residential land, the capital value which, as I said, is based on the sale of the freehold interest in the property will be multiplied by a percentage. The Schedule makes it clear, it is 3.5 per cent for residential land, 5

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per cent for commercial land, and if I am not mistaken, it is 2 per cent for agricultural land. So you take the capital value, multiply it by the percentage and you get the annual rental value. You then calculate the annual taxable value which is 90 per cent of the annual rental value, so you reduce the annual rental value by 10 per cent and you get the annual taxable value and then you apply the rate in tax to the Property Tax Bill to get your property tax. That is how it is done for vacant land.

I will give you an example in a short while. If you take a piece of agricultural land valued at say \$200,000 maybe 20 or 30 acres of agricultural land and you apply the percentage at 2 per cent of \$200,000 will give you an annual rental value of \$4,000. Multiply that by the rate in the Property Tax Bill of 1 per cent; 1 per cent of \$4,000 is \$40. So on an agricultural parcel valued at \$200,000, the tax is \$40 per year, \$3 a month.

**Dr. Browne:** One pack of cigarette.

**Hon. C. Imbert:** One pack of cigarette as my colleague from Diego Martin Central says. How do you know that? So all of this hysteria is much ado about nothing.

Let us deal with residential properties. For buildings, the reason why a percentage is used for vacant land is that the discretion of the Valuation Division comes out of the picture. You take the capital value and multiply it by a percentage for vacant land. For buildings, what the Valuation Division will do is determine typical rental values for buildings in various parts of the country. I am told that they are going to apply five standards; executive homes, modern homes, standard homes, substandard homes and what they have referred to as shacks.

Before I got up to speak, I asked what is the percentage reduction as you go from one category to another and I was told that as you move from an executive home to a modern home, down to a standard home, the value will be reduced by approximately 50 per cent. And as you go down again to substandard, another 15 per cent reduction to 35 per cent.

So in an area where you have an executive home in this part and a standard home in that part, the rental value for the standard home would be half the rental value of the executive home. So it is all scientific, it is not arbitrary. Let us take this to typical areas in the country, let us take a typical property in Woodbrook that is in reasonably good condition, not a dilapidated one, a typical standard property in reasonably good condition with a typical rent—from what I am told by the Valuation Division—of approximately \$4,000 per month. That is what a typical residential property in Woodbrook, in good condition, would rent for, \$3,000—\$4,000 but I will use \$4,000. That will produce an annual rental value of \$48,000 per year and yield a tax of \$1,166 per year or just a little below \$100 per month.

If we go to Barataria where the rent of a typical standard house may be \$3,000 per month, that will create a property tax per year of \$874. We go to Laventille, take a property that would rent for \$1,500 per month, that will result in a taxation of \$437 per year, less than \$40 per month.

We go to Gasparillo, a typical property renting for \$2,000 per month will yield a tax of \$583 per year. Egypt Village, Point Fortin, \$1,500 per month which is a typical rental for a small house in Egypt Village, the property tax per year \$437. In Ortoire Village in Mayaro, a typical rent of \$800 per month will yield a property tax of \$180 per year, or approximately \$15 per month.

So what is all this noise about? All this hysteria and carrying on? I am advised that your typical tax will be less than \$1,000 per year, \$80 per month. [*Crosstalk*] I just gave you Gasparillo, Egypt Village, it will be less.

Gandhi Village in Oropouche, and I am not speculating. I met with a delegation from Gandhi Village a short while ago.

**Mr. S. Panday:** Today?

**Hon. C. Imbert:** No, about a month ago in order to assure them that the road works that we are doing there—"we do a lot of work in rural areas despite what all yuh say."

**Mr. S. Panday:** When they burn tyres.

**Hon. C. Imbert:** We are spending \$4 million repairing the Main Road in Gandhi Village. Anyway, I met with a delegation and the road works were in full swing. It was not before, it was not when they were burning tyres, but long after the road works were well in progress and they so appreciated the work the Government was doing for them, they came to see me.

During the conversation when we had finished the talk about the roads they wanted to know whether we will be upgrading the roads, putting sidewalks and box drains to which I said yes to all.

**Hon. Member:** Promises.

**Hon. C. Imbert:** Promises? "It nearly finish, you could say what yuh want." The amount of money we spent in Cumuto/Manzanilla, \$60 million and Mr. Speaker, I have to listen to this foolishness. Sixty million of taxpayers' money spent in the constituency of Cumuto/Manzanilla on roads and I have to hear this nonsense about rural neglect and squandermania?

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The villagers wanted to know about the property tax so I asked what would a typical two-bedroom or three-bedroom dwelling in Gandhi Village rent for. They had a little conversation among themselves, they spoke about this one's cousin and that one's brother renting a house and told me somewhere between \$500 and \$800 a month. So if you apply the Gandhi Village figures which are real, not imaginary like what you all are throwing out, then the people there will pay less than \$200 per year, \$16 a month. [*Desk thumping*] [*Interruption*]

"De Minister doesn't agree with me; whe yuh think ah got these figures from? From the Ministry of Finance."

**Mrs. Nunez-Tesheira:** Of course, I agree.

**Hon. C. Imbert:** "Whe yuh tink ah got de figures from San Fernando from?"  
From the Ministry of Finance.

Mr. Speaker, somebody regrettably for them, living in an upper class area, Goodwood Park, Fairways Maraval where the Member for Caroni East lives. Let us use his house as an example. Someone who is living in Fairways like the Member for Caroni East whose property might rent for \$15,000 to \$20,000 per month, let us use \$20,000, multiply that by 12, \$240,000 per year and multiply that by the 3 per cent, what do we get? About \$7,000—\$8,000.

So at the present time, the Member for Caroni East who lives in his mansion in Fairways will be paying property tax of maybe \$1,000 or less a year right now, depending on when it was assessed; whether it is a new house or one that is older, he might be paying \$500—\$600 a year. Who knows? I have not checked, but I am fairly confident of my information.

The person who lives in the mansion at Fairways, his tax will go from \$1,000 per year to \$7,000 per year and that is what is driving this, the people who live in palatial mansions. I do not think it is unreasonable to ask somebody who has a property that can rent easily for \$20,000 a month to pay \$800 a month in property tax. I do not think that is unreasonable. I do not think it is unreasonable for someone who has a property worth \$20 million such as the Member for Caroni East; I do not think that is unreasonable.

When you look at that rate of the person in Fairways paying \$7,000 a year and the person in Gandhi Village paying \$200 a year therein you see the inequity that the Minister of Finance has been talking about. There has been so much misinformation.

This is a very progressive tax, anybody who believes that those who earn more should pay more and I think we have a few of them in here in the Public Gallery.

**Mr. Speaker:** You cannot refer to members in the Public Gallery.

**Mr. C. Imbert:** Anybody who believes that those who earn more should pay more cannot be against a tax that will incur a liability on a poor man in Gandhi Village of \$200 a year and incur a liability on a rich man in Fairways of \$7,000 a year. Nobody can be against that; at least I do not think so.

**4.15 p.m.**

The man in Barataria would pay a tax of \$874 a year; \$70 a month. *[Interruption]* A pensioner? Do you hear the nonsense we have to hear, Mr. Speaker? When you go to the Property Tax Bill—*[Crosstalk]*

**Mr. Speaker:** Please, one minute. Look, I am getting a little fed up of you all. The Member is speaking and everybody cannot speak at the same time. The only person who is entitled to speak is the Member for Diego Martin North/East. Why is it that everybody wants to speak? Those who have not spoken before, you have 75 minutes. You can speak today, tomorrow, right up to Christmas Eve if you want. Please continue.

**Hon. C. Imbert:** Thank you, Mr. Speaker. The Property Tax Bill makes it very clear that recipients of the Senior Citizens Grant, previously known as the old age pension, persons who are recipients of the conditional cash card and persons who are in receipt of disability grants are exempt.

**Mrs. Persad-Bissessar:** Deferred.

**Hon. C. Imbert:** As long as they are in receipt of an old age pension they would not have to pay. This is the thing I cannot understand. If a person is in receipt of a Senior Citizens Grant, one assumes that for the rest of their natural life, he or she would be in receipt of a Senior Citizens Grant. What income earning capacity would a 75 year old person have to increase his or her income beyond the minimum threshold that he or she would qualify for at age 65? How many persons, Minister of Social Development, who have qualified for old age pension at age 65, rise above the minimum income at age 75? Do you know any?

Maybe 1 per cent or something like that, if somebody wins the lottery or gets a gift from someone else. It is a very, very small percentage. The persons in receipt of the Senior Citizens Grant and old age pension would be exempt from paying the tax. Let me make it very clear. That is the concept of deferral. They are exempt. They do not have to pay. One assumes that for the rest of their natural life they would be recipients of old age pension and they would never have to pay tax. *[Desk thumping]* It is so simple.

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There is another point I need to make. I have heard commentary in this House from the Member for Siparia, simply regurgitating statements made by my hon. colleague, the Member for Diego Martin West.

**Mrs. Persad-Bissessar:** You have a problem with that?

**Hon. C. Imbert:** Yes. You regurgitated statements made by my hon. colleague, the Member for Diego Martin West. I have a problem with that. You said that because the Government needs money and we want to spend it out by Christmas, something like that you said, Christmas is Friday, you know. That is what you said. You said that we need money and that is why we are implementing this tax.

The hon. Member went into the estimates of expenditure and revenue and said that the estimate of tax is \$148 million and made a big hullabaloo about the \$148 million, regurgitating statements made by my hon. colleague, Member for Diego Martin West, that the Government has mismanaged the economy, therefore we have to implement this tax in order to get the money to run the country.

I went to the budget address of the hon. Minister of Finance, 2010. The hon. Minister of Finance in her budget statement delivered in this House in September, 2009, indicated that the expenditure for fiscal 2010 is going to be \$44 billion. I have noticed that there is not a single scientist on that side. Nobody over there ever did maths in school because \$150 million divided by \$44 billion is 0.3 per cent. Because you all never went to school or did maths, 0.3 is less than 1. This property tax would yield less than 1 per cent of the Government's projected expenditure for fiscal 2010.

How could a fiscal measure or a budget measure that is going to raise 0.3 per cent, less than 1 per cent of the annual budget, be a device to deal with the deficit in the budget? The hon. Minister of Finance indicated that the fiscal deficit for 2010 is approximately \$7 billion—7 over 44. Do you want to know how much that is? One-sixth. Do you want to know how much one-sixth is? 16 per cent. The deficit is 16 per cent of the projected expenditure but the property tax is 0.3 per cent.

It should be obvious because of the relatively small amount of revenue that would be derived from this tax, it could not possibly be intended to deal with the fiscal deficit. I know that the Member for Caroni East struggles with figures. I forgot that the Member for St. Augustine is there. I noticed that he is being very quiet. One hundred and fifty million out of 7 billion is how much? Less than 5 per cent. A revenue measure that raises less than 5 per cent of the projected deficit is intended to deal with the whole deficit. There are so many statements that were made by hon. Members opposite that do not make any sense.

The hon. Minister of Finance in piloting this measure in the budget in this honourable House made it very clear that the primary intention of this measure could not possibly be revenue generation. It cannot be. It is to tax the poor people. It is to redress the inequity. The "fella" who lives in Pleasantville Circular, is he a rich man or a poor man? The "fella" who lives in Pleasantville in San Fernando, is he a rich man or a poor man? I will answer your question.

Pleasantville is a housing estate. I am certain that working class people live in Pleasantville and his tax is being reduced from \$1,700 to \$583. Is that what you call taxing the poor people? That is what we have to deal with. When one looks at this whole thing, I cannot understand the level of mischief that has been put into the system by the hon. Members opposite. I cannot understand the level of mischief.

Look at the definition of church in the Land and Building Taxes Act. If the hon. Member had bothered to read the Land and Building Taxes Act, section 3(2), it says:

“the following lands and buildings shall be exempted from the tax imposed by this Act:

- (a) buildings occupied solely as churches, chapels, and places of public worship of any religious denomination;”

Member for Siparia, I am reading a definition from the Land and Building Taxes Act to which you are foreign.

“The following lands and buildings shall be exempted from the tax imposed by this Act:

- (a) buildings occupied solely as churches, chapels and places of public worship of any religious denomination.”

Would that satisfy you?

**Mrs. Persad-Bissessar:** No.

**Hon. C. Imbert:** Are you okay with that? Let me read it again: buildings occupied solely as churches, chapels and places of worship of any religious denomination.

**Mrs. Persad-Bissessar:** Why is it not under the exemption section?

**Hon. C. Imbert:** This is the exemption section I am reading. We are repealing and replacing the Lands and Buildings Taxes Act. The definition of exempt properties in the Lands and Buildings Taxes Act is as follows:

“buildings occupied solely as churches, chapels and places of public worship of any religious denomination.”

**Mrs. Persad-Bissessar:** You will put that section in?

**Hon. C. Imbert:** Yes. That will make you happy?

**Mrs. Persad-Bissessar:** You agreed with me.

**Hon. C. Imbert:** If the Member had taken the time to look at the Lands and Buildings Taxes Act and the Property Tax Bill, she would have seen that the definition section was lifted from the Land and Buildings Taxes Act.

**Mrs. Persad-Bissessar:** You are not speaking the truth.

**Hon. C. Imbert:** You could say what you want. I have asked you if you want places of public worship of any religious denomination in the law. Is that what you want? You have answered, "Yes" and we shall do so to make you happy.

I want to go back to deal with the mischief that is being put to this country by those people opposite, the COP, the UNC and other mischief-makers who are going around telling people, NAR, NARists, the remnants of the NAR—they were misled by you. I want to go back through some typical properties and give what typical property taxes would be.

Your typical standard three bedroom house in Woodbrook, in good condition which might be rented for \$4,000 a month would attract a tax of \$1,100 per year or \$100 per month. A three bedroom standard house in Barataria which might attract a rent of \$3,000 per month would attract a property tax of \$874 per year or just over \$70 per month. Your standard three-bedroom house in Laventille which might attract a rent of \$1,500 a month would attract a property tax of \$437 per year or less than \$40 per month.

Your standard three-bedroom house in Gasparillo which might attract a rent of \$2,000 per month would attract a property tax of \$583 per year or less than \$50 per month. Your three-bedroom house in Egypt Village in Point Fortin which might attract a rental of \$1,500 per month would attract a property tax of \$437 per year or less than \$40 per month. Your three bedroom house in Ortoire Village in Mayaro which might attract a rent of \$800 a month would attract a property tax of \$188 per year or \$15 a month. So too would a typical three-bedroom house in Ghandi Village which would now rent, currently open market rental value and that is the other part that the Member for Siparia does not understand.

Market value does not mean capital value. It can be market rental value, market purchase value. It does not mean the purchase price. I would have thought a lawyer with the experience as the Member for Siparia would understand that. When they say market value they mean market rental value.



The standard three-bedroom house in Ghandi Village with a market rental value of \$800 a month—I am told by residents of Ghandi Village that that is what they are paying and that is the standard rate in that area. That would attract a property tax of \$188 per year or \$15 per month. What is all this carrying on about? A 20-acre parcel of agricultural land would attract a property tax of \$40 per year, \$3 a month. What is all the noise about?

People would soon realize that you speak for the rich. It is the people in Goodwood Park, Fairways and Moka, you speak for. You speak for the people in upper class areas. That is your constituency. They finance your campaign. You speak for them. We speak for the person in Ghandi Village who would pay \$15 a month. [*Desk thumping*]

**Mr. Speaker:** There is some value in tea. It cools you down. So may I suggest that we have some now and we would return at 5.00 p.m.

**4.30 p.m.:** *Sitting suspended.*

**5.00 p.m.:** *Sitting resumed.*

**Mr. Speaker:** Hon. Members, the speaking time of the hon. Member has expired.

*Motion made,* That the hon. Member's speaking time be extended by 30 minutes. [*Hon. K. Swaratsingh*]

*Question put and agreed to.*

**Hon. C. Imbert:** Thank you, Mr. Speaker. Before we took the break, I was giving examples of taxes that would accrue to ordinary working people living in standard neighbourhoods in standard houses and, as you can see, the tax rates are not very high.

Let me now put into the record what people are currently paying in tax within the City of Port of Spain. I received this information from the Port of Spain City Corporation. Let me give an example so that hon. Members opposite would get an understanding of what is happening. Take a typical commercial property on Herbert Street, St. Clair, the building and land worth together about \$7 million—that may be an under-estimation because that is within the St. Clair Estate.

Let us take the figures I have been given that the land and building may be worth \$7 million. It is a commercial property and it is currently paying an annual tax of \$2,700 at the maximum rate of 10 per cent of the annual taxable value, which is set at \$27,000 and was probably set some time in the 1950s.

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You also have another property on St. Clair Avenue, commercial, the value put on it, based on what the corporation has told me, is \$22 million—St. Clair Avenue that runs alongside the Oval—currently paying property tax at the maximum rate of 10 per cent of the ATV, which is an old 1948 value of \$750.

