

**AUDITOR GENERAL'S DEPARTMENT
PERFORMANCE AUDIT REPORT
PROPERTY TAX COLLECTIONS AND ENFORCEMENT
AT
TAX ADMINISTRATION JAMAICA (TAJ)**

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The Auditor General's Department is headed by the Auditor General, Pamela Monroe Ellis, who submits her reports to the Speaker of the House of Representatives in accordance with Section 122 of the Constitution of Jamaica and Section 29 of the Financial Administration and Audit Act.

This report has been prepared by the Auditor General's Department of Jamaica for presentation to the House of Representatives.



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Auditor General's Overview

Tax Administration Jamaica (TAJ) has commenced the implementation of tax reform, including legislative amendments; restructuring of the organisation and improved business processes. The reform process aims to increase efficiency in order to improve and rationalize the tax administration and payment processes. Tax reform is aligned to National Outcome No.7 (A Stable Macro-economy) of the Vision 2030 National Development Plan, which outlines a national strategy for the development of an efficient and equitable tax system.

The performance audit was planned to determine whether TAJ was managing its property tax operations effectively and efficiently. Our audit focused on whether TAJ had systems in place to maximize property tax collection and enforce compliance. The audit revealed that despite efforts to improve compliance through increased staff capacity and intensified collection efforts, TAJ had a high non-compliance rate for property taxes which contributed to significant arrears. In this regard, TAJ wrote off large sums for property tax arrears totalling \$3.26 billion over the period FY2011/12 to FY2015/16. Additionally, the process of issuing reminders, summonses and arrangements for payment of arrears was inconsistent.

Property taxes are utilized for the provision of services such as garbage collection, street lighting, Parish Council's road maintenance and the Equalization Fund. Therefore, an efficient and reliable property tax collection is critical to the delivery of such services and would reduce reliance on central government funding.

I acknowledge TAJ's efforts to improve the property tax system and note their commitment to undertake the necessary improvements in accordance with my findings and recommendations. TAJ should therefore establish timelines and institute appropriate monitoring mechanisms to aid in the achievement of their commitments.

I wish to thank the Management and staff of TAJ for the cooperation and assistance given to the audit team.



Pamela Monroe Ellis FCCA, FCA, CISA
Auditor General

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Executive Summary

Tax Administration Jamaica (TAJ) is the Government of Jamaica's revenue collecting agency with administrative responsibility for the collection of property tax. Since 2006, TAJ has collaborated with the Ministry of Local Government & Community Development (MLG&CD) to increase property tax compliance and collection. The MLG&CD through the various parish councils provides support to TAJ in the form of human resources and equipment to assist TAJ in the collection process.

We conducted a performance audit to determine if the TAJ was managing its property tax operations effectively and efficiently. Our audit focused on whether TAJ had systems in place to maximize property tax collection and enforce compliance.

Key Findings

1. **TAJ achieved an average 90 per cent of the property tax collection target.** However, this target is linked to the dollar value of the property tax and does not consider the number of properties. The value of property tax collected increased by almost three times to \$6.5 billion in FY2015/16 from \$2.5 billion in FY2011/12. However, this was mainly the result of an increase in the property tax rate in April 2013 and not an increase in the compliance rate. With less emphasis placed on targeting the number of non-compliant properties, TAJ was ineffective in ensuring a high level of compliance among registered properties. When property tax compliance is considered using the number of properties as a measure, TAJ only achieved 45 per cent of total obligations over the three year review period FY2013/14 to FY2015/16. In particular, for 2015/16, the total obligation was \$15.29 billion or 52 per cent of the \$7.98 billion budgeted. TAJ responded that they are recommending that the targets provided to them be more in keeping with the total obligations versus budgeted collections.
2. **TAJ implemented strategies to enhance opportunities for the payment of property taxes.** TAJ increased its collection platforms, the number of collection centres staff capacity and prioritised collections efforts in parishes with low compliance level and high arrears. However, TAJ indicated that its ability to enforce compliance was constrained by the limited number of court sessions assigned for tax cases as well as problems related to the disposal of seized assets. Further, the non-existence of titles for some non-exempt properties acquired under various circumstances thwarted TAJ's efforts to serve notices for payment arrears.

