

# REAL PROPERTY TAX (AMENDMENT) ACT, 2022

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No. 22 of 2022

# REAL PROPERTY TAX (AMENDMENT) ACT, 2022

## AN ACT TO AMEND THE REAL PROPERTY TAX ACT

[Date of Assent – 30<sup>th</sup> June, 2022]

Enacted by the Parliament of The Bahamas

### 1. Short title and commencement.

- (1) This Act, which amends the Real Property Tax Act (*Ch. 375*), may be cited as the Real Property Tax (Amendment) Act, 2022.
- (2) This Act shall come into force on the 1<sup>st</sup> day of July, 2022.

### 2. Amendment of section 2 of the principal Act.

Section 2 of the principal Act is amended —

- (a) by the deletion of the definition of “commercial property” and the substitution of the following —

“ **“commercial property”** means any property used for business purposes and shall be deemed to include any property that falls within the proviso of the definition of residential property;”;

- (b) by the deletion of the definition of “residential property” and the substitution of the following —

“**“residential property”** means any property —

- (a) that is not owner-occupied;
- (b) comprising not more than four units, exclusive of outbuildings;
- (c) beneficially owned by —
  - (i) Bahamian citizen; or
  - (ii) a person who is registered under the Value Added Tax Act, 2014 (*No. 32 of 2014*) for the operation of the property as a commercial rental establishment; and

(d) that is used solely as a dwelling place,

Provided that where a person owns more than four dwellings that are not owner-occupied, each property shall be classified as commercial property;”;

(c) by the deletion of the definition of “unimproved property” and the substitution of the following —

“**unimproved property**” —

(a) means property on which no improvements have been effected;

(b) includes property under construction unless the occupancy certificate has been issued or the property is occupied;

(c) does not include any property that is used to carry on any business activity;”;

(d) by the deletion of the definition of “value” and the substitution of the following —

“**value**” means —

(a) in relation to unimproved property, the average amount over a period that the Chief Valuation Officer is of the view allows for a fair determination of the value of the property, which the fee simple of the property, if sold in the open market by a willing seller in its then condition free from encumbrances or any other burden, charge or restriction, might be expected to realise from a buyer who is reasonably well informed;

(b) in relation to improvements, the replacement cost of the improvements at the time of assessment by the Chief Valuation Officer;

(c) in relation to improved property, the combined value of the unimproved value and the replacement cost of the improvements at the time of assessment by the Chief Valuation Officer;”.

### **3. Amendment of section 3 of the principal Act.**

(1) Section 3 of the principal Act is amended —

(a) in subsection (2) —

(i) in the chapeau, by the deletion of the words, “In respect of the year commencing on the 1st day of January, 2016, and in respect of every succeeding year, the” and the substitution of the words, “The”;

(ii) in paragraph (a) —

- (aa) by the deletion in subparagraph (i) of the words “two hundred and fifty” and the substitution of the words “three hundred”;
- (bb) in the proviso appearing immediately after subparagraph (ii), by the deletion of the word “sixty” and the substitution of the words “one hundred and twenty”;
- (iii) by the deletion of subparagraph (ii) of paragraph (c) and the substitution of the following —
  - “(ii) upon that part of the value of the property which exceeds five hundred thousand dollars but does not exceed two million dollars, a tax at the rate of one per centum per annum of the value of the property;
  - (iii) upon that part of the value of the property which exceeds two million dollars, a tax at the rate of one and a half per centum per annum of the value of the property.”;
- (iv) by the deletion of paragraph (e) and the substitution of the following —
  - “(e) in respect of any other property —
    - (i) where the property is owned by a Bahamian, a tax of one per centum of the value of the improvements;
    - (ii) where the property is owned by a non-Bahamian a tax of one per centum of the value of the improvements plus the amount payable under paragraph (b) on the unimproved value of the property.”;
- (b) by the deletion of subsection (8) and the substitution of the following —
  - “(8) Where a property is owned by a company, the property may only be classified as owner-occupied property where the beneficial owner of more than fifty per centum of the shares of such company —
    - (a) occupies the property exclusively as a dwelling on a permanent or seasonal basis;
    - (b) submits to the Chief Valuation Officer a declaration in the prescribed form stating that such property is occupied by the beneficial owner exclusively as a dwelling house on a permanent or seasonal basis.”;
- (c) by the insertion immediately after subsection (8) of the following new subsection —