The new Royal Bank headquarters, for example, is on St. Clair Avenue; so, too, is the British High Commission and the Inter-American Development Bank, the ILO; all of those modern properties are on St. Clair Avenue. That is for those who do not know Port of Spain. To think that a commercial property on St. Clair Avenue is currently paying \$750 per year in property tax is unconscionable when you compare it to the person in Pleasantville, in a housing estate, working class area, who is currently paying \$1,728 per year on a property, based on the Municipal Corporations Act, 1990, the capital value of which is about \$400,000. One can only imagine what kind of rental is being earned on a commercial property in St. Clair. It is probably \$100,000 or more per month and they are paying \$750 per year. These are the inequities we need to address.

**Mr. S. Panday:** If you are saying that is the rate, when you reduce that rate to 3 per cent, you will be using the same assessment of the regional corporation because you are using the regional corporation's data to fix the rate.

**Hon. C. Imbert:** Not at all. That person will pay an equitable figure. Let me tell you how it will be done. How will the valuations be carried out? I have a position paper; I will tell you if you will simmer down.

When the new Property Tax Bill and the Valuation of Land (Amdt.) Bill are enacted, the two will work in tandem. You get the annual rental value, which is the base for the tax, from the Valuation of Land (Amdt.) Bill and then you apply the percentage in the Property Tax Bill to get the actual tax.

The Lands and Buildings Taxes Act will be repealed and that section of the Municipal Corporations Act that I read will be repealed, so that the Municipal Corporations Act will no longer apply and the Lands and Buildings Taxes Act will no longer apply. A new regime is coming in. That is why the Minister was at pains to say that there is far more to the system than the collection of revenue. The revenue, as I pointed out, is a relatively small amount—\$150 million in \$44 billion is less than 1 per cent.

So, a new regime will come in and the Valuation of Land Act will be used to determine the annual rental value of the properties and a percentage applied to that through the Property Tax Act to determine what the property tax will be.

The Valuation Division will monitor the typical rental values of all types of properties all over Trinidad and Tobago that come on to the market. This list of properties that I read out in Woodbrook, Barataria, Laventille, Gasparillo, Point Fortin, Ortoire Village, Gandhi Village, et cetera, I got from the Valuation Division. I asked them before I came up to give me their assessment of what typical rental values would be for a typical, standard, three-bedroom house in an ordinary working-class area. So the Valuation Division will monitor typical rental rates in all parts of Trinidad and Tobago and come up with a schedule of rental values.

**Mr. S. Panday:** With bands.

**Hon. C. Imbert:** Yes. I am giving you the bands now. There are five bands: executive property, that is the cream of the cream, like the Member for Caroni East; modern property, that is a new property; standard, your basic \$3 million house built maybe 30 or 40 years ago; substandard, a dilapidated standard property through wear and tear; and a shack.

Within an area, they will work out the typical values for the five different bands of property. The Valuation Division will monitor these rates and come up with a schedule of rental values in all parts of Trinidad and Tobago. The Commissioner of Valuations will continuously update and maintain the schedule because rental rates will go up and down depending on the economy and on demand.

The rates will then be used to calculate the annual rental value, from which you get the annual taxable value, which is 90 per cent of the annual rental value; then you multiply it by 3 per cent and get the property tax. There is no real magic.

People will be able to challenge it. There is an appeal process in the legislation. If you feel that an assessment of \$2,000 per month for a standard three-bedroom home in Gasparillo is too high, challenge it. Bring proof. You can bring evidence of rental of properties in your neighbourhood. Maybe it will go down to \$1,700 or \$1,800 and then your property tax will be adjusted.

We have put in the Bill something that is very favourable to taxpayers where the only revaluation that the Commissioner of Valuations can do is if he has overvalued the property. If he has overvalued the property, he can revalue it and put a lower value; but if he has undervalued it, he will have to wait until the next five-year cycle to deal with that.

The man who is paying \$750 a year now for commercial property on St. Clair Avenue, will now have to pay a percentage of the market rental value of that property based on typical rentals for properties of that type in the St. Clair Estate.

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In San Fernando, for commercial properties, their property taxes will go down. Let me give examples:

- 31 Prince Albert Street: Current tax, \$8,640. Using the current rates where the Municipal Corporation is applying 10 per cent of the annual rental value, it will be reduced from \$8,640 to approximately \$4,860.
- 40—44 Sutton Street: Currently paying \$34,000 in property tax. That will go down to \$19,000.
- 51—53 High Street: Currently paying tax of \$288,000 a year; they will go down to \$162,000.

**Mr. Bharath:** Thank you, Minister, for giving way. Could it be that the amounts you are talking about are based on the valuations done three or four years ago, that a Member talked about or when they are implemented in April, are they likely to be up-to-date rates?

**Hon. C. Imbert:** Over the next three months, the Valuations Division will make its best effort to introduce a schedule that has more or less up-to-date market rates.

**Mr. Bharath:** Effectively, the work done three or four years ago would be outdated and not be used?

**Hon. C. Imbert:** That might assist the Valuation Division. If work was done three years ago and there has been no real change, they can make a check and apply the work done before. I can assure you that they will try to do it as quickly and as scientifically as possible.

Before I conclude, I must address some comments made by the Member for Diego Martin West. I got the *Hansard* record and I have had some time to peruse it. The first statement which offended me was the following statement:

“You are asking me to bramble, you are brambing me...The debate on this matter can be quite aptly described as bramble.”

For those of you who do not know the word, "bramble" means to try to fool or to trick; mislead, Trinidadian style. The first thing that offended me was when he said that the Minister of Finance, and the Government by extension, was trying to bramble him and he is one of us.

The second statement that offended me was when he said that:

“...for whatever reason...we find ourselves in a situation where what we want to do in the country requires additional revenues because this year's budget

has a \$7 billion deficit. Why then does the debate have to be a bramble with unbelievable arguments that this is not a tax.”

**5.15 p.m.**

I have been very careful to make the point that the revenue collection from property tax in fiscal 2010, would be less than 1 per cent of the expenditure in fiscal 2010; in fact .3 per cent. Therefore, by no stretch of the imagination could the property tax be used to deal with the \$7 billion deficit. I am really, really disappointed. I am sorry he is not here. I would like to be talking when he is here but, tough, he is not here. He should have been here.

The Member for Diego Martin West and I contested many elections together. In fact, we have contested six. We entered politics in 1991; both of us. He had been a Senator, but we both became elected Members of this House in 1991, and we have contested six elections together from then to now.

The Member for Diego Martin West served in the Government with me from 1991—1995 and at no time during that period, did he say the Government of which he was a part was trying to bramble anybody. He served in the Government with me from 2001—2008 and at no time during that period did he say that the Government of which we were both a part, was trying to bramble anybody. I am very, very disappointed in the line that my hon. colleague and comrade at arms—in six elections—*[Interruption]* yes we were comrade at arms—is taking now. I am very, very disappointed.

He goes on to say:

“The problem that the Government is having now is that people are saying they do not believe them. When that trust is lost, even when you are speaking the truth, they would not believe you.”

He goes on. This is the part that particularly disappointed me.

“Mr. Speaker, let me give you an example. I have two neighbours, in recent times, one was renting a house at about US \$5,000 a month, then close by another one has a house for rent now at US \$2,000.”

He wanted to know what property tax these two people would pay. He gave no example, as I have given, of somebody in a standard two-bedroom house in Covigne Road, Carenage, L’Anse Mitan or in any of the working-class areas in his constituency. *[Interruption]*

**Mr. Manning:** He is not interested in that.

**Hon. C. Imbert:** He did not ask how the property tax would affect at that level. I am very disappointed in my former comrade at arms from Diego Martin West.

**Mr. Manning:** He is not interested in that.

**Hon. C. Imbert:** He was a comrade at arms. We fought six elections together. We defended the Government together. When he was in the Government, you would never have heard words from him about this Government is speaking the truth or this Government is not brambling anybody. You would never have heard anything like that from him. Because my colleague from Diego Martin West is hurt, he has allowed his emotions to get control of him. I have looked through his speech. There is nothing that he said that made any sense. He said that we had a windfall and we blew it. Who is the "we"? He was in Parliament and in Government with me and everybody here, from December 2001—2008. Who is the "we" that had this windfall from oil and blew it? Who is the "we"?

Mr. Speaker, it is a bitter pill to swallow when a sitting Member of the People's National Movement comes into this Parliament and gives food to the Opposition. Because I listened to the Member for Siparia and what the hon. Member for Siparia did was to regurgitate everything said by the Member for Diego Martin West.

The Member for Princes Town North did exactly the same thing. [*Interruption*]

**Mr. S. Panday:** Parts.

**Hon. C. Imbert:** It does not matter. You heard the Member for Diego Martin West say that the Government squandered the money and that the Government wasted the money. How would he know, he was part of it until—we never heard anything about waste and sqandermania—the hon. Member for Diego Martin West was no longer a Member of the Cabinet. He now has this obsession with UDeCott and Calder Hart. If I read every speech of my hon. colleague for Diego Martin West, he is obsessed with UDeCott and Calder Hart.

As a Member of the PNM, it cannot be right. As I have said, I am very disappointed. I understand why the hon. Member for Diego Martin West is behaving like this. It is because he is hurt and has allowed his emotions to take over and he has lost all reason, as far as I am concerned, because of this obsession that he has with Calder Hart and UDeCott. I have one piece of advice for my hon. college for Diego Martin West, if he allows UDeCott to become the centre of his universe, if he continues to be obsessed over things done at UDeCott, he will continue to lose all reason and all perspective. He came into this debate and made

the argument that was repeated by the Member for Siparia that we run out of money, the Government is bankrupt and therefore we need to impose this vicious property tax on people, in order to deal with the deficit. When you look at the math, it does not compute. The deficit is \$7 billion. The property tax income is \$150 million. The sum of \$150 million could never take care of a budget deficit of \$7 billion.

**Mr. S. Panday:** Every penny counts. [*Interruption*]

**Hon. C. Imbert:** Every penny counts? As I read this *Hansard* of the hon. Member, he continues on the same refrain; that the Government has wasted money and that the Government has squandered money.

There are so many examples I could give of expenditure that could be identified as waste by one group of people; Opposition people. The kind of speech I got from my colleague, it is the speech of an Opposition politician bereft of logic, bereft of fact, populist and playing to the gallery. It is a Kamla's speech; it was just said with more passion. My colleague is a very passionate man. He has always been a very good speaker and a good orator. He speaks with a lot of strength in his voice, but when you look at the words they do not make sense.

What I am hurt about is that I object to a Member of the PNM coming to this Parliament and using his speaking time to attack the Government and party of which he is a part. I object to that, coming to our caucus, asking to speak on this Bill and never once telling us that he intended to use his speaking time to launch a vicious attack on the Government. I object to that.

I appeal to my colleague from Diego Martin West, that this hurt that he feels about Calder Hart and UDeCott that is the centre of his life, let it go. If he lets it go, it will set him free. That is my appeal to him. Let it go, because more and more we are seeing the spectacle of a Member of the Government coming here and speaking as if he is a Member of the Opposition and making statements that are not based on facts, bereft of logic and have no reason in them.

The Member for Diego Martin West was the Minister of Agriculture during the 1991—1995 period, when much of the groundwork was done on the property tax reform regime. He was also the Minister of Planning in the years 2001—2003, where the property tax reform operation continued. He is intimately familiar with the philosophy behind the tax. He understands everything about it. He was one of the architects. He knows that it is designed to produce equity, and yet I have to read in his *Hansard* where he says that he doubts that anybody will be paying reduced taxes after this legislation is passed. Those were his words. That is what he said. He said that he doubts that anybody will be paying reduced taxes after

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[HON. C. IMBERT]

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this Bill is passed. Listen to this; I would it read, page 14 of the *Hansard* record of the hon. Member for Diego Martin West.

“...the public servants who are going to have to determine what the rental potential is will be dealing with substantial figures, and then your percentage of that figure, I would be surprised...”

This is the Member for Diego Martin West speaking:

“it is less than what you are paying now in any instance.”

I had to sit in this Parliament and hear that, when the hon. Minister of Finance has made it clear, both inside and outside of this Parliament, that there are a number of persons who will be paying substantially reduced levels of tax. [*Interruption*]

**Mr. Manning:** All of San Fernando.

**Hon. C. Imbert:** All of San Fernando, as the Prime Minister has said. Everybody in San Fernando is going to pay substantially reduced tax. Some of them will pay tax that is only 25 per cent of what it is now. Some will get reductions. When you look at the average reduction in San Fernando, it is from 50 per cent, 60 per cent and 70 per cent. Yet, I have to hear one of my own colleagues, all in the quest of populism and in the quest of revenge, come to this Parliament and say effectively that nobody in Trinidad and Tobago will pay less tax than they are paying now. Why would a responsible MP say that? All that could do is incite mob hysteria and I will have none of that.

I simply wish to end my contribution by reading out, again, what the typical taxes will be for a person in Woodbrook, \$1,100 per year, \$100 per month; Baratara, \$874 per year, \$70 per month; Laventille, \$437 a year, less than \$40 per month; Gasparillo, \$583 a year, less than \$50 per month; Egypt Village, Point Fortin, \$437 a year, less than \$40 per month; Ottawa Village, \$188 per year, \$15 per month, and finally Gandhi Village, \$15 per month or \$188 per year.

I thank you, Mr. Speaker.

**Dr. Hamza Rafeeq (Caroni Central):** Thank you very much, Mr. Speaker. The responsibility to respond to the inaccuracies, the myths, the falsehood and the patently misleading statements made by the Member for Diego Martin North/East has devolved on me. I am not going to get involved in what he just landed on the Member for Diego Martin West, except to say that the Member said that he strenuously objects to any Member of the PNM using his speaking time in the House to condemn the PNM Government of which he was a part. Mr. Speaker, that



is the hypocrisy that we have to stay here and listen to, because when Members of the UNC government did that, the Member for Diego Martin North/East and every one of them who was present at the time, applauded. It was good at that time. Today, he strenuously objects.

The Member for Diego Martin North/East is giving the impression—

**Mr. Imbert:** What you said about me?

**Dr. H. Rafeeq:** "Ah done say it. Check de *Hansard*." The Member for Diego Martin North/East was giving the impression that by the imposition of this tax, he is doing the population a favour, because most of them would be paying reduced taxes. I wonder why, not one single person has come out in favour of this Bill. We have had—I would talk about the consultations we have had and the kind of responses that we have had in a minute.

The Member for Diego Martin North/East began his contribution by saying that the—I want to quote him:

"...leadership struggle in the UNC has confuffled the Members on this side."

**5.30 p.m.**

Mr. Speaker, I just want to say to the Member for Diego Martin North/East that the internal election of the United National Congress has captured the imagination of the entire country. [*Desk thumping*] It has generated a tremendous amount of excitement among all members of the population. It may surprise Members of the PNM to know that there are several members of the PNM who have applied to become members of the UNC, so that they can vote in our internal election. [*Desk thumping*]

**Hon Member:** Wooooo!

**Mr. Manning:** Mr. Speaker, I wish that the very distinguished Member for Caroni Central will let us know who they are so that we can facilitate the process. We would be very pleased to send them. [*Desk thumping*]

**Dr. H. Rafeeq:** I was really under the impression that you were sending them. Mr. Speaker, the first thing I want to deal with is that the Member for Diego Martin North/East read out some figures. He said what the people in Woodbrook, Barataria, Laventille and Caroni and so on will be paying. I do not know where he got those figures from. I live in Central Trinidad, in Freeport, and in today's *Guardian* there are some figures. I want to tell you some of the rental rates that are being asked for in different parts of Trinidad. Montrose, Chaguanas, a three-storey building, \$10,000—

**Hon Member:** Three-storey!

**Dr. H. Rafeeq:**—Chaguanas, three bedrooms, \$9,500 a month; Chaguanas, three bedrooms, \$6,000 a month; Chaguanas Edinburgh 500—do you know where Edinburgh 500 is?—\$4,600 per month; Chaguanas, Riverside Drive, US \$3,200 a month; Cunupia, Sunset Drive, \$9,000 a month; El Socorro, two bedroom, one bathroom unfurnished apartment, \$4,000 a month; San Juan, Don Miguel Road, two bedrooms, one bathroom, \$5,000 a month; Roystonia, three bedrooms, \$8,000 a month; Piarco, two bedrooms, \$6,000 a month; Freeport, three bedrooms, \$4,500 a month; St. Helena, Kelly Village, three bedrooms, \$4,000 a month; Freeport, three bedrooms, \$3,000 a month; Arima, three bedrooms, \$4,500 a month; Couva Savonetta, \$8,000 a month; Freeport, three bedrooms, two bathrooms, \$4,500 a month and Roystonia, \$5,000 a month.

Mr. Speaker, the Member talked about \$800 and \$900 and so on, but if you are renting your house for \$4,000, you are going to pay \$1,340 a year. If you are getting \$5,000 rental, \$1,800 a year; if you are getting \$6,000, it is \$2,100 a year; and if you are getting \$7,000, it is \$2,500 a year. The point is that the Minister was giving the impression that houses are going to be rented for \$500, \$600 and \$700 a month and people are going to pay \$100 and \$200 a year in taxes.

**Mr. Manning:** Mr. Speaker, I thank the Member for Caroni Central for giving way, because I want to ask him a question. If somebody is renting a house at \$5,000 per month, that is a luxury apartment. That is one of the five categories; that is the top category. What is wrong in paying \$1,300 per year in property tax? I would like him to tell me. That is approximately \$100 a month.