TAJ indicated that issues pointed out on standardization to serve notice and carry out enforcement action were noted and that a Standard Operating Procedure (SOP) will be developed and implemented to correct same. TAJ has committed to discussions with the National Land Agency and other stakeholders with a view to reducing the risk of non-compliance.

3. **TAJ tax register records all properties, including those which are exempt from property tax.** These exempt properties are considered in assessing the overall property tax obligations, which resulted in an overstatement of property tax obligation. TAJ has indicated that they propose to disaggregate the figures in order to ascertain principal amounts as against arrears, in an effort to apply the appropriate compliance strategies.

Recommendations

1. TAJ should expedite strategies to improve the accuracy of its property tax register thereby enabling greater efficiency in the use of resources for property tax collection and enforcement.
2. TAJ performance measure should also include a target to increase the number of compliant properties and specific milestones to achieve an optimal level of compliance.

Part One Introduction

Background

- 1.1 Jamaica's property tax system is governed by the Property Tax Act (1903) which was amended in 2008 and the Property (Rates and Taxes) Relief Act (1972). Property Tax is a tax that is levied on a person in possession of land such as the owner, occupier or mortgagee. Some categories of properties such as educational Institutions; Government owned lands (owned by local authorities), Churches, burial grounds and rectories are however exempt from the payment of property tax as outlined in *Section 10* of the Property Tax Act.
- 1.2 The Property Tax Act mandates that property taxes be paid on the first day of April in each year and payments can be made half-yearly or quarterly with the first installment payable by the end of April. Property tax not paid in full or where the first installment is made after the due date, attracts interest and a penalty is also applied after 30 days.
- 1.3 The Tax Administration of Jamaica (TAJ) has administrative responsibility for the collection of property tax and since 2006, entered into a joint collaboration with the Ministry of Local Government and Community Development (MLG&CD) to increase property tax compliance. The MLG&CD through the various parish councils provides support in the collection process in the form of human resources and equipment. Property taxes are payable in the parish where the property is located and credited to the Parochial Revenue Fund.

Audit Objective and Scope

- 1.4 We conducted a performance audit to determine whether TAJ was managing its operations effectively and efficiently, to maximize the collection of property tax. Our audit was planned and conducted in accordance with the Government Auditing Standards, which are applicable to Performance Audits and issued by the International Organization of Supreme Audit Institutions (INTOSAI). The planning process involved gaining an understanding of the operations of the property tax process, from assessment, collection and enforcement.
- 1.5 An issue analysis was developed, which focused on collection and enforcement activities. The audit was designed to determine the effectiveness of the TAJ's property tax collection and enforcement systems.
- 1.6 Our audit covered the period April 2011 to March 2016. We based our assessment on a review of documents from TAJ and MLG&CD, interviews with senior management and staff, focus group, site visits, observations and analysis of information obtained.

Part Two Collections Management

Overview

Property Tax liability

- 2.1 Property Tax is levied on the unimproved value of the land and is due and payable on the 1st of April in each year in full or installments, semi-annually or quarterly. Overdue payments attract interest of 10 per cent and a penalty of 15 per cent (compounded) is applied if payment or installment is outstanding beyond 30 days of the due date.
- 2.2 Property taxes are collected through Tax Administration Jamaica (TAJ) with the support of the Ministry of Local Government and Community Development (MLG&CD) and Parish Councils. Property taxes are remitted to the Parochial Revenue Fund for the provision of services such as garbage collection, street lighting, Parish Council's road maintenance and the Equalization Fund.
- 2.3 The Property Tax Unit within TAJ is headed by a Property Tax Coordinator. There are four regional managers directly responsible for the property tax units within various revenue service centers and collection agencies.