**Dr. H. Rafeeq:** The point I am making is that you are giving the impression that the taxes that these people will be paying would be reduced and that is wrong. That is misleading; that is false. Do you know what taxes they are paying at present? Do you know the present rate of taxes they are paying? *[Interruption]* If somebody is renting a house for \$5,000 per month and they pay \$2,100 a year in tax, they are getting an income. What about those persons who are not renting their homes? I am going to give you an example here Mr. Prime Minister, through you, Mr. Speaker. I want to give you real life experiences, because you are misleading the population by all the bogus figures that you are giving. I am going to give you real life experiences.

There is a family in Freeport and the head of the home is now retired. He no longer has an income and his wife has never worked. He is getting a Senior Citizens Grant. His wife, as I said, never worked so she does not get any NIS or

pension. *[Interruption]* Mr. Speaker, this gentleman has a couple children. This house was built with a sugar loan many years ago, and throughout the years they have improved on it. Their children are big; some of them are married. They have blocked up the downstairs and so on. One of the boys is living downstairs and he has his own family. Mr. Speaker, they were paying \$46 a year in taxes for that house. Now, that house is going to be assessed for about \$5,000 because it has an upstairs and a downstairs. They will have to be paying close to \$2,000 a year—from \$46 a year to \$2,000 a year. That is the reality. Those are the increases that people will have to pay. Mr. Speaker, when they come here with their bogus figures that people will have to be paying \$800 a year and so on, do not let them fool you.

I want to address another issue that the Member for Diego Martin North/East raised when he said that pensioners will be exempt. He just told me that the gentleman will be exempt. How will that gentleman be exempted? That gentleman will come and he will tell you that he is in receipt of a Senior Citizens Grant, and you would say to him, do not pay this year, you could pay next year and then the following year and so on, but all will add up.

**Hon. Member:** No.

**Dr. H. Rafeeq:** It will add up, and at some point in time the taxes will have to be paid. There is no exemption, there is only deferral. Somebody will have to pay the taxes. It is either the person who is inheriting the house or the person who is buying the house. Somebody will have to pay the taxes.

**Mr. Imbert:** Thank you hon. Member for giving way. Look at water rates for example. When you are selling a property, you have to bring all the water rates up-to-date. The water rates do not disappear. They accumulate whether you pay them or not, and you have to settle those arrears when you are selling the house. It is the same principle.

**Dr. H. Rafeeq:** That is exactly what I am saying. There is no exemption; there is only deferral.

**Mr. Imbert:** Mr. Speaker, I thought I made this clear that somebody on Senior Citizens Grant will remain on Senior Citizens Grant for the rest of their natural life. They would never have to pay that tax. The tax accrues to the property.

**Dr. H. Rafeeq:** The tax is deferred and somebody will have to pay it at some point in time. That is the point. The tax is deferred; the person has not been exempted. It is just a deferral.

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The other issue I wanted to raise in response to the Member for Diego Martin North/East is that he went on to talk about .3 per cent and .03 per cent of the national budget and so on that this tax would raise. Mr. Speaker, let me tell you something. One of the very reputable commentators has said that if you look at the increases that most of the people in the country will be paying is \$2,000, \$3,000, \$4,000 or even up to \$6,000 more. This property tax is going to bring in for the Government of Trinidad and Tobago close to \$1 billion. We heard that from reputable commentators. I am saying that it is going to bring in close to \$1 billion. I want to teach you now. \$1 billion divided by \$7 billion is 14 per cent; that is 14 per cent of the deficit in the budget. That is what this tax will bring in; 14 per cent not .3 per cent or 5 per cent, but 14 per cent. [*Desk thumping*]

**Mr. S. Panday:** You get the math now!

**Dr. H. Rafeeq:** Mr. Speaker, I just want to respond to a couple things that the Member for Princes Town South said. He said that the truth has been sacrificed in this debate. Mr. Speaker, if truth has been sacrificed in this debate, it is very ironic for a Member from that side to say it, because if truth has been sacrificed, it is by the Members on that side, because they have been misleading the population and the House.

The Member for Diego Martin West is correct, because the Government has been telling us that this measure has nothing to do with revenue earning. The Member for Diego Martin North/East was at pains to say that. He said it has nothing to do with revenue earning. Mr. Speaker, that is wrong, that is false. This tax has everything to do with revenue earning. I am saying that this is going to accrue about \$1 billion for the Government and this is why this tax is being imposed. They are misleading the population. So, when the truth has been sacrificed, it is the people on that side.

Mr. Speaker, he also said that it is not true that the local government bodies are starved for funds and so on. He said that is the easiest part, because they can easily get funds, but let him ask the Couva/Tabaquite/Talparo Regional Corporation; let him ask the Chaguanas Borough Corporation; and let him ask the Penal/Debe Regional Corporation and then he will understand the difficulties they have in getting funds to do very basic things.

He also said that the Government should make no apologies for raising taxes, since that is a function of the Government. Mr. Speaker, that is true. It is a function of the Government to raise taxes, but the problem is what you do with the money that you have raised. How do you prioritize projects? I would deal with that matter in a short while.

The Member also said to look at the water taxi and the Interchange; they were delivered within budget and on time. What about the Brian Lara Stadium? That has cost almost \$1 billion and we do not know as yet how much it is going to cost. I have asked that question in this Parliament and nobody was able to answer after one year to tell us how much that it will eventually cost.

The Scarborough Hospital has already gone over budget by about three or five times and nobody has been able to tell us how much it would eventually cost and when it would be completed. The Oncology Center, again, already over budget and nobody has been able to tell us what the cost would be when it is completed. We have the Performing Arts Centre and the Chancery Lane project and so many others.

So, when he talks about two projects that came in within budget, I am really not too sure if they came in within budget and within time, because I remember that the Member of Parliament for Diego Martin North/East gave about six start-up dates for the water taxi service before it eventually came on stream. I do not understand how you can say that it came within time and within budget.

Mr. Speaker, he also said why should the people in Port Fortin pay different taxes from the people in Port of Spain, and I am going to tell you why. You are talking about equity and you are talking about levelling the playing field and so on, but talk about the people in Freeport; talk about the people in Preysal; talk about the people on Siewdass Road; talk about the people in Caparo; talk about the people in Palmiste; talk about the people in Flanagin Town; talk about the people in Gran Couva who do not get water sometimes for five weeks or even months. Talk about that! That is not equity; that cannot be equity where the people in Port of Spain have water on a regular basis and the people in those places do not get water sometimes for nine and 10 weeks. They do not have any bus service. Talk about that! Talk about the roads where there are big potholes and an entire car can fit.

When you talk about equity and why the people in Freeport and in other areas should be paying different amount of taxes, that is because the services are not being provided. The goods and services and the infrastructure are not being provided. He then made a big statement that this is fiscal management at its best. If this is fiscal management at its best, we will not be here today. We will not be here today trying to scrape up \$150 million, \$200 million or \$1 billion. The Government would have had the money if the economy was not so badly managed.

I think I have dealt with the Member for Princes Town South and I have dealt with the Member for Diego Martin North/East. Let me deal now with the Bill. This Bill epitomizes the PNM's philosophy and their approach to governance.

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[DR. RAFEEQ]

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**5.45 p.m.**

You will see that anytime there is a lot of money in the country the PNM spends, it wastes, it squanders and when the money runs out they come and tax the citizens in order to make ends meet. This year—and the Member for Siparia mentioned it—alone the Government increased taxes on alcohol, increased taxes on tobacco and now we are seeing the property tax, so that is PNM's history, that is this Government's history and that is their philosophy in governing.

[MADAM DEPUTY SPEAKER *in the Chair*]

That is when you have an amount of money you spend freely; squander and you waste and when you do not have money you look for all methods of taxing persons so that you can get the money to run the projects; projects that have been ill-conceived.

I mentioned a while ago that the marketing of this Bill started with a lie, and that is, the Government has been telling the people that this is a measure just to bring equity in the system and it has nothing to do with revenue earning. We have had projects that the Government has been engaged in—the Brian Lara project, the Scarborough Hospital, the oncology centre, Centre for the Performing Arts, the Hyatt Regency Hotel, the Chancery Lane projects, the waterfront project and two international conferences for which all of them require lots of funds.

Madam Deputy Speaker, from 1994 this country has been running either balanced budgets or running a surplus on budgets until two years ago, 2008, and for the first time in 14 or 15 years we ran a deficit budget, \$7 billion last year and another \$8 billion this year. The projection is that for next year there will be another deficit budget, so where is the money going to come from to fund these large deficits? There are several options and one of the options of course is to scale down on the projects that have already been there, another option of course is to tax the population and another option of course is to revalue the currency which we will not go into.

This Government has chosen the approach that they will increase taxes—and the Member for Tunapuna when she was speaking, she said in the first year the Government will collect about \$250 million from the property tax and that will keep on increasing. How will the tax increase? Is it that Government plans to increase the 3 per cent to 4 per cent and 5 per cent the next year and to 10 per cent the following year? The Government has not said so, what it said is that it will revalue properties every five years, but it has not said if it is going to increase the quantum of taxes that we are being asked to pay at this point in time.

Madam Deputy Speaker, I mentioned that when you talk about equity, equity has to go with services. You cannot talk about equity in collecting taxes and then the services are not there. I talked about water. The people in Preysal do not get water for weeks, sometimes months at a time; Arena, Chickland, Siewdass Road, Firebun, La Quesa, Flanagin Town, Palmiste, Caparo and Gran Couva; those areas, they do not get water for long periods of time and they are still being asked to pay the same level of taxes.

Roads: I mentioned Arena, La Quesa, Caparo and Palmiste; the Member for Diego Martin North/East has promised certain things and we are still waiting to see if he will deliver on those promises.

Landslips: Gran Couva, Mayo, Caparo and Flanagin; you cannot tax the people in these areas at the same level at which you will tax the people in some of the other areas in Trinidad where they are accustomed to this high level of services.

Madam Deputy Speaker, I just want to mention, as far as consultation is concerned, we on this side held about 100 cottage meetings together.

**Mr. Manning:** Through you, Madam Deputy Speaker, would you be kind enough to let us know what was the average attendance of each cottage meeting?

**Dr. H. Rafeeq:** Certainly, the average attendance at these meetings was between 50 and 60 persons, and unfortunately we did not have the time to have any in San Fernando East.

**Mr. Manning:** Madam Deputy Speaker, when we hold cottage meetings you know what that drill is and we ask what the average is. The minute you call a figure like 50 or 60 we know you are not talking the truth, you know. We know that, all right?

**Mr. Imbert:** You mean you did not have a meeting.

**Dr. H. Rafeeq:** Why is that not the truth?

**Mr. Manning:** I would tell you after, you still have a lot to learn in politics. I will tell you afterwards.

**Dr. H. Rafeeq:** When I have a cottage meeting I have to walk with a little mike because I cannot speak, *[Interruption]* my voice cannot carry to the end, so I have to walk with a mike. *[Desk thumping and laughter]*

If you hold your cottage meetings and you had five and 10 people, I cannot be responsible for that. I am telling you about our cottage meetings, 50 and 60 people.

**Hon. Member:** That is not URP and CEPEP, right?

**Dr. H. Rafeeq:** Exactly, none of these are URP and CEPEP forced people, to come to the meeting. We do not provide transport, force people and give them refreshments and so on to come to the meeting.

Madam Deputy Speaker, in addition to these meetings we had several consultations with the unions, businesses and other civil society groups; we had collected signatures and we have a couple of thousand signatures that we collected and we have listened to the call-in radio programmes, we have read letters in the press and so on, and the Minister said that most people are in favour of these taxes.

All of these consultations, in our cottage meetings, in our meetings with several NGOs, the call-in programmes, the letters in the press, the couple of thousand signatures that we got, all of these, not one single person has said that he or she is in favour of the property tax. Not one single person has said so. I do not know where the Minister got her information from and I hope that before this debate finishes, she will be able to say so.

Mr. Prime Minister, I want to address this to you: the Member for Diego Martin North/East said that you have the mandate to do that because you were given that mandate in 2007, so you have the mandate to increase the property tax. Madam Deputy Speaker and Mr. Prime Minister, this is the PNM manifesto for 2007 [*Holds up document*] [*Crosstalk*] and I read through this manifesto from cover to cover looking for the property tax. [*Interruption*] Looking for where you got your mandate to introduce this property tax. The Member for Diego Martin West said that you have the mandate to do that. I looked in this [*Shows document*] Prime Minister and I saw nothing, and there is a fundamental problem with this.

**Mr. Manning:** Are you suggesting, therefore, that a government only has a mandate to do that which is said in its manifesto that it will do? Is that what you are saying? [*Crosstalk*] Let him answer that question, please.

**Dr. H. Rafeeq:** Madam Deputy Speaker, you cannot put everything in a manifesto, but at the same time [*Crosstalk*] the fundamental things you must put. [*Continuous crosstalk*] There are some fundamental things that must be put in a manifesto. [*Desk thumping*]

If you had just put one line in respect to this property tax that would have been enough, so I am saying that you do not need to put everything in detail, you should not have said that. [*Interruption*] I am not saying that, but at least if you had put one line that "during this five-year term we will introduce property tax"—if you had only put that in your manifesto. [*Inaudible*] I have it, I brought it.



**Mr. Imbert:** [*Inaudible*]

**Dr. H. Rafeeq:** From cover to cover. [*Interruption*] I read it from cover to cover and I did not see it. If you are so confident that the population is behind you on this one, run a referendum? Run a referendum on this, Mr. Prime Minister. [*Desk thumping*]

**Mr. Manning:** Madam Deputy Speaker, the Member for Caroni Central is trying to be very disingenuous. He knows very well the PNM's position on referenda in a country with its ethnic composition such as this. A referendum in a country like this is going to be divisive. Not only that, but it provides an opportunity for those who are so minded to campaign along racial and ethnic lines, that is why we object to it in Trinidad and Tobago, so be very careful what you are saying. The suggestion that we should do a referendum is so that he can deal with the internal problems of the UNC through that route, but not this time. [*Laughter*]

**Dr. H. Rafeeq:** Do not worry about the internal problems. Let me tell you about the referendum, if you are saying that it is divisive and you are saying that we have 40 per cent of the population belonging to one ethnic group and 40 per cent belonging to another ethnic group, we accept that, so let us take out that 40 per cent completely—

**Mr. Manning:** [*Inaudible*]

**Dr. H. Rafeeq:** No, wait, let me finish—and do a referendum and if you get 20 per cent to support you we will support you. [*Desk thumping*]

**Mr. Manning:** Madam Deputy Speaker, so when we remove the PNM support and we remove the UNC support, we are left with the COP support, so again—[*Laughter*]

**Dr. H. Rafeeq:** It is not like that, it is not like that; I am saying remove the 40 per cent UNC support, take your support alone and give me 20 per cent of that and if you give me 20 per cent of your support we will support you.

**Mr. Manning:** Madam Deputy Speaker, just for the record, I would like the Member for Caroni Central to know that we, too, have been doing cottage meetings on this side, and Members are called upon to report on the cottage meetings that they have had: the attendance at the cottage meetings and what was said in those cottage meetings.

Not only that, but the cottage meetings are preceded by walkabouts so that people have two bites at the cherry to tell us privately what they think and/or to tell us publicly as the case might be. Now, if you speak to me nicely enough I will tell you exactly what we detected in those cottage meetings, but you must talk nicely.

**Dr. H. Rafeeq:** And if you speak to me nicely enough I will tell you we spoke to a number of PNM members as well and all of them are against the introduction of the property tax. So, your walkabout had nothing to do with it. With the case of the referendum, again, if take out all of the UNC support, go to your own supporters and if you get 20 per cent we will support you. Go ahead, do it.

**Mr. S. Panday:** Challenge! [*Laughter*]

**Dr. H. Rafeeq:** Madam Deputy Speaker, let me just run through a couple of the nuts and bolts of this tax. Taxes become due on March 31. Okay, that is enshrined in the Bill. If they are not paid by September 15, then there is a notice of non-payment that comes and that notice of non-payment from the day after, that is the 16th, there is a 10 per cent surcharge and then there is an interest of 15 per cent per annum that accrues after that.

**Mr. Imbert:** I thank the Member for giving way, the examples that I gave with respect to the San Fernando City Corporation where persons were paying tax of \$4,000; \$5,000; \$6,000; et cetera, now, they too, under the Municipal Corporations Act are subject to these penalties right now.

**Dr. H. Rafeeq:** I am just going through the provisions in the Bill at this point in time. So, as far as I see, two notices are supposed to go out by the end of September. The first one, a notice of non-payment, but then the Bill also says that if six months have elapsed—and six months from March will take you to the end of September—then you have a notice of demand, so you send two notices. Then interest of course is accruing all that time, and then when one year elapses then you can go from levying on the property and so on.

Madam Deputy Speaker, this is where the provisions get very onerous, burdensome and draconian; where it is said that it is provided for that once you are authorized by the Board of Inland Revenue you can go and break down the house and so on during the daytime and you can seize whatever you need to seize across there.

How heartless is that for one year after you have not paid your taxes and after one year somebody comes and breaks open your house, whether you are home [*Interruption*] or you are not home, whether you have a sick person in the house or not, whether anybody is there or not, you break open the home and take what you want and you leave. How are you going to leave the place?