Property tax collection targets

- 2.4 Annual targets for the collection of property taxes are established through the collaboration of the TAJ, MLG&CD and the Ministry of Finance and the Public Service (MOFPS). After deliberation, the committee submits its recommendation to Cabinet for approval. The factors informing the annual property tax targets include:
 - i. Compliance rates of previous years;
 - ii. A percentage of total arrears (minimum 20 per cent of total);
 - iii. Current economic conditions; and
 - iv. Property tax-related expenses (e.g. road maintenance, street lighting and garbage collection).
- 2.5 However, we found that it was the MLG&CD that essentially set the annual target and communicated same to the TAJ. No targets were set for the volume (number) of properties to be pursued relative to the stock of properties on record.

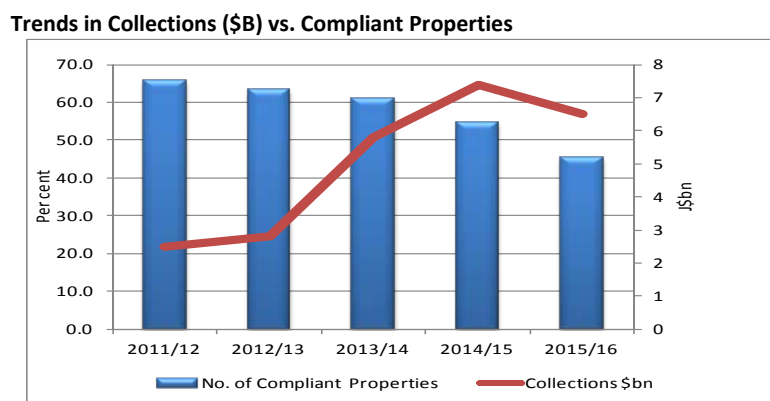
Property Tax Accounts

- 2.6** The National Land Agency (NLA) is responsible under the Land Valuation Act, for the valuation on all lands in Jamaica. Valuations are based on the unimproved value of the land and should be conducted every five years; taking into account factors such as size, location and use of the land and the potential for development.
- 2.7** A notice of assessment should be served on each person in possession of property liable to property tax at the start of each financial year. Land owners who disagree with the assessed value of their land have 60 days to lodge an objection to the Commissioner of Land Valuation. During the period that the objection is being considered, the land owner is obligated to pay 75 per cent of the assessed tax liability. The NLA is responsible for updating the property roll to which access is provided to the TAJ.
- 2.8** *Section 10 (h) of the Property Tax Act* lists ‘all freehold property vested in the Commissioner of Land’ as exempt from the payment of property tax. These properties include educational institutions, Government-owned lands (owned by local authorities), churches, burial grounds and rectories (**See Appendix 2**).

Compliance rate increased in dollar values but declined in terms of the number of compliant properties

- 2.9** TAJ defines the compliance rate as the amount of property tax collected for the current year as a percentage of the amount obligated based on the value of the land. Accordingly, property tax obligations can increase over time based on higher valuation adjustments or increases to the property tax rate; the reverse obtains.
- 2.10** We found that based on TAJ’s measure of compliance, the primary focus of the Administration was improving collections in dollar value terms instead of increasing the number of properties paying property taxes.
- 2.11** While it is important for TAJ to ensure that property tax receipts are sufficient to cover expenses, especially in the context of fiscal constraints, equally important is that all property tax liabilities are settled. National Outcome No.7 (A Stable Macro-economy) of the Vision 2030 National Development Plan outlines a national strategy for the development of an efficient and equitable tax system.

2.12 Further, whereas the value of property taxes collected was generally close to the budgeted amount, collections were significantly less than total obligations. Our audit revealed that collections averaged 90 per cent of budget for the period FY2013/14 to FY2015/16, but was only 45 per cent of total obligations. In particular, for 2015/16, 52 per cent or \$7.98 billion of the total obligation was \$15.29 billion was budgeted to be collected.