**Mr. S. Panday:** The bandits come and take the rest.

**Dr. H. Rafeeq:** Exactly, the Government brings its truck and takes exactly what it needs to take and leaves the rest there, you might leave the house open and then the bandit takes the rest, of course. How heartless that can be?

**Mr. Imbert:** That was there in the old legislation.

**Dr. H. Rafeeq:** Yes, but it does not mean that you have to repeat it. It does not mean that you have to repeat a draconian piece of legislation like that.

**Mr. Imbert:** But you passed that?

**Dr. H. Rafeeq:** So! Madam Deputy Speaker, let me speak to you because I have had enough of the Member for Diego Martin North/East. *[Interruption]* So, you break open the house and you take whatever belongings—you take that to the police station or wherever you take it, and having taken it there you keep it for four days and if the owner does not come and pay the taxes by that time, then you sell those things that you have taken away.

**6.00 p.m.**

Madam Deputy Speaker, I do not know if there is any law saying how these items are to be sold or if they can just call one of their friends or relatives and offer a price. I do not know if there is any law that says how these items will actually be disposed.

What it says is when the items are sold, you first have to pay the expenses for breaking the house, whatever staff, transport, or storage you have to pay that. After you have paid that, you have to pay the arrears in the taxes owing and if there is anything remaining, you give that to the owner. Madam Deputy Speaker, by that time you have nothing remaining, you may even still be in arrears and that is for one year.

Now we come to five years and I do not know how you got to five years because after one year you are supposed to recover your money, and I do not know how they got to five years when no money has been paid. If five years have elapsed and no money has been paid, then you can go to the President and get documents which you publish in the newspapers and then you seize the lands and I think you can put that up for sale as well.

Madam Deputy Speaker, this is heartless, you may have children in the house, sick people, or elderly people and somebody can lose their home for not paying the taxes for five years and some of the figures I had mentioned earlier are quite onerous. The Members on that side are saying that paying \$100 or \$200 a month is not too much, but remember that these houses are not rented, they are houses that people would have built 5—30 years ago; they would have extended their homes and so forth and today it is of a certain value.

That does not bring in any income for them, but they have expenses and \$100 for these people is a lot of money. Many of these people live on very small amounts of money, the Senior Citizens Grant and so forth and when you live on a

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small amount of income, a large percentage of your income is spent on buying food and your necessities. So for these people \$100 and \$200 is a lot of money and for us to trivialize and say it is only \$100 or \$200 a month, people can afford to do that because the rental value is much more than that, I am saying that these houses are not rented, people are living in them.

Madam Deputy Speaker, I want to ask one final question before I wind up. I think one of the Members on that side said there are about 220,000 houses in Trinidad and Tobago and I wanted to find out if that is correct and how are they going to be assessed now until March.

**Mr. Imbert:** The municipal corporations had done an exercise—I think the Member for St. Augustine adverted to it—where there is already a database in terms of approximate rental values in communities. The Valuation Division will take that and do any additional work that needs to be done over the next three months and come up with a list of typical rental values within communities and then apply the five bands: executive, modern, standard, sub-standard and shack.

**Dr. Gopeesingh:** They would have to visit the homes.

**Dr. H. Rafeeq:** So the point is that the intention is not every home will be visited individually and assessed. That is not the intention as of March 31, 2010?

**Mr. Imbert:** They will visit every house from the outside.

**Dr. H. Rafeeq:** Is that the intention, to visit every house from the outside and make an assessment?

Madam Deputy Speaker, this is where the problem is, because you can look at three or four houses from outside and they can be totally different. The rental these houses can attract can be totally different; three houses looking very similar from the outside can attract \$2,000, \$3,000 and \$4,000. Some may have carpets, tiles, air-condition units or the bathroom may be differently done.

Madam Deputy Speaker, looking at the house from the outside is not a good assessment, you need to go inside because if you are talking about rental, you would know if you are going to rent a property you will need to look at things inside before you can actually put a value. Many things can affect the rental value of the house. [*Crosstalk*] That is not right.

The other point I wanted clarification on is that if you have a house on three lots of land and the land is fenced and the other two lots are fenced separately, so there may be two properties. One lot is fenced with the house and the other two

lots are not fenced, and the other two lots may have agricultural products on them. Is it that the lot with the house is going to be assessed as a residential lot and the other two lots are going to be assessed as agricultural lands? What is going to happen in cases like those?

What if you have a house with two separate family apartments, are they going to be assessed separately, or is the property going to be assessed as one and you pay one tax or will they be assessed separately because there are two apartments that can actually hold two families? If there are two apartments; one house, one lot of land, two apartments are you going to assess them separately? What if it is three, or four, or 10, how are you going to assess these—like those condominiums? How are you going to assess them? Is each one going to be assessed separately, or are you going to assess the entire property as one and the landlord will divide the taxes among the tenants? So these are some of the issues that we need clarification on.

Madam Deputy Speaker, the bottom line is that the Government has run out of money and that is why they have brought this measure. In any crisis situation there are many options, and the one which the Government could have chosen was to scale down some of its mega projects so it would not have to come to the population to pick its pockets.

There are several commentators who have made several valuable suggestions. I hope the Government will take all that we have said into consideration and all that the commentators have said into consideration—

**Mr. Imbert:** I thank the Member for giving way. I am advised that the intention is to make sure that all properties are visited if they have not already been visited.

**Dr. H. Rafeeq:** The outside?

**Mr. Imbert:** They will interview the homeowners.

**Dr. H. Rafeeq:** So the intention is that by March 31 next year all houses will be—

**Mr. Imbert:** The Minister will give a comprehensive explanation in her winding up.

**Dr. H. Rafeeq:** Okay. I was saying that I hope that the Government will take what we have said into consideration, it will look at other ways of funding the deficit gap, revisit the issue of the property tax, withdraw these two Bills and have some discussions among all the stakeholders and come up with something that is acceptable to everybody.

Thank you very much.

**The Attorney General (Sen. The Hon. John Jeremie SC):** Thank you Madam Deputy Speaker. I rise to join this debate specifically to speak to the concerns expressed by colleagues opposite, in particular, my colleague and friend, the representative for Siparia, my colleague and friend the representative for Tabaquite and my colleague and good friend the representative for Princes Town North. But I will spend some time too speaking to a very disturbing comment that the Member for St. Augustine made in the course of his contribution on the last occasion.

Madam Deputy Speaker, I think I better start there because I think that is the most worrisome part of the debate for me. It came in the closing remarks of the Member for St. Augustine. I am not able to find his remarks on the *Hansard*, but my memory would not have failed me. What the Member for St. Augustine said as he closed his contribution was: "I would not be paying any property tax." Or words to that effect.

**Mr. Imbert:** "He said he not paying."

**Sen. The Hon. J. Jeremie SC:** He said that, or words to that effect.

Madam Deputy Speaker, all I want to say on that is that we pride ourselves in this country of living in a society which has respect for the due process of law; we pride ourselves in this country on living in a society which has respect for the observance of the law and for respect of due process of the law.

The observance of the law is the only safeguard we have as citizens for our individual liberties and rights and when we speak in this society as legislators, people who make the law, when we speak as legislators of breaking the law, what we do is really to pave the way to a state of anarchy because in our society, law means one of three things. It means:

1. The final rulings of our courts;
2. The enactments of our legislature; and
3. Our democratic traditions and principles as they are crystallized in our Constitution.

So when the Member speaks quite boldly about not paying his property tax as a legislator, I do not know if he recognizes that what he is doing is encouraging others to do the same thing and that, Madam Deputy Speaker, is the surest way to tyranny in a society. That is what I have to say, and that is all that I have to say about the Member for St. Augustine. [*Crosstalk*] [*Interruption*]

I will not get down there, I could on another occasion and my friends know that I am well able to get down there with him.

**6.15 p.m.**

I am speaking this afternoon to the schooled and learned contributions of my colleague and friend, the Member for Tabaquite and my colleague and friend, the Member for Siparia, both of whom raised concerns. The Member for Siparia raised some concerns and said that she was staying to hear my responses, but she has abandoned me. The Member for Tabaquite waited until five minutes after I had left the other night to begin his contribution. In any event, the *Hansard* is there for at least the Member for Tabaquite although not for the Member for Siparia. My memory would assist me in terms of what the Member for Siparia spoke about.

The Member for Siparia made a couple points. First of all she said that whatever we did this afternoon would be tested in the courts. I have no doubt. I think the Member for St. Augustine said that the Member for D'Abadie/O'Meara should put her personal resources behind any lawsuit. I would be happy to join her in placing any resources, as meagre as they might be, that I possess, behind such a lawsuit, on condition that if the Member for St. Augustine were to bring the law suit and lose, as he inevitably will, he would do the honourable thing and pay his funds—they do not pay—without a demand being made by the State.

There are a number of ways in which the legislation before us this afternoon can survive a constitutional attack. The first and most obvious of those is that the provisions in the legislation of which they complain are a part of our law by virtue of the Supreme Court of Judicature Act. My friend, the Member for Siparia accused me of bringing too many books. She said that I was trying to intimidate her. Each of them has a purpose. This one is the Supreme Court of Judicature Act. It provides at section 12 as follows:

“Subject to the provisions of any written law in operation on the 1st March 1848, and to any written law passed after that date, the Common Law, Doctrines of Equity, and Statutes of general application of the Parliament of the United Kingdom that were in force in England on that day shall be deemed to have been enacted and to have been in force in Trinidad as from that date and in Tobago as from 1st January 1889.”

That is what we referred to as the reception clause. It receives as part of our common law in Trinidad and Tobago as of those dates, 1848 for Trinidad and 1889 for Tobago, the common law as it existed in the United Kingdom. In the United Kingdom in 1733 and 1697—I should go back to the tax of 1697. This was the Commonwealth monthly assessment tax. That is where the land tax first arose. It came out of that Commonwealth monthly assessment tax which was first raised in 1697.

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In 1689, the English Bill of Rights endorsed a law under which the King could not tax without the Parliament's consent. What was noted was that there is no rule of common law or equity which makes a person liable to tax. Tax is a creature of statute. While initially, the tax raised on income, the value of goods and merchandise and the annual value of land was levied upon in 1733, that tax applied to all land. That is the first basis on which I see this law is an existing law. It is a part of our law and its antecedents have been a part of our law since 1697, or if you prefer 1733.

Similar systems exist in Australia, Canada, India, Jamaica, Barbados, Antigua, St. Christopher, Nevis and Trinidad and Tobago. Our law in Trinidad and Tobago was enacted in 1920. The question which arises was raised by my colleague, the Member for Siparia. To what extent does the 1920 law survive what we are doing today? The answer to that question turns on the expressed terms of section 6 of the Constitution. Where I feel that my friend, the Member for Siparia fell down is that she cited section 6(1)(a) of the Constitution. Those are the human rights provisions. This section says:

“Nothing in sections 4 and 5 shall invalidate—

(a) an existing law;”

Look at the words there. That speaks to the entire law. We are repealing the Lands and Buildings Taxes Ordinance and re-enacting certain provisions.

If you look at the language of 6(1)(b), it differs from the language of 6(1)(a). It does not speak to an existing law. It says that

“(b) an enactment that repeals and re-enacts an existing law without alteration; or

(c) an enactment that alters an existing law but does not derogate from any fundamental right guaranteed by this Chapter in a manner in which or to an extent to which the existing law did not previously derogate from that right.”

If there is one clause in this Bill that derogates from the existing law to an extent, in a manner in which the fundamental rights do not previously infringe, then the law fails. We on this side are comfortable to say that there is no such provision. In all of their many contributions, my learned friends on the opposite side could not point to one provision in this new law which derogates from the provisions in 4 and 5, to an extent to which the Lands and Buildings Taxes Ordinance had not already done so. That ends the question as to whether or not this law can survive a constitutional attack.



I would go further. There is the case of *Mootoo v the Attorney General of Trinidad and Tobago* which my friend and colleague, the Member for Tabaquite was involved in as junior counsel. This answers the other question which was posed by the Member for Siparia. The Member for Siparia suggested that the law could only be valid if it was passed with a three-fifths majority. Every government whether it is a government which has a one seat majority requires revenue to finance its business. It would make nonsense of the Constitution to say that to raise and impose a tax, you need to have a prescribed majority. A government just would not work. The State would fail.

The Member for Tabaquite was honest in his contribution. He said, "I want the Attorney General to look at this point. I want the Attorney General to look at that point." He never said that this law infringed the Constitution of the Republic of Trinidad and Tobago. He said consider these points, consider this, consider that, consider so and so. He never made the point, he never made bold to say, as my colleague, the Member for Siparia did, that the law infringed the provisions of the Constitution. Do you know why? Because he was junior counsel in the Mootoo case.

This is what Justice Phillips said in the Mootoo case. These are his words not my words:

It is useful to contemplate hypothetical situation of a government which has a bare majority of Members in Parliament and may therefore be unable to have any taxing law passed by a bare three-fifths majority in each House as is required for an Act passed in accordance with the provisions of section 5 of the Constitution.

The absurdity of such a state of affairs leads in my opinion to the irresistible conclusion that the deprivation of property which results from the enforcement of a taxing statute is not within the purview of that term as it is used in section 1(a) of the Constitution.

That is section 1(a) of the 1962 Constitution.

In effect he is saying that the power to enact a law is part of Parliament's inherent jurisdiction to govern and pass laws for the peace, order and good governance of the State. That is what Phillips said in the case of Mootoo.

**Dr. Rafeeq:** I cannot get involved too much in this debate. I want to mention one thing that the Member for Siparia mentioned. I do not think that she was on the point that Government could not raise taxes. She was on clause 37(3). It states:

"For the purpose of levying any distress...any person may, if expressly authorized in writing by the Board, execute any warrant...and if necessary, break open any building..."

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She was saying without due process.

**Sen. The Hon. J. Jeremie SC:** I was coming to that. I knew that that was where you were going. There is a logical progression from levying a tax to administering the tax. I think that the case of Mootoo deals comprehensively with the exercise in which we are engaged this afternoon. This is enacting the tax.

In respect of the remedies for failing to pay property taxes, first of all I will refer you to a number of regimes which exist in other parts of the world. There was a study done by the Food and Agricultural Organization of the United Nations. They produced a document which at Part V dealt with implementing a property tax. They examined the rural property tax structures in Central and Eastern Europe and identified five remedies employed in recovering taxes on property which would include the following:

- (a) distraint on goods, the removal of goods for sale to make the payment;
- (b) seizure of rents and profits and interests on;
- (c) fines and interest on late payments exceeding the commercial rate;
- (d) forfeiture of the property; and
- (e) imprisonment.

**Hon. Member:** Where is that?

**Sen. The Hon. J. Jeremie SC:** Central and Eastern Europe.

**6.30 p.m.**

The Institute of Revenues, Ratings and Valuations, which is the largest professional institution operating in the field of revenues, elaborated on the following remedies: deduction from earnings; deductions from state benefits; bankruptcy; legal charges on property and sale of property.

If you turn to what obtains in other Caribbean territories, you see that in Barbados, for example, there is provision for a power to levy on underutilized agricultural lands. The power to distraint for taxes is contained in clause 30, and the power to distraint on goods which are claimed by a person other than the person liable for the payment of tax, is contained in clause 31.

This is a post-Constitution Act, which means it is a normal piece of legislation. It does not have the savings law clause to protect it. In other words, if we were passing this legislation without section 6 of the Constitution, the law, according to what they have done in Barbados whose Constitution is similar in

most respects to ours, would still withstand constitutional scrutiny. So, the power to constrain is contained in the Barbados Act, a 2002 piece of legislation.

In Jamaica, their legislation goes back to 1867, so it is close to the time of the reception of laws. It contains a recent provision for the relief from tax for indigent persons, but it does contain the power to levy distress in respect of arrears of taxes due. That is contained in section 28 of the Act, which allows their collector of taxes to provide a warrant to distrain and to go on to property to seize goods and chattels and other properties with or without a bailiff and with or without the assistance of the court.

Similar provisions are to be found in Antigua and Barbuda and in Australia. There is a provision in Canada, which is slightly different. They subject their regime to a court procedure. But the long and short of it is that there is nothing inherently objectionable in allowing those who administer the tax regime to collect taxes without recourse to the due process provisions of the Constitution.

In any event, our position is saved because the enactment, the Lands and Buildings Taxes Ordinance is a pre-Constitution enactment which is saved by the 1962 Constitution and Order and it is also saved by the 1976 Republican Constitution and Act. There is and can be no constitutional difficulty with respect to those powers in Trinidad and Tobago.

There is a point which can be taken as to whether or not the enactment referred to in section 6 refers to the whole Act or to a portion of the Act. I have cited from the 17th Century English provision and the 18<sup>th</sup> Century English provision. My proposition is not that those pieces of legislation are reproduced in the Property Tax Bill; my contention is that important pieces of information, in particular, the remedies provisions are contained in the Property Tax Bill.

It is important to determine what an enactment is. Is it the entire piece of legislation or a portion? For that we turn to Bennion on statutory construction. Bennion states an enactment is a proposition laid down in an Act or other legislative text with the effect that, when the facts fall within an indicated area called the factual outline, specific legal consequences called the legal thrusts are called for.

Therefore, any part of an Act must be considered an enactment and, if that is so, then the legislation and the parts of the legislation which speak to the enforcement of the tax are saved, either by the Supreme Court of Judicature Act, which makes it a part of our law or by the conjoint effect of the 1962 Constitution and the 1976 Constitution.

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I turn briefly to a case decided by the Privy Council on December 14, 2009, that was just one week ago. It is *Johnson and Bhagwan v the Attorney General of Trinidad and Tobago*. This was decided after the hard-fought battles of Matthews and Roodal. As students of the law would remember, this was overturned by a five-man Privy Council in 2005. We then asked a larger Privy Council, a nine-man Privy Council, to reconsider the matter and they overturned Roodal. This was the first time in 200 years that the Privy Council had convened a nine-man Privy Council. So this provision is safe. They have affirmed the decision of the Court of Appeal, which had been reversed by the Privy Council.

What Justice de la Bastide, Chief Justice as he then was, did in Roodal was to look at the special savings clause in the Constitution of Trinidad and Tobago. He said that essentially it had a wide effect. It saved every existing law that would have contravened sections 4 and 5 of the Constitution, but for the existence of section 6.

My only proposition this afternoon—and it is a proposition that answers completely all the questions on the constitutionality of the legislation because all the questions have turned on the effect of section 4(1)(a) of the Constitution, which prohibits the deprivation of property without regard to due process of law. That is contained in section 4. We can concede that.

If this is an existing law which derogated from section 4(1)(a) of the Constitution, it is saved by section 4. That is what Roodal says and that is what the Privy Council's 6(c) of the savings law clause says. That is what Roodal says in the Court of Appeal; that is what Matthew says in the Privy Council and that is what *Johnson and Bhagwan v the Attorney General of Trinidad and Tobago* says now in respect of the savings law clause.

Now, with those words, I could take my seat, but I would like to join the Member for Diego Martin North/East in expressing my own sense of horror at what took place. I was a Member of the caucus that took a decision as to who will speak when and where.

We have a caucus. I was appalled by the behaviour of the Member for Diego Martin West who, in spite of the assurances applied or expressed given in the caucus, he volunteered to speak on the Bill and came to the House and did everything but support the legislation.

Legislation which seeks to accomplish a serious social objective is never easy. This Government took the courageous step in 1994/1995 to float the exchange rate. Everyone was against us. I was at the university at the time and some of my

colleagues were prepared to lynch the Government. One of my colleagues wrote a book which described itself as, *Into the Valley of Debt*. He is now still at the university and a very good friend of mine.

We took the courageous decision at the time to float the currency. This is a courageous decision we are taking this afternoon. It may not be recognized to be one; it may not be universally popular, but governance is not about taking universally popular decisions; it is always about doing what, in the long term, is in the interest of the people of Trinidad and Tobago.

We did that in 1994 and 1995 and that is what we are doing this afternoon. Madam Deputy Speaker, with those few words, I thank you.

**The Minister of Information (Hon. Neil Parsanlal):** Thank you, Madam Deputy Speaker and hon. Members for the opportunity to make a brief intervention coming at the end of this very important debate.

**6.45 p.m.**

Parliament is about talk. Parliament is about listening and hearing all that the elected Members of Government have to say. Over the last two days—in fact we have been here if we were to count—we have listened to about 17 hours of talk on this particular Bill. If we were to analyze the last 17 hours of talk, we would have heard all kinds, during this debate, from the sublime, the Member for Tabaquite; to the ridiculous, the Member for Fyzabad. And we have had all kinds of intermediaries in between from the Members of the Opposition.

As you are very well aware, most of the Members on this side have come into this Parliament only about two years now; in fact just over two years. The one contribution that disturbed me the most in the whole presentation during the last 17 hours unfortunately, came from my own colleague, the Member for Diego Martin West. I will tell you why it disturbed me and it continues to disturb me. I remember when we had just joined as young Members, we sat and talked with our seniors. We argued and we asked for advice. I remember that one of the pieces of advice that I got from the Member for Diego Martin West, was that five years can pass very, very quickly in this town and if you are not careful you would not know where it went. You would have nothing but listen to people criticize and talk and then five years would have gone and you would have achieved nothing.

When I listened, I know what I can expect from the Member for Oropouche East. He trivializes everything in the Parliament; everything is a joke for him. I know what I can expect from the Member for Caroni East. You just have to mention UTT or EMBD and he goes off into a hissy fit. You know what to expect

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from the Member for Fyzabad; he reduces everything to race. You know what to expect from the Member for Princes Town North, similar lines. You know what to expect from the Members of the Opposition, because they have come to this House and, in more ways than one, their only role is to oppose, because nothing—what we saw even more blatantly the last day we met was the cheap politicking of the Members of the opposite side, where they left the Chamber and went outside to march for a five-minute corbeaux sweat, with the members who were marching downstairs, because they know nothing really about struggle.

There it was, the Member for Oropouche East, taking off his jacket and walking arm in arm with two men around him, in front of the Parliament, then coming back into the House and saying to us that members are being brutalized outside. I looked at Mr. David Abdullah on the television news subsequently. I even saw Mr. Abdullah yesterday and on neither occasion did Mr. Abdullah look worse for the wear. I want to suggest that if Mr. Abdullah had picked up two hurry slaps from policemen outside, he would not have been as comfortable as he was sleeping in the Parliament today. Therefore, when you come, Oropouche East, and regale the Parliament with that hyperbole and the exaggeration, then it does the country no good.

That is why I said while I know what to expect from the whole lot of them, when I listened to my colleague, it left me even more disappointed. Because at end of his discourse, what he had done was to reinforce, in a very real sense, all the fear and all the misinformation that had already been peddled by the Members of the Opposition.

He went further and provided them with grist for their own mill; their mill of deception and their mill of mischief.

If I am a Member of Government and the Opposition agrees with everything I say, then I would get worried. If I am a Member of the Government and the Opposition were to agree with everything I say and quote me at length verbatim all the time, then I would get worried and it would be cause for me for some serious introspection. I say this with no malice towards my friend, that it would be a cause for serious introspection.

During the course of his contribution he said—I want to quote him properly—this is the *Hansard*.

“Taxes are never popular but they are understandable, especially when you come clean and say what you are doing and what you are doing is justified. I am afraid on this occasion the Government is not coming clean on what this is, because it would be a very surprising thing—we would not have long to wait to see the outcome of this.”

Then, in his last paragraph he says:

“Trust is the only thing that the people want from the Government and the only thing to ameliorate or to remove the anger, the resentment and the anxiety that is associated with this tax, is for the Government spokespersons to come clean and say what we are doing.”

I am a Government's spokesperson and today I want to share a couple of things with the national community and I want to come clean. I want to say to the Member for Diego Martin West and for all of us, my constituents in Lopinot/Bon Air West are not different from Diego Martin West. They are no different from Oropouche East, Diego Martin Central, Tobago, Toco or St. Ann's East. They are no different. I am sure that if you ask anyone in this country, nobody wants to pay an additional tax. Nobody likes to pay any additional taxes.

Our constituents are no different and our constituents are equally angry. Our constituents are equally resentful and equally confused, because whenever they hear the Member for Diego Martin West speak, they hear him engage in a battle with the Prime Minister, one way or another, over UDeCott and that is what they are angry about. That is what they are resentful about.

My constituents are angry because they know that we cannot allow, just as we cannot allow crime to define this country, this Government will not, this Government cannot and this country ought not to define this Government by UDeCott and UDeCott alone, because there is so much more happening.

Madam Deputy Speaker, when I heard the contribution from all the others—because the others picked up on it, it is not only my colleague—about how much people dislike this Government and how much people are opposed to us and that is why they are marching and none of them got 5 per cent. [*Interruption*] That is what you say. The same Ryan poll, on which you all have pegged your fortunes, says—this is where we continue to have difficulties with the reporting.

“Notwithstanding all the social support programmes and policies that have been put in place...many Trinidadians say they are worse off...”

**Miss Panday:** What does that have to do with this?

**Hon. N. Parsanlal:** I do not expect you to understand clearly, my dear.

“...when they were in October 2007, when the Government returned to power”

Then they gave the statistics.

“Forty-four per cent report that they were ‘worse off’ or ‘much worse off;’”

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And that is what they carried:

"Forty-four per cent report that they were 'worse off' ..."

There is a line below that one. It says:

"39 per cent however say that their circumstances are the 'same'. Only 17 per cent said they were 'better off' or 'much better off'."

In other words, 39 per cent of the population is saying that between 2007—2009, we are on the same level and an additional 17 per cent have said to Selwyn Ryan and others: "We are either better off or much better off." The aggregate there is 56 per cent, who are reporting. These are not my figures. This is not PNM figures, these are Selwyn Ryan's figures. Fifty-six per cent of the population, contrary to what is being reported, are saying: "We are either in the same position or better off, tax or no tax." This is the reality.

Part of his contribution was when he tried, as tenuous as it was, to link the question of equity and bringing the whole UDeCott and Calder Hart thing back into the mix. One of things that we need to be very, very careful about—that is why I have said that it disturbed me, because the same findings—there was the question about why is Calder Hart still there and why is the Prime Minister protecting Mr. Calder Hart. I hold no brief for Mr. Calder Hart; none. The same Commission of Enquiry, in fact the same Ryan poll says very, very clearly that the Prime Minister openly declared that the Government's policy was to award more contracts.

"Spokesmen of the industry vigorously denied these allegations, but majority opinion endorsed the Government's claim about a cartel in the construction sector. Thirty-six per cent agreed with the Government and 29 per cent did so strongly, an aggregate of 65 per cent."

Sixty-five percent of those polled believed that there was a cartel in the construction sector. Nobody is calling for them to be fired. Nobody is calling for the captains of industry involved in this to be fired. Where is the equity then? If you are calling for Calder Hart to be fired, then call for the others to be fired as well. The others who are being targeted, who their own people are saying are corrupt, are misappropriating funds, colluding and all the other things they are saying about Calder Hart. Let us be equal in what we say.

My constituents are angry. My constituents are confused, because they do not know when and where the next set of body blows would be coming from.



**7.00 p.m.**

Madam Deputy Speaker, they are anxious because they fear that this battle of words is doing more harm to the party than it is to anything, and that the Parliament is not the place for it. My constituents would like, when we come to this House, to engage in constructive criticisms. As I have said, on more than one occasion, no government is the sole repository of expertise and we will make mistakes and, therefore, when we have to criticize, we will criticize. When we have to say we are wrong, then we say we are wrong.

My constituents would like PNM people, inside and outside of the House, to talk about our accomplishments as well. When Members opposite speak despairingly and say that we have squandered all the money—this is the point that is being made repeatedly; the reason for the imposition of this tax is because we have squandered the patrimony given to us in trust. When they hear that and they hear PNM people agreeing with that, then they get confused, angry and resentful. They say to me, as their Member of Parliament, if that is the case, who is going to speak about the accomplishments? Who is going to say where the money gone? Who is going to say what we have spent the money on? Madam Deputy Speaker, for all those who are saying that we have wasted the money and we have spent it wildly, I just want to share some of the things on which we have spent the money over the last nine years.

Madam Deputy Speaker, we have spent the money on transport; we have spent the money on the Water Taxis that have transported more than 100,000 people over the last couple of months. [*Desk thumping*] We have spent the money on buses. PTSC has the largest fleet they have ever had in their existence—the largest working fleet in their existence. [*Desk thumping*] We have spent the money on the Interchange that is now taking persons to and from San Fernando in times that they did not even imagine before. [*Desk thumping*] I am reminded by my colleague, that we turned the sod today for the new overpass at Aranguéz, which will further reduce the amount of time spent on the roads. [*Desk thumping*] That is where we have spent the money. Is that bad spending?

**Hon. Members:** No.

**Hon. N. Parsanlal:** Is that wastage? That is the question we must ask and that is what PNM people inside and outside this House must be talking about. Madam Deputy Speaker, we have spent this money on education. [*Desk thumping*] At the last count, more than 250,000 students have benefited from GATE. [*Desk thumping*]

We have opened a significant amount of Early Childhood Care Centres. [*Desk thumping*] In very short order, we will open Maloney, Bon Air West, Maraval—[*Desk*

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*thumping*] Is that money being wasted on the people of Trinidad and Tobago!—in Roystonia, Goya, El Dorado and in all parts of the country. Those are just five places. Is it that Members opposite will have us believe that spending money on the Early Childhood Care Centres so that our little children or babies from 3—5 can have a proper environment in which to go to school is wastage? That is what PNM people expect from PNM Members both inside and outside of this House. That is what they expect.

We have spent the money on health. With respect to CDAP, 574,395 patients are now accessing medication under CDAP—half a million Trinidadians and Tobagonians. Is that wastage? Is that bad spending? Madam Deputy Speaker, 5,661 glucometers have been distributed. There are 255 participating pharmacies; 110 chronic diseases are being treated. Is that wastage?

So, when others on that side argue that we have wasted the money, and their own constituents are benefiting from this, is it that we are wasting the money on your constituents? Can you go back to your constituents and say to them that the Government of Trinidad and Tobago wasted the money on CDAP that they are receiving? Can you go back to them and honestly say that? We have spent the money on these things. I just mentioned three things—health, education and transport. I have not touched on our social infrastructure.

I want to appeal to the population that is listening to us today on the television or on the radio that this is what your Government has spent the money on. If you think that CDAP is bad spending and if you think that education, health and social infrastructure are also bad spending, then what else should we spend it on? There is a question we must ask: Should we not impose this property tax? This is the call from the other side, not to impose the property tax.

As citizens, are we willing to foot the true cost of gas at the pump? In other words, take out the subsidy on the gas and let people pay what is the real cost or take out the funding for education and let citizens pay the true cost? Is that the alternative that is being asked of us? It is not. We are providing the alternative. We will continue to speak to that which is basic to all our citizens: health, education, housing, social infrastructure, transport, security and energy. Those are the things that we will continue to spend on.

If in the process of modernizing our legislation; if in the process of modernizing and addressing our challenges and strengthening the efficiencies, we have to look at our pension reform and property tax reform, then we will do that to.

What we have seen on the other side is nothing short of an attempt to create fear and hysteria in the minds of our citizens. One of the things that they have

done is to instill a certain fear in our citizens that they will lose their properties, and the Government, acting on a whim and fancy, will simply go and break down people's houses and take away their properties. That is the fear.

Madam Deputy Speaker, in speaking to that fear, and in creating that mass hysteria, they are being less than honest. The legislation speaks very cogently about all the lands that are to be exempted and the categories of persons that are to be exempted. I want to speak this evening to all the senior citizens out there. I want to speak this evening to all our citizens out there who are receiving public assistance grant; I want to speak this evening to all the citizens who are receiving their Senior Citizens Grant; and I want to speak as well to all our citizens who are in receipt of the Trinidad and Tobago conditional cash transfer card.

Clause 23 of the Bill which is before us speaks very clearly of the deferrals that are to be granted to these four categories of persons. I am advised by the Ministry of Social Development that, at the moment, in terms of public assistance grants, there are 203,917 persons in receipt of the public assistance grant; there are 174,088 persons on the disability grants; there are 70,837 persons receiving Senior Citizens Grants and there are 32,650 persons on the TT cash transfer card. Madam Deputy Speaker, in other words, there are 481,492 persons who have already been deferred for this tax. [*Desk thumping*] That is nearly half a million persons out of the 1.3 million, and this is why the contribution disturbed me so much. There are almost half a million persons who are already earmarked for a deferral of this property tax. I have not included those in clause 23(2)(b), which speaks to persons receiving an annual income not exceeding the maximum amount specified in section 3 of the Senior Citizens Grant. That speaks to persons who are not in excess of \$2,800 per month.

Madam Deputy Speaker, when you add up the numbers, at least half a million of our citizens are not going to be asked to pay immediately or now or as long as they are in receipt of this, the property tax. So what is the cause of the fear? What is the reason behind Members of the Opposition trying to instill so much fear? What is the reason for members of the OWTU, the Axe the tax people and all of them marching around this Parliament and totally ignorant of this?

Madam Deputy Speaker, we understand very well and we understand that a house in Ellerslie Park in Maraval—I want us to understand this—which under this new system qualifies as an executive—in other words, top of the line house—this is an assessment that was paid, and it is dated 23rd October, 2009.

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It says here: "The annual ratable value of this house in Ellerslie Park—and I want us to listen to this you know— and the annual ratable value is \$1,440 for a multi-million dollar property. The 10 per cent tax that the residents in this area pay for this multi-million dollar house amounts to the princely sum of \$144 a year. [*Interruption*] In other words, the person who lives in Ellerslie Park in Maraval at this residence is paying \$12 a month; \$12 x 12 is \$144. Twelve dollars a month to live in a multi-million dollar property, and that is why the "Axe the tax" crowd is so vehemently opposed to this. [*Desk thumping*]

They understand very well that while they are paying \$12 a month, people in San Fernando are paying a lot more; people in Pleasantville—Government housing, \$250,000 for the house or less, paying more tax than them at the moment.