2.13 In response to our observation that collections were significantly less than total obligations, TAJ stated an intention to recommend that the targets provided to them be more in keeping with the total obligations versus budgeted obligations. TAJ opined that this change would give a truer picture of percentage of property tax collected in relation to total obligations. TAJ also acknowledged that total obligations of \$16.2 billion (2013/14) and \$19.1 billion (2014/15) included amounts for arrears and proposed to disaggregate the figures to ascertain principal amounts as against arrears; in an effort to apply the appropriate compliance strategies (**Table 1**).

Table 1: Property Tax collections relative to Budget and Total Obligations

Financial Years	Budget (\$B)	Collections (\$B)	Per cent of Budget	Total Obligations* (\$B)	Per cent of Total Obligations
2013/14	7.21	5.84	81	16.2	44.5
2014/15	7.48	7.45	99	19.1	39.2
2015/16	7.98	6.51	82	15.29	52.2

Source: TAJ records

*Total obligations also include total arrears

2.14 We also noted that despite a trend increase (157.3 per cent) in the value of collections to \$6.5 billion in FY2015/16 from \$2.5 billion in FY2011/12, the number of properties paying taxes fell by 29 per cent to 366,886 from 517,172 over the same five-year period (**Table 2**). TAJ's approach to target the value of property tax collected has proven ineffective given that the increase in the property tax rate in April 2013 would have contributed significantly to the overall increase in the dollar amount collected. A more effective measure would have been to target the number of tax compliant properties.

Table 2: Trends in Property Tax Collections (volumes and values)

	2015/16	2014/15	2013/14	2012/13	2011/12	Five Year Change	
Category						Volume	%
Total # of Properties	806,075	803,739	796,092	790,119	786,802	19,273	2.4
No. of Compliant Properties*	366,886	439,919	482,984	500,305	517,172	-150,286	(29.1)
<i>% of Compliant Properties</i>	<i>45.52</i>	<i>54.73</i>	<i>60.67</i>	<i>63.32</i>	<i>65.73</i>		
No. of Non Compliant Properties**	439,189	363,820	313,108	289,814	269,630	169,559	62.9
<i>% Non-Compliant</i>	<i>54.5</i>	<i>45.3</i>	<i>39.3</i>	<i>36.7</i>	<i>34.3</i>		
Collections (\$M.)	6,512.4	7,447.6	5,839.7	2,805.2	2,531.4	3,981.1	157.3

Source: TAJ records

*Number of properties paid in full or partial **Number of properties with no payment

- 2.15** The analysis by parish revealed that, for FY2015/16, the highest value in terms of property obligations and collections related to the Kingston and St Andrew Corporation (KSAC) area. However, whereas St. Thomas had the lowest value of obligations; the collections as a percentage of total obligations were the lowest for St. Elizabeth at 28 per cent (**Table 3**).

Table 3: Property Tax Compliance Rate for FY 2015-16

Parish/ Municipality	Properties in arrears* (volume)	Obligations* 2015/16 \$	Collections 2015/16 \$	Per cent
KSAC	64,052	2,387,097,699.26	1,624,949,245.06	68%
St. Thomas	22,976	369,144,124.91	118,812,855.12	32%
Portland	20,126	384,418,000.83	152,789,014.30	40%
St. Mary	30,394	469,740,705.95	217,239,256.18	46%
St. Ann	39,963	1,206,217,750.23	467,980,340.56	39%
Trewlany	19,134	453,559,780.50	180,291,380.69	40%
St. James	35,057	1,363,965,160.64	694,272,486.13	51%
Hanover	13,781	400,339,844.88	210,537,814.60	53%
Westmoreland	24,844	737,895,469.57	350,304,754.02	47%
St. Elizabeth	44,179	1,584,401,480.94	435,952,225.85	28%
Manchester	44,593	2,148,173,287.06	716,363,490.60	33%
Clarendon	64,216	1,658,058,457.69	498,873,834.45	30%
St. Catherine	70,753	1,560,190,587.05	503,822,140.95	32%
Portmore	21,721	569,895,013.62	337,507,415.37	59%
Suspense ¹			2,762,010.03	
Total	515,789	15,293,097,363.13	6,512,458,263.91	43%