We come before this House and say that the purpose of this tax is to bring about some level of equity in the system and it is shot down by Members opposite. We are talking about it on a number of levels and the first level is to ensure that all jurisdictions, the eight various areas or the 14 municipalities, the borough councils, everyone would be paying the same figure. Not the same quantum in terms of the tax, but across this country whether you live in Lopinot/Bon Air West, whether you live in Diego Martin West, whether you live in Oropouche East, Oropouche West, Fyzabad or wherever you live, all of us would be paying one level of taxation. That is what we mean by equity.

It is not about the quantum you pay, because the multi-million dollar house in Ellerslie Park or the multi-million dollar house alluded to by my colleague—the Member for Diego Martin North/East—occupied by the Member for Caroni East, that house in Fairways, certainly cannot compare with my little batchy up in Arima which you know well. It cannot compare. So there is no reason why two of us—

**Mr. Roberts:** Your "crib".

**Hon. N. Parsanlal:** My "crib", thanks very much, Member for St. Ann's East. We cannot be paying the same amount of tax. We pay the same level, the 3 per cent, but his multi-million dollar house; surely, he must pay more than I am paying for my little "crib" in the back of Arima. [*Interruption*] That is what we speak of when we speak of equity.

I am surprised and the Member for Diego Martin North/East alluded to it, that the members of the trade union movement could be so fickle in their understanding of this. Member for Oropouche East you are letting me down,

because you should have guided them. Certainly, those who earn more—is that not what we talk about—and those who have more pay more, that is why you have "pay as you earn", but it is the same 25 per cent all of us are paying. It is the same 25 per cent all of us are paying, but each one of us are paying a different level of tax because of the quantum of our salaries, but there is equity in the system, because all of us, no matter if you make \$3,000; \$10,000; \$30,000; \$50,000 or \$100,000 you pay 25 per cent. That is what we mean when we speak about equity, and that is what disturbed me about the contribution from my colleague.

The Members opposite would have us believe that this is another tax, and to use the Member for Siparia—"is just tax, after tax, after tax". But again, I want to speak to the people outside, the small people outside who understand really, a lot more than we credit them for. Madam Deputy Speaker, you would be aware that anyone in this country who makes \$5,000 or less pays no income tax at all. They pay no income tax at all. All they pay from their salaries would be health surcharge and NIS. So, for a significant portion of our population, they are already paying no taxes.

This Government has ensured that VAT has been removed from every single basic food item that one can get in the supermarkets. Every single one! There is no VAT on rice, there is no VAT on flour, there is no VAT on oil, there is no VAT on butter, there is no VAT on—there is none!

**Hon. Member:** Milk.

**Hon. N. Parsanlal:** There is no VAT on milk, there is no VAT on cheese, so already for the poor person—and this is what they talk about. The Member for Siparia said, "This is not a property tax, this is a poverty tax and it is the poor people who will suffer".

Madam Deputy Speaker, the poor amongst us, those who earn less than \$5,000 are not paying any personal income tax. There is no VAT on the basic food items, but there is something else that we need to talk to them about. *[Interruption]*

**Dr. Moonilal:** You all be quiet, we are trying to listen on this side here.

**Hon. N. Parsanlal:** Madam Deputy Speaker, when we compared what we pay in Trinidad with what is being paid in other countries in terms of taxes then there is still a lot that we have to be thankful for. I did a small analysis of water pricing in selected countries. *[Interruption]*

In other words, how much we pay for water? In Germany—and the rates I am going to call for Germany, France, the UK, the US and Canada are for 2003—they pay US \$1.91 for water per cubic meter; in France they pay US \$1.23; in the UK

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they pay \$1.18; in the USA they pay 51 cents; in Canada they pay 40 cents; in Trinidad and Tobago based on the 2005/ 2006 figure, we pay 21 cents. [*Desk thumping*] Twenty one cents is what we are paying for water.

When you go to electricity rates: In Barbados they pay US 20.41 cent per kilowatt; in Grenada it is 22.14 cents; in Guyana it is 5.88; in Jamaica it is 13.06; in Suriname it is 17.08 and in Trinidad and Tobago we pay 4.1 cents up to 400 kilowatt per hour.

**Hon. Member:** "Doh" make joke.

**Hon. N. Parsanlal:** We pay five cents for anything between 400 and 1,000 and we pay 5.8 cents over 1,000, [*Desk thumping*] the lowest rates in the Caribbean. Yet still, Members opposite would have us believe that this Government wants to tax people out of existence. Nothing could be further from the truth.

Madam Deputy Speaker, even when you go to telecommunication services— look at our mobile rates; in Barbados it is 35 cents, Bahamas 33, Jamaica 24 and in Trinidad and Tobago, we pay 23 cents. In every category, whether it is lights, water or telephones, in Trinidad and Tobago we are paying the least. [*Desk thumping*] So when you combine that with the lowest end of the spectrum, not paying any tax at all, not having to pay any VAT on their basic food items and still being charged the lowest utility rates in the Caribbean, then you have to ask yourself the question, how true can the Members opposite be when they make the claim that we are taxing people out of existence and that this is a poverty tax. Nothing is further from the truth.

Therefore, it is important for us as we look at this legislation to ensure that the fear that is being fuelled by Members opposite and by those who are opposed to us in one way or the other, that that fear is dispelled and dismissed for what it is, nothing but cheap politicking.

**Dr. Browne:** Facts are stubborn things.

**Hon. N. Parsanlal:** Facts are stubborn things, they will not go away. The next bit of fear that they speak of is that every year there will be a different tax rate. The legislation speaks very clearly, that a review is permissible after five years, so whatever happens you have five years before there is a review of the tax rate.

Again, I want to talk to the simple minded, those members of our population out there who feel fearful of all that is happening and I want to say to them this evening that nobody is coming to raise your property tax every year; nobody is coming to do that. This Government has no intention of taking your house away

from you. [*Desk thumping*] This Government has no desire to leave you homeless, in fact; to the contrary our stated goal is to ensure that every citizen of this country has a roof over their head. That is our goal. [*Desk thumping*] We are not about taking away anybody's house.

The fear that is being generated and part of it again in the face of all kinds of information to the contrary. The WASA rates that as soon as this property tax goes up then your water rates are going to go up. The RIC has spoken about this. [*Interruption*] Not the deputy CEO in WASA. The deputy CEO in WASA does not set water rates. It is the Regulated Industries Commission (RIC) that sets the water rates and they have indicated very clearly that the two ought properly now to be delinked from each other. Therefore, when they come with that, when Members opposite come and try to instill that kind of fear into the population, that too must be dismissed.

The Member for Siparia would have us believe that in Germany and in the United States, they are now reducing taxes, but let us compare apples with apples. Which American student could go from their first degree straight to PhD free of charge? [*Desk thumping*] Which British student can do that? Which German student can go from nursery to tertiary, up to PhD level free of charge?

**Madam Deputy Speaker:** Hon. Members, the speaking time of the hon. Member has expired.

*Motion made,* That the hon. Member's speaking time be extended by 5 minutes. [*Hon. C. Imbert*]

*Question put and agreed to.*

**7.30 p.m.**

Madam Deputy Speaker, we are a very disciplined side, and if the Leader of Government Business wishes me to speak for only five more minutes then I will speak for only five more minutes. Because I am sure in that five minutes allocated to me we can reinforce the point that nothing that we are doing in this Property Tax debate is meant to disenfranchise the people of Trinidad and Tobago.

In fact, we are trying to ensure that there is equity in the system and all our people have roofs over their heads and transport, and more than that, when—and as you know this is more than likely, the last session before the Christmas holidays. And, therefore, I want to say to Members opposite and the national community that as we enter this period of generosity, self-giving and humility that we take cognizance of the Christ child and the truth that is consistent with this season. That we take cognizance of this

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new beginning and the promise and possibility of hope that this season offers to each and every citizen of Trinidad and Tobago.

Politics, more than anything else is about hope and as we enter this Christmas season, I want to offer to all of us on behalf of myself, my family and the national community on behalf of the Government, a Merry Christmas, a Happy New Year and a year that is filled with even greater hope, greater trust and even greater love than we can ever hope to achieve in this country of Trinidad and Tobago.

Madam Deputy Speaker, I thank you.

**The Minister of Finance (Hon. Karen Nunez-Tesheira):** Thank you, Madam Deputy Speaker. As we conclude and wind up on this debate on the Property Tax Bill and the amendment to the Valuation of Land Act, I really want to start my contribution in the winding up and quote from a statement that was made on September 22, 2008. It was headed:

**“Reform of the Property Tax Regime**

The Government is committed to making the tax administration system as efficient and user-friendly as possible. Part of the tax reform initiative is the reform of our property tax regime which is antiquated, inefficient and lacking in equity...

The new property tax assessment and collection system will ensure that all taxable properties are registered and valued for taxation at today’s market prices. The system will use the international best practices in property valuation and will include an efficient methodology to address objections and appeals. Customer service at the District Revenue Offices will be greatly enhanced as information technology will be employed to streamline records and facilitate the payment processes.

Access to records and payment of taxes will also be available online. Enabling legislation in the form of a new Property Tax Act will be forthcoming in the new fiscal year. The proposed new property tax regime will take effect from January 01, 2010.”

Madam Deputy Speaker, that statement was not in a manifesto but in the Budget Statement that was delivered in this honourable House in September 2008.

We have heard the contributions not only from the other side, but unfortunately from one of our own Members and I will not reiterate all that was said by the Member for Diego Martin North/East, as well as my colleague, the Member of Parliament for Lopinot/Bon Air West. They have all said that when one listens to those on the other



side, they clearly give the national community that this Government was in the business of hoodwinking, brambling was the word used, fooling the national community and, in fact, disparagingly it was said: Why are you talking this equity and efficiency talk; why are you telling the national community all that, why not come to the truth and tell the people you want the money? That you wasted the money and are now looking for mechanisms to get additional revenue.

When you say those things unless you support them with facts they only become an opinion and one would ask what is informing that opinion. Because I read from the Budget Statement in September 2008 where we identified the start-up date for this new legislation and identified the reasons for bringing it into effect.

If I follow the argument that was put forward by many of those on the other side including one of our own Members, that we are in such desperate straits and we are using all this camouflage and subterfuge to fill our empty covers in a desperate effort, the facts are what you have to go back to. Unless I am a clairvoyant or have the ability to see in the future which I do not think any of us have the capacity to do, we have to locate statements at the time in which they were made and that statement was made in September 2008 and again I said it in 2009. I am saying the first time the statement was made in the national budget was in September 2008. That is the point I am making, and when I said it I identified the start-up date, I did not leave it open-ended.

I did not say we want to bring a property tax regime, we are thinking about doing it, we might do it in the near future, or sometime in the next year. I did not only give a year; I give a year, a month and a day, three things and I did that in September 2008. So when we said that in 2008, we were brambling and fooling the national community when we said we were doing it to take care of the inequities and inefficiencies?

Let us see what the state of the revenue of Trinidad and Tobago was in September 2008 when the statement was made. Some of the things we want to look at are the price of oil and the price of gas. We put it at \$70 because at that point in time the average price of oil was US \$100 a barrel in 2008, but we were so desperate for money in September 2008 that we fooled the national community and talked about equity when we were really scrambling for money. That is what they said.

**Mr. Imbert:** Who said that?

**Hon. K. Nunez-Tesheira:** Those on that side including one of our own. Natural gas was \$8.09 per mmbtu; our official reserves went from \$6.674 billion in 2008 and when I gave the national budget it was over \$9 billion, but we were scrambling for money.

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Standard and Poors upgraded us from an A-grading to an A grading, but we were scrambling for money. They on that side said that. Who is fooling who? That is dishonesty because if you want to make a statement and form an opinion, base it on facts, but you cannot come to the national community and say that is what we were doing in 2008 because we were scrambling for money.

In fact, when the oil was put at \$70 a barrel, we felt that we were taking a conservative position because the year that budget was read, we put into the Heritage and Stabilization Fund over \$6 billion from excess revenues. When you set your budget price on oil and gas, any excess of additional revenues, 60 per cent goes into the Heritage and Stabilization Fund. In September, 2008 we put over TT \$6 billion into the Heritage and Stabilization Fund, but we were scrambling for money. That is nonsense!

It is one thing to make your point and you have your issues but at least, talk the truth. I am not going to go over what was already said by Members on this side. The Member for Lopinot/Bon Air West spoke eloquently and at length on the number of things the Government has done, but I want to speak to that issue of the heartlessness of the Government. By the way, when they say that we are looking and scrambling for money, the Member for Diego Martin North/East said it right. Currently the taxes we receive by way of property taxes, whether under the municipal corporation legislation or on the Lands and Buildings Taxes come up to about \$152 million and we expect in the first year to be about \$250 million. So we are so scrambling for money that is why we are running into Parliament to get \$100 million, because that is the difference in the first year. We would eventually reach \$750 million, but I would deal with that shortly.

I want to speak to the point about the taxing. When you look at our tax structure, you cannot pull out one that is convenient to you like the property tax and I will deal with that issue by itself.

When this Government was in office, it dealt with the personal allowances and the Member for Lopinot/Bon Air West is correct. Anyone working for less than \$5,000 a month pays no income tax and this heartless Government changed it. Another thing this Government did was reduce the rate of corporation tax to 25 per cent; it is one of the most attractive rates. You may ask why I am bringing it up because if you want to encourage foreign investment and Trinidad and Tobago in terms of the size of its population attracts a lot of foreign investments and part of it is our rate of corporation tax which is 25 per cent.

We put a ceiling on the income tax which used to be 33 per cent and we brought it down to 25 per cent. This heartless Government! We are talking about

property so I might as well mention the stamp duty. You pay no stamp duty on a property up to \$850,000. [*Desk thumping*] So that is this heartless Government. I will not go into details of what the Member for Lopinot/Bon Air West has said.

We have all seen from the article that Anthony Wilson has become a celebrity, at least in this debate. Why it is a good article is because it is well researched. I know you do not find it an attractive argument, Member for Oropouche East but it is well researched and essentially the article asks: Has the Government wasted money? And basically he showed how much money the Government had raised over the years that were expended on subsidies and transfers and it is very impressive.

It shows that this so-called heartless Government that is going to take money out of poor people—which is the impression you are getting—it is this Government that spends over \$1.36 billion on Senior Citizens Grant per annum. It is this heartless Government that spent \$247.7 million on disability grant in 2008; educational institutions, \$1 billion.

**Hon. Member:** They are saying we are heartless.

**Hon. K. Nunez-Tesheira:** We know we are not heartless.

**7.45 p.m.**

I know that you are familiar with the Latin phrase *res ipsa loquitur*. In Latin it means that the facts speak for themselves. The track record of this Government clearly brings the lie to all that they have said because the facts speak for themselves.

When we talk about housing, I could go on and on and on. I have done it on many occasions. I will not at this point in time, 564 houses. [*Interruption*] 464. I get lost with the numbers, the 20 and 30 difference in the houses. Forgive me, Madam Deputy Speaker. I am sorry. Let us be fair. Up to 500 houses they built in six years. That is how much they care about property and people right. They come here and talk about axe the tax. Poor people. Poverty tax.

They are hypocritical. I am not surprised. You have to put a tablespoon of salt in whatever they say. Not a pinch. Do you know why? I sat in this same House and heard the Member for Siparia say in one of the budget speeches that right now they are lining up around the Treasury. There is a panic. People are, literally, as she was on her feet, running, the Treasury was running out of money. This is what the Member said with a straight face. You have to understand that when they speak you cannot blame us on this side that we have to not put the pinch to it, but a whole tablespoon of salt.

I will not go over the number of these things that this Government—but the housing is important because it is a property tax Bill. We are aware of this

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Government's track record. The Member for Diego Martin West, more than any of us, should know that because he was the Minister of Housing. I remember when I was neither a Member of this honourable House nor a Member of this Government, I was a normal citizen looking on like the rest. I am saying to you without question how impressed I was with this Government's performance in housing. Thousands of houses. That is this Government's commitment to housing.

At this stage, I will not remind everybody of what we have done in education, housing, CDAP, Senior Citizens Grant and so on. As I am on the point of taxes, I want to mention that the Member for Siparia and another Member, but I know that the Member for Siparia said, "We raised not one tax." They were very adamant. Did you say that too, Member for Cumuto/Manzanilla? You never raised not one tax. You do not know. I have to remind you again.

I pulled out my winding up on the budget. I got this document from the Ministry of Finance. I am not making up this. In 1998, October 05, imposition of a penalty of \$300 on holders of drivers permit which have expired for a period of six months; money lenders licence fees and pawnbrokers excise duty. This is a quotation.

I propose to increase the money lenders licence fees to \$500 and pawnbrokers licence excise duty to \$2,500. They went to alcoholic beverages. We intend to increase import duty on these items as set out in the Provisional Collection of Taxes Order. It did not stop there. Import duty on motor vehicles. They gave a list. In the case of gasoline powered private motor vehicles and diesel powered motor vehicles. When they come and say they did not raise any taxes, you cannot believe them. [*Interruption*] You are saying that I am not telling the truth.

That is the problem. Let me put the record straight. When they were in power they did impose tax contrary to what they want the national community to believe.

#### PROCEDURAL MOTION

**The Minister of Works and Transport (Hon. Colm Imbert):** Madam Deputy Speaker, I beg to move that in accordance with Standing Order 10(1), the sitting continue until the completion of the debate on the Property Tax Bill and the Valuation Of Land (Amdt.) Bill.

*Agreed to.*

#### PROPERTY TAX BILL

**The Minister of Finance (Hon. Karen Nunez-Tesheira):** Thank you, Madam Deputy Speaker. I was about to complete the general consideration of taxes on two points. It was said several times on the other side that the Minister of

Finance said that people are not opposed to the tax and they support it. I did say and what I stand by is that I think that everyone or most persons you speak to recognize—the examples were given in this House.

The Member for Diego Martin North/East gave an example of property in St. Clair. A \$20 million property paying \$700. I have spoken to persons who live in what you would consider the more affluent society and they tell you that they know that the tax they are paying is not correct. They are not paying an appropriate level of tax. The general consensus is that persons recognize that the taxes that most of us are paying bear no relationship to the stark cost of living and the value of the property.

I do not know if the other side got a copy of this. I was faxed a copy from the University of the West Indies Students Guild. The guild of students and their president, Mr. Hilan Morean, signed it. It was copied to the Prime Minister, the House of Representatives. It was written to the Speaker of the House on December 14. The students were talking about rent restriction and saying that we need to re-enact the rent restriction legislation. The students stated:

There has been much debate about the Property Tax Bill. It is fair to say that it has been met with mixed reviews, but is generally understood to be a path for development. [*Desk thumping*] That is what students of the University of the West Indies unsolicited had to say about the property tax. When they say that about the property tax—I heard one Member, I was not surprised it was the Member for Oropouche East because he does his homework. He does not share it with us appropriately, but he does his homework. You have to distill his message. Let us put it that way.

One of the things I heard was about former Prime Minister Margaret Thatcher, the poll tax and how it nearly brought down her government and she had to withdraw. They did not tell you what the poll tax was. The tax that was enforced when she was prime minister is similar to the tax that we have. It was called a rates tax based on the annual rental value of property in the same way as our tax is implemented. It is based on the valuation of the property. The more the property is valued when you apply the percentage, it only stands to reason that the quantum is going to be higher the more the property is valued.

There is a correlation between the value of your property and your financial status as a general rule. Let us put it this way. It is hardly likely that you would have someone who is indigent living in a \$5 million property. I know that there are always exceptions to every rule. It is hardly likely that you would find a multi-millionaire living in a shack, unless the person is eccentric and desires to do so. The point is that it is a progressive tax.

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At the time, the Prime Minister Margaret Thatcher, because the county councils in the same way we have municipal corporations were allowed to apply varying rates of tax in order to raise taxes to do their local government business. At the time it was controlled by the Labour government and of course, the Conservative government was in power. There was a view that they were abusing it and overspending. There was corruption at that level. Initially, they put a rates tax Act into effect from 1984 to cap the rate of tax that could be applied. Later on, she decided to apply, I think that the correct term is the Council Community Act. It is locally called poll tax. A poll, literally, is a head. It is a flat rate of tax.

Regardless of your financial status, everyone, except a certain exemption had to pay the same rate of tax. You found that the more persons lived in a house they did a head count. It was the same amount whether you were rich or poor. They counted the heads in a house and you paid the tax. That caused a riot because generally speaking, in the inner cities and the poorer neighbourhoods, you found there were more persons living in a household than persons in the 2.5 picket fence household. As a result, the tax was considered a regressive tax.

In fact, it is the tax that they use in the United States of America in the South, to prevent the poor African Americans and the Irish from voting because they apply this flat rate of tax. It is that tax that Margaret Thatcher became very unpopular for and caused the riot. It was that tax she had to repeal and replace with a tax which is similar to the tax that we have which is a progressive tax, an annual rentable value tax based on the value of your property. That tax is used now in the United Kingdom. There goes that argument about Margaret Thatcher. If you are going to talk about Margaret Thatcher, talk about the kind of tax that she put in place which was a regressive tax which she had to back off from. That is not unusual but that is what they do best.

Let me go to the major point that I want to make this evening. What I heard from the other side if I listen to them, we are in Parliament to pass legislation called the Property Tax Bill, 2009. The intention behind passing that Bill is to repeal three pieces of legislation, the Lands and Buildings Act of 1920, the Municipal Corporations Act of 1990 and to amend the Valuation of Land Act. If we do what they are asking us to do—Member for Oropouche East in particular, I am speaking to you—if we followed your advice, leave the Lands and Buildings Taxes Act, the Municipal Corporations Act Part V and the Valuation of Land Act. That is what you said. Do not change the Act. Leave the legislation as it is.

Let us see the effect. For those parts of the country that do not fall within the municipal corporations as San Fernando, Point Fortin, Arima, Chaguanas and Port

of Spain, every other part of Trinidad and Tobago is governed by the Lands and Buildings Taxes Act, 1920. Section 3 sets out the rate of tax. The rate of tax is 7½ per cent on the annual rental value of your property. That is the rate of tax that you and I are paying if you do not live in a municipal area.

In 1990, as the Member for Diego Martin North/East was at pains to let the Member for Siparia know that it was when her government, although she was not successful, passed the municipal corporations legislation. Part V, section 77 allowed the municipal corporations to raise their property taxes and utilize it to provide services for their municipal corporations. They had a band from zero and 10 per cent. The municipal corporations exercised the authority given to them. What are the rates of tax? Port of Spain is 10 per cent; San Fernando, 8 per cent; Arima, 10 per cent; Point Fortin, 2 per cent and Chaguanas, 10 per cent.

If we do not touch the legislation and leave it just as it is the rate of tax you would pay and continue to pay under the lands and buildings legislation is 7½ per cent. If you are living in any of these municipal corporations, you would be paying on average about 8 per cent on the annual rental value of your property. I am giving the example. Most of the cases are 10 per cent. Port of Spain is 10 per cent; Chaguanas is 10 per cent; San Fernando is 8 per cent and Arima is 10 per cent. It is only Point Fortin that is 2 per cent.

### **8.00 p.m.**

So if we do not touch it; if we leave it as you say we should, that is the rate of tax that you will pay. If we do not amend the Valuation of Land Act, your property will be subject to valuation every three years. Let me just make this point clear. What is the issue with lands and buildings?

If I come to this House and say—I am using residential as an example—that the residential is 7½ per cent and average 10 per cent, it is much higher than what we have come here and said. You do not want us to drop it and that is what we have come here to do. We came here to drop the rate of tax.

What is the issue? The issue is the valuations. That is why we say it is a progressive tax. I could not follow the reasoning. How could you not come up with different quanta which would be directly related to the value of your property when you apply the tax?

If the rental value of my property, which has to have some relationship to where my property is situated and the quality of my house, for a month is \$10,000 and you multiply that by 12 and apply the 3 per cent, obviously I will pay more tax than if my property were rented for \$3,000 a month. The person who has a

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lower rental value in quantum will be different. Is it because of the rate of tax? No. It is the value of your property. The law provides the valuation. We are not coming to put in valuations. There is an Act called the Valuation of Land Act. When you look at the municipal corporations, that is what they have been doing. That is why we gave the example of San Fernando. That is why San Fernando will benefit from this legislation. It is because San Fernando's valuations are fairly up-to-date. They were done in 2004 and nothing we are doing here caused that. We did not have to come here for that.

All the Valuations Department and the assessors under the municipal corporations have the authority to value property. They did it in Point Fortin in 2008 and San Fernando in 2004. When they did it in San Fernando, because the municipal corporations have been given the authority to go between zero and 10 and decided on 8 per cent for San Fernando, persons living in San Fernando pay 8 per cent on a more recent valuation, for which we do not have to come here. It is happening right now.

If Port of Spain decided to do their valuations, as the law entitles and requires them to do, and move from 1975, which is why it is so low—as a matter of fact, if you apply the 10 per cent to a valuation done even 10 years ago, the difference would not be that marked, even though it would be more. If they did one in 2006, which they have not done, you would apply 10 per cent, which the law entitles them to do. This applies to Arima and all these areas. That in itself creates inequity.

I remember the Member for Mayaro making a point—he lived in the United States so he can tell you about Brooklyn and Long Island—which he did not even realize showed the inequity of the system. Councils are allowed to raise their own property taxes, but they are allowed to operate within a band. When you live in areas where persons are wealthier, they tend to have a higher rate of tax, so instead of applying a 2 per cent, they apply a 10 per cent.

Persons living in what is considered a wealthy area, because they can apply a higher rate of assessment of tax, they end up raising more revenues and are able to provide better services for those persons. If you live in a poorer area, you will keep the rate of tax lower, raise less money and if you happen to live in those neighbourhoods, your schools are not as good, your roads are not as good and that in itself is inequitable. That is why when Prime Minister Margaret Thatcher was in power she put a ceiling on the rates. That system in itself creates inequities.

When you come to this House and say that the Government is rushing legislation, we can leave the status quo. Most people did not know—I am sure



even people from San Fernando did not know that they were paying much higher taxes than the rest of us. I am sure they were surprised to know that, when we apply the new rate, they will get a great reduction in the quantum of tax they pay. How come you did not see all this doom and gloom the Member for Siparia spoke about? If I listen to the Member for Siparia, the country would fall apart; farmers would lose their land; people will lose their houses; Government will break down houses. But the rate of tax for San Fernando is so high that when we bring this rate, it will drop by about 50 per cent. San Fernando is a large city with rich people, poor young, old people, young people; it is a good microcosm of the rest of Trinidad and Tobago.

None of us in here, I am confident, recognized that San Fernando was paying such a great difference in property tax than the rest of us. Why did San Fernando not have a riot? Why were they not marching? Why were people not losing their houses in San Fernando? If the people in San Fernando were suffering so much, at least someone would have gone to the newspaper and the television and told them that the State took their house away. We did not know because they are paying 8 per cent.

Understand this. We are dropping the rate of tax. National community, hear this: We are dropping the rate of tax; we are not raising anything. The only one we are raising is Point Fortin at 2 per cent. [*Interruption*] Right now, understand this, I will treat you like the man in the street now; the man on the Crime and Problem Analysis Branch (CAPA) bus. If you are now paying 7½ per cent on the rental value of your property and I bring it to 3 per cent—[*Interruption*] What I am at pains to tell the national community is that the valuations have not been kept up-to-date. The law provides for it. San Fernando has done it. Point Fortin has done it. Do not say they cannot do it because the law allows it. They can do it in Chaguanas; they can do it in Port of Spain. They do not need us to come into the Parliament to do it. They can do it right now. If they do it, what is happening right now in San Fernando will happen to the rest of the country. We have been not been keeping the valuations up-to-date and that is inequitable.

Trinidad is a small country. You can be living on a street where someone comes under the municipal corporation of San Fernando and you are living just three houses down the road and come under the Lands and Buildings Act. Because you come under the municipal corporation of San Fernando, you are going to pay 8 per cent on a 2004 valuation and it is easy understand that your valuation will be very high and then you apply the rate of tax of 8 per cent. I live three houses down and I am under the Lands and Buildings Taxes Act. You will apply the 7½ per cent to me, but the last time that a valuation was done under the Lands and Buildings Taxes Act was in 1948. There is a provision in that Act that says that every 15 years after 1948, a valuation should be done.

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However, if you have had a piece of land with no house and you then decide in 1990—you are in the Lands and Buildings Taxes Act jurisdiction—to put up a house. The Valuations Department, because you will need a mortgage or, if you are honest, you go to the revenue authority and register, they will value your property at the mechanism of the ARV and, if it is within 1990, they will value it at the 1990 rate. They will then apply 7½ per cent. If you do extensive renovations and the Valuation Division, in doing its walkabout, sees the property and values it, as they are entitled to do, and that was done in 2007, they will apply the 2007 valuation and apply 7½ per cent to it.

There can be a house literally next to yours on which there have been no extensive renovations and they will be paying at the 1948 valuations—that was the last time they did a global valuation—and you will be paying next to nothing even though you are paying 7½ per cent, you are paying 7½ per cent on a valuation that goes back to 1948.

The person next door to you, either because they have built a new house, they have registered as they should, the Valuations Department was aware of it or for your mortgage you got the valuation of your property, the person would be paying 7½ per cent on a more recent valuation. So all this talk about property tax; it is not the tax; we brought down the tax. The only place we did not bring it down is in Point Fortin. What is happening is that the valuations have not been done. I do not want to belabor the point, but I hope I have been as pellucidly clear as I can on that point.

The Attorney General has been clear on the issue of the savings clause of the Constitution and the issues with regard to the legislation not infringing sections 4 and 5 of the Constitution, so I will not go there. Let us say we leave it because that is what you want me to do. If we let the Valuation Division do its work and the municipal corporations continue to do what they are doing, we will have San Fernando multiplied throughout Trinidad and Tobago. That is not all.

The Valuation of Land Act says if you underpay or overpay tax, they can do a reevaluation and you will pay the correct rate of tax. This Government has made a decision to say that you can only do so if you have overpaid. If it has been an undervaluation, you leave it until the next period for valuation.

### **8.15 p.m.**

You do not want us to touch it, or you want us to touch it? The next thing is, if we follow you and leave it as it is. The Valuation Act says to do a valuation every three years. We say no, we are doing it every five years. You want us to leave it?

You had a chance to do it, as the Member for Diego Martin North/East said, but you apparently did not think it was necessary to do that.

The forfeiture—I heard so much about forfeiture, from the lawyers too, and distress. They know that all over the world there is property tax. Property tax is just like water, electricity or mortgage. They are all charges on the property; that is nothing new. We are not doing anything unusual. That is the law. The difference is if we leave it as you say we must leave it, the forfeiture provisions do not take effect, according to what you want us to do. Leave it? We say no, five years, but if you want us to leave it, it will be one year.

Distress for training on your property—it says you can do it in three months. That is the law you had when you were in power. That is the same law. The Member for Siparia is acting as if she never heard about this legislation. She is shocked at this legislation. When you were in power for six years, I believe she was Attorney General at some point in time; however short that may have been, but she was there. Distress! After three months, that is what the legislation said, but we said no, make it one year. We also changed it again. If you want us want leave it as it is, tell us.

Another change that we have made is where you have unoccupied and un-assessed land, the law says now that the State can forfeit it after five years. It is saying that you have ownerless property. If it is un-assessed property it is like ownerless property. We say not five years, we would use 16 years and we did not pull it out of a hat. Sixteen years is adverse possession. We said after 16 years, someone can get what is called adverse possession title against the property, so we use 16 years. If you do not want us to touch it, we would leave it as five years.

The other thing—if you do not want us to do anything about it—is that in the current legislation, that is the Lands and Building Act, it does not recognize anything called financial hardship. I think section 32 states if your house burns down, you would not have to pay the taxes. That is when you do not have to pay the taxes. If you want us to leave it, you would not acknowledge financial hardship.

Let me clarify the issue of deferral. The issue of deferral is that the person who is suffering from financial hardship. You have to make a determination about when someone qualifies as someone suffering or is under financial hardship. The best Ministry or entity to make that determination is the Ministry of Social Development. What we are saying is, so long as that financial hardship continues, you are entitled to a deferral. Is a deferral your right?

**Madam Deputy Speaker:** Hon. Members, the speaking time of the hon. Member has expired.

*Motion made,* That the hon. Member's speaking time be extended by 30 minutes. [*Hon. C. Imbert*]

*Question put and agreed to.*

**Hon. K. Nunez-Tesheira:** Member for Oropouche East, when I came to prepare for this debate I said one person that would prepare—I know they would not share the information as I think they should share it—I gave you the credit of saying that Oropouche East would prepare. "Oh gosh, yuh might learn something. Yuh never know."

The financial hardship—so long as the financial hardships subsists, we will defer the tax. If the financial hardship continues through your whole life, as the Member for Diego Martin North East said, it is hardly likely—you are qualifying for Senior Citizens Grant, you are over 65—unless you won the lottery, that circumstances are going to change, so the deferral continues for your lifetime. Either when you die—or if you decide to sell the property, because you might be living in a property which has a charge, on the sale of the property, just like water rate and your mortgage—you pay it off. That is what you have to do. If you never sell the property and you hold on to the property for your lifetime, the taxes are deferred until your death. It accumulates. When you sell it, if it is sold, they have to pay off the taxes. It is just like paying off water rate and so on. But, if the person who inherits the property from you is similarly circumstanced, meaning qualifying under financial hardship, what we are saying is that all that deferred tax, we can exempt you from paying it wholly or partly. The person inheriting it would then start with a clean slate and they would be entitled to the deferral and that is fair.

Of course, if you do not want us to do it, tell us. We could leave the status quo as it is. What have we really come here to do, in order to give effect to the new system of automation? We wanted the equity and the equity is that everyone, removing the situation where you have municipal corporations, having the right to tax between 0 per cent and 10 per cent and the rest of the country, 7½ per cent. We are using one flat rate of 3 per cent.

I want to say something about local government and the special fund argument. I heard many persons say to put it in a special fund. If you tell me to put it in a special fund, it only stands to reason that somehow you believe that if I put this money into a fund, that in itself will cure all the problems of local government. It is no question that property taxes, as a general rule, are used for local government facilities. [*Interruption*]

**Dr. Moonilal:** Rowley say to mark the money.

**Hon. K. Nunez-Tesheira:** That is foolishness, because there is something called a Consolidated Fund. You put the moneys into a Consolidated Fund into a Ministry of Local Government. The issues of local government are not issues of resources. It is a fact that every regional corporation, at the end of the fiscal year, have unused balances. If they have unused balances, it cannot be an issue of resources. I think what they did was they passed the legislation that allowed local government not to return unused balances into the Consolidated Fund.

I went to the Budget Division and I got the information. There is not a regional corporation that does not have money in the bank at the end of a year, so it is not an issue of resources. In fact, when I did my research, in most countries where local government allowed them to raise property taxes, the maximum they raised is about 25 per cent of their need. Seventy-five per cent comes from the Central Government. In most countries, it is 25 per cent. This argument about having a local government fund is not the issue. We are talking about local government reform. The issue to deal with the inefficiency of local government is an issue of structure, organization and management and efficiency and not an issue of resources. I cannot understand how putting money into a fund is going to solve the issues of local government. We take a more holistic approach. We do not have a kneejerk approach. We do not say: "Here, put money in a fund." We look at it in a very holistic—[*Minister coughs*] I think I am choking. That argument about a special fund, I do not think that it can hold water.

I really want to come to two last points before I end. What do we have to come to this House for? The only thing we really had to come to this House for, if you were not concerned about the inequities of the system and the inefficiencies in the system, is to bring that Part 7 of the new Act, which allows us to have payments made electronically. I know we all know it.

If you are living in Port of Spain and you have a piece of property in San Fernando, what do you have to do? You have to literally go to San Fernando to the District Revenue Office and they then take these big books—the Member for Cumuto/Manzanilla is helping me—which are found in a back room, open the big book and look for your property. Is that not how it is done? Right. The gas you are using to go there to pay for that property is probably more than the tax you are paying. That is what we are seeking to address. No longer will you have to make that trek. You will be able to pay your property taxes at any district revenue office, any regional corporation, at WASA, T&TEC, the bank—

**Dr. Rafeeq:** TTPost.

**Hon. K. Nunez-Tesheira:** Exactly; TTPost. If that is not property tax reform, I do not know what that is. That is property tax reform. That is the main objective of the legislation. But, if you do not want us to do anything else—

**Mr. Manning:** Leave it as it is.

**Hon. K. Nunez-Tesheira:** We would leave everything as it is and just deal with the electronic payments, but that is not what this Government is about. This Government is about equity and fairness. When we sat down and looked at it, we said that, across the board, we would bring it down to 3 per cent.

I think it is disingenuous of the other side to say that we have been rushing this piece of legislation through the House. Since September, we have had a huge communication strategy telling you all the things that you need to know about property tax reform. We have done a tremendous communication strategy. I am sure you got a copy of this. Did you get a copy of this? We mailed out 226,000 of them. [*Interruption*]

**Mr. Bharath:** I do not have mail coming by me.

**Hon. K. Nunez-Tesheira:** Let me not say anything. Member for St. Augustine, I would not be baited with that.

**Mr. Bharath:** No fixed abode.

**Hon. K. Nunez-Tesheira:** All right, I would not go with that argument. The point is that we have launched an extensive communication strategy. It is on the Parliament website since the Tuesday, I believe. Am I not right?

I just want to end my contribution this evening to reiterate to the national community that what this Government has done contrary—I have to join my voice with what was said by my other Members really took great offence to hear that this Government—first of all to call us dishonest.

**Hon. Member:** "Who say dat?"

**Hon. K. Nunez-Tesheira:** Those on the other side. To say that this Government was trying to use this mechanism to raise revenue—there was a newspaper article with \$750 million. I want to say to you that it will end up to be about \$750 million, but in five years' time. It takes time. We expect in the first year, it will be about \$250 million. As more and more properties come on the assessment role and more and more properties are assessed, we expect that the revenue would rise to about \$750 million in the next five years, but in this first year, we do not expect it to be more than \$250 million.

In conclusion, I do not believe that the other side would want us to leave the legislation as it is. I want them to stop fooling the national community and putting fear in their hearts, that is what it is. All this talk about they are going to take your house. Why did they not take it yet? You were in government. Under the municipal corporations, why did they not take? This Government is known to be a caring Government. I want to let the national community know—the for Member Diego Martin North/East and the Member for Lopinot/Bon Air West—and I will not repeat the statistics, but it is very clear that the average tax that you will pay on a monthly basis would be \$81. That is the average tax that you would pay.

**8.30 p.m.**

So, all this fear and concern that is being put in the national community is not so. The Government is committed to bringing down the tax rate, and that is why we are here today; to make sure the persons suffering financial hardship are being taken care of—to understand that we need to extend the period for forfeiture; to extend the periods for exercising distress; and allowing persons who have underpaid tax to not be subject to revaluation under five years. This is why we are here today.

So, I would like to end my contribution this evening, and I hope the national community has listened to what we have said and understand that the issue is the valuation, not the tax, and nothing that we are doing today is changing that law. What we have done is brought down your rate of tax, and that is what we have done today.

Madam Deputy Speaker, I thank you and I beg to move. [*Desk thumping*]

*Question put and agreed to.*

*Bill accordingly read a second time.*

*Bill committed to a committee of the whole House.*

*House in committee.*

*Clauses 1 to 15 ordered to stand part of the Bill.*

*Clause 16.*

*Question proposed, That clause 16 stand part of the.*

**Mrs. Nunez-Tesheira:** Clause 16 is amended as circulated:

- A. By renumbering the clause as clause 16(1).
- B. In clause 16(1) as renumbered in paragraph (a), delete the words "land used exclusively as a church or churchyard" and insert the following: "lands used exclusively as churches, chapels and places of public worship of any religious denomination".

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- C. In clause 16(1) as renumbered in paragraph (f) by deleting the words "the State or its servants for public purposes" and replace it with the words-
  - “(i) the State or its servants;
  - (ii) a Statutory Authority; or
  - (iii) state enterprise controlled by the State, for public purposes;”;
- D. In paragraph (l) by deleting the word ";" and substituting the word ";;";
- E. In paragraph (m) by deleting the word "." and substituting the words ";;";
- F. By inserting after paragraph (m) the following:
  - “(n) lands belonging to the University of the Southern Caribbean.”.
- G. By inserting after clause 16(1) as renumbered the following:
  - “(2) For the purpose of subsection (1)(f) an enterprise shall be taken to be controlled by the State, if the Government or anybody controlled by the Government—
    - (a) exercises or is entitled to exercise control directly or indirectly over the affairs of the enterprise;
    - (b) is entitled to appoint a majority of the directors of the Board of Directors of the enterprise; or
    - (c) holds at least fifty per cent of the ordinary share capital of the enterprise.”

*Question put and agreed to.*

*Clause 16, as amended, ordered to stand part of the Bill.*

*Clauses 17 to 40 ordered to stand part of the Bill.*

*Clause 41.*

*Question proposed, That clause 41 stand part of the Bill.*

**Mrs. Nunez-Tesheira:** Madam Chairman, clause 41 is amended as circulated:

- A. In subclause (1)—
  - (i) delete the words "for the year specified" and replace with the words "for five years";



(ii) delete the words "one year" and replace with the words "five years".

B. In subclause (2) by deleting the words "one year" and replace with the words "five years".

*Question put and agreed to.*

*Clause 41, as amended, ordered to stand part of the Bill.*

*Clauses 42 to 44 ordered to stand part of the Bill.*

*Clause 45.*

*Question proposed, That clause 45 stand part of the Bill.*

**Mr. Imbert:** Madam Chairman, I am advised that the proposed amended to clause 45 is no longer necessary, because it was taken up in the proof copy that was printed. It is a typo and there is no need to put it in the clause. That is what I am advised.

*Question put and agreed to.*

*Clause 45 ordered to stand part of the Bill.*

*Clauses 46 to 57 ordered to stand part of the Bill.*

*Schedule I.*

*Question proposed, That Schedule I stand part of the Bill.*

**Mrs. Nunez-Tesheira:** Madam Chairman, Schedule I is amended as circulated:

In the column entitled "Type of Property" by deleting the item "Industrial" and the applicable Rate of Tax payable and substituting the following:

Type of Property	Rate of Tax Payable (% ATV)
Industrial	
- Plant and machinery housed in a building	6%
- Plant and machinery not housed in a building	3%

*Question put and agreed to.*

*Schedule I, as amended, ordered to stand part of the Bill.*

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*Schedules II and III ordered to stand part of the Bill.*

*Question put and agreed to, That the Bill, as amended, be reported to the House.*

*House resumed.*

*Bill reported with amendment.*

*Question put, That the Bill be now read the third time.*

**8.45 p.m.**

*The House divided: Ayes 22*

*Noes 10*

AYES

Imbert, Hon. C.

Manning, Hon. P.

Nunez-Tesheira, Hon. K.

Gopee-Scoon, Hon. P.

Kangaloo, Hon. C.

Abdul-Hamid, Hon. M.

Dumas, Hon. R.

Ross, Hon. J.

Taylor, Hon. P.

Swaratsingh, Hon. K.

Parsanlal, Hon. N.

Mc Donald, Hon. M.

Le Gendre, Hon. E.

Browne, Hon. Dr. A.

Callender, Hon. S.

Cox, Hon. D.

Jeffrey, Hon. F.

Hospedales, Hon. A.

Joseph, R.

Hypolite, N.  
Roberts, A.  
Sinanan Ojah-Maharaj, Mrs. I.  
NOES  
Rafeeq, Dr. H.  
Moonilal, Dr. R.  
Gopeesingh, Dr. T.  
Bharath, V.  
Panday, S.  
Panday, Miss M.  
Sharma, C.  
Partap, H.  
Baksh, N.  
Peters, W.

*Question agreed to.*

*Bill accordingly read the third time and passed*

**VALUATION OF LAND (AMDT.) BILL**

*Order for second reading read.*

**The Minister of Finance (Hon. Karen Nunez-Tesheira):** Madam Deputy Speaker, I beg to move, That a Bill to amend the Valuation of Land Act, chap. 58:03 and to validate certain actions of the Commissioner of Valuations, be now read a second time.

*Question proposed.*

*Question put and agreed to.*

*Bill accordingly read a second time.*

*Bill committed to a committee of the whole House.*

*House in committee.*

*Clauses 1 to 3 ordered to stand part of the Bill.*

*Clause 4.*

*Question proposed, That clause 4 stand part of the Bill.*

**Mrs. Nunez-Tesheira:** Madam Chairman, we wish to move that the amendment to clause 4, as circulated, be adopted:

- (1) A. In paragraph (d) by deleting the word "definition" and substituting the word "definitions"; and

and we want to add an amendment to the definitions, and that is a definition of "institutional land". The definition is as follows:

“Institutional land means—

land which is used mainly to make a contribution to the sporting, recreational, cultural, environmental, health, safety or educational welfare of the community;”

*Question put and agreed to.*

*Clause 4, as amended, ordered to stand part of the Bill.*

*Clause 5 ordered to stand part of the Bill.*

*Clause 6.*

*Question proposed, That clause 6 stand part of the Bill.*

**Mrs. Nunez-Tesheira:** Madam Chairman, there are amendments to clause 6; those two sets of amendments to be adopted as circulated.

- A. In new section 5 —
- (i) In subsection (1) insert after the word "land" the words "or any part thereof";
  - (ii) In subsection (2):
    - (a) insert before the word "land" the word "vacant".
    - (b) insert after the words "set out in" the words "Part A of".
- B. By inserting after subsection (2) the following:
- “(3) For the purpose of the computation of the annual rental value of plant and machinery on land, which is not contained in any building, the Commissioner shall apply the percentage set out in Part B of the Schedule.”

*Question put and agreed to.*

*Clause 6, as amended, ordered to stand part of the Bill.*

*Clause 7 ordered to stand part of the Bill.*

*Clause 8.*

*Question proposed, That clause 8 stand part of the Bill.*

**Mrs. Nunez-Tesheira:** Madam Chairman, we move that clause 8, as amended and as circulated stand part of Bill.

Delete the word "(1)".

*Question put and agreed to.*

*Clause 8, as amended, ordered to stand part of the Bill.*

*Clauses 9 to 18 ordered to stand part of the Bill.*

*Schedule I*

*Question proposed, That schedule I stand part of the Bill.*

**Mrs. Nunez-Tesheira:** Madam Chairman, we move that Schedule I be deleted and replaced with the amendment as circulated.

“Schedule I Delete and replace with the following:

‘PERCENTAGES TO BE APPLIED TO LAND ON COMING TO A DETERMINATION OF THE ANNUAL RENTAL VALUE’”

*Question put and agreed to.*

*Schedule I, as amended, ordered to stand part of the Bill.*

*Schedule II ordered to stand part of the Bill.*

*Question put and agreed to, That the Bill, as amended, be reported to the House.*

*House resumed.*

**Mrs. Nunez-Tesheira:** Madam Deputy Speaker, I wish to report that the Bill entitled an Act to amend the Valuation of Land Act, chap. 58:02 and to validate certain actions of the Commissioner of valuations was considered in committee and passed with amendments. I now beg to move that it be read a third time and passed.

*Bill accordingly read a third time and passed.*

*Adjournment*

*Monday, December 21, 2009*

### ADJOURNMENT

**The Minister of Works and Transport (Hon. Colm Imbert):** Madam Deputy Speaker, I beg to move that this House do now adjourn to a date to be fixed.

**Mr. S. Panday:** Before my friend—

**Hon. C. Imbert:** Wait, wait, just calm down; simmer down, simmer down. Madam Deputy Speaker, this will be the last—calm down—sitting of this House barring unforeseen circumstances before Christmas, and it will be remiss of the Government if we did not bring Christmas greetings to the community.

**9.00 p.m.**

### Felicitations

**The Minister of Works and Transport (Hon. Colm Imbert):** Madam Deputy Speaker, I am happy that I live in Trinidad and Tobago where we still celebrate Christmas. There are some countries in the world, notably the United States of America where, because of actions taken by various interest groups, it is considered wrong and even illegal to refer to the phrase "Merry Christmas" or anything associated with the celebration of Christmas.

In fact, if you go to North America at this time, you would see that Christmas greetings are replaced with the innocuous phrase "Happy Holidays". I am happy that is not so in Trinidad and Tobago, and that we have respect for religious traditions and I certainly hope that will always be so in Trinidad and Tobago.

Christmas is considered to be the most important date in the Christian calendar. It celebrates the birth of Christ, our Lord and Savior and Christmas is a time for coming home and being with family. The church family comes home at Christmas. If you will allow me I am just referring to one of my source documents.

More people go to church on Christmas Eve and on Christmas Day than at any other time of the year. Christians come home to their church to celebrate the birth of Christ and to wonder over his miraculous birth so long ago, and to rejoice for the hope he brings to the world. I could not have put it better myself.

And with those sentiments, on behalf of the Government and on my own behalf, I wish everybody on the other side a Happy and Holy Christmas. Merry Christmas to one and all!

**Dr. Hamza Rafeeq (Caroni Central):** Madam Deputy Speaker, on behalf of the hon. Leader of the Opposition who is unavoidably absent at this point in time

and on behalf of all of us on this side, we want to wish all the citizens of Trinidad and Tobago a happy, holy, safe and a sacred Christmas season.

Madam Deputy Speaker, we hope that the population will recognize the sacredness and holiness of this occasion and will not be given to excesses during the season.

We want to wish the Speaker and his family, you and your family, members of the parliamentary staff, the security officers, members of the media and all members of the national community and the House of Representatives a happy and holy Christmas and a prosperous and safe 2010.

Thank you very much.

**The Prime Minister (Hon. Patrick Manning):** Thank you very much, Madam Deputy Speaker.

Madam Deputy Speaker, I too would like to add my voice to the chorus of the very distinguished Leader of Government Business and the hon. Chief Whip in extending to hon. Members and to the parliamentary staff and national community felicitations on the sacred celebration of Christmas.

Last year, I did not have a chance to do this. As you will recall, Madam Deputy Speaker, last year I was in a hospital in Cuba at this time and I understand a lot of sentiments were expressed for my well being and I thank Almighty God that those prayers were answered.

In expressing therefore my wish that the Christmas is well celebrated by all, I just wish to remind the national community that Christmas is a religious festival when we celebrate the birth of Christ and that whatever people do in the conduct of their business over this period that they do not lose sight of the fact that that is what it is all about. The tendency within recent times is to commercial it too much, but I hope especially beginning with hon. Members of this distinguished House, that we begin to reintroduce Christ into our Christmas celebrations and keep the holy celebrations as they were intended to be.

Merry Christmas to you, and to Madam Deputy Speaker.

**Madam Deputy Speaker:** I too would like to extend best wishes to each and every Member of this honourable House, to the entire parliamentary staff and the national community.

Finally, may I wish all of you good health and a productive and successful 2010.

*Adjournment*

*Monday, December 21, 2009*

**Mr. S. Panday:** Madam Deputy Speaker, I have a Motion on the Adjournment.

**Madam Deputy Speaker:** Hon. Member, I think that must have been dealt with. I recall on the last occasion that the Speaker did indicate that if the Member did not attend to respond, then the matter stands as is.

*Question put and agreed to.*

*House adjourned accordingly.*

*Adjourned at 9.06 p.m.*