Source: TAJ records

*Total amounts owing over the 7-year period 2009/10 to 2015/16

¹ TAJ did not assign amounts to specific parish/municipality, up to June 2016

Property Tax Arrears Write-off

2.16 The low compliance rate for property taxes over the years resulted in a significant build up in payment arrears. In some cases property taxes accumulated for more than the statutory seven years and were written off by TAJ as permitted by law. Over the period FY2011/12 to FY2015/16, TAJ wrote off property tax totalling \$3.26 billion representing amounts owing from the financial years 2004/05 to 2008/09 (**Table 4**)².

Table 4: Property tax written off over a 5-year period

Financial years	Period of written off	Amount written off (\$billions)	Total Obligation in period of Write-off (\$billions)	Total Properties in arrears (volume)
2011/12	2004/05	0.79	7.52	524,155
2012/13	2005/06	0.64	8.07	523,408
2013/14	2006/07	0.64	11.21	530,431
2014/15	2007/08	0.61	13.41	507,330
2015/16	2008/09	0.58	15.29	515,789
TOTAL		3.26		

Source: TAJ records

2.17 TAJ was unable to provide details on the number of properties in arrears covering the period FY2004/05 to FY2008/09, which represents the period of write-off of outstanding property tax.

2.18 At May 2014, 631,170 (or 79 per cent) of the total number of properties (797,880) on the tax roll had outstanding property tax obligations totalling \$13.5 billion, up to seven years. On a parish basis, we found that the level of property accounts in arrears ranged from 75 per cent for Westmoreland to a high of 83 per for Manchester, averaging 79 per cent (**Appendix 1**).

2.19 TAJ imposes interest of 10 per cent where property tax is owed after the due date and penalty of 15 per cent (compounded) is applied if payment or installment is outstanding beyond 30 days of the due date³. However interest is not charged once an amount is paid on the tax due. In addition, the penalty rate is only calculated and placed on the system when a summons is prepared and the full amount is recorded on the summons. TAJ has the discretion to waive the interest but penalty charges can only be waived by the Ministry of Finance and the Public Service.

2.20 We found that this system of interest and penalties operated by TAJ was not consistently applied across all TAJ's offices. In some instances, the interest was not applied to the amounts due where summons were issued. Further, there was no standardization of the process to serve notices and carry out enforcement actions. TAJ noted the issues pointed

² In accordance with Section 21(3) of the Tax Collection Act

³ Penalty applied in July of each year

out regarding standardization to serve notice and carry out enforcement action, and stated that a Standard Operating Procedure (SOP) would be developed and implemented to correct the same.

- 2.21** TAJ's database includes all properties, those that are taxable and tax exempt and relies on this database to determine property tax obligations. The system does not in all instances identify those properties, which are tax exempt. Consequently, the tax obligation determined by TAJ would have been overstated, as it included tax computed on exempt properties.

Overview

- 3.1** Whereas the TAJ has sought to implement a number of strategies aimed at strengthening enforcement, results varied. Further, the non-existence of titles for some non-exempt properties acquired under various circumstances thwarted TAJ's efforts to serve notices for payment arrears. In addition, the limited access to the court system would have also impeded the process of summons and litigation against delinquent property taxpayers as well as the corresponding seizure of assets. The TAJ noted that even in circumstances where some assets could be seized storage was limited and the process of disposal to recover outstanding funds was challenging.

Payment arrangement review

- 3.2** Where a taxpayer is unable to pay property tax as it falls due, the taxpayer can enter into payment arrangement to pay amounts over time. During the period November 2008 to September 2014, TAJ entered into 1,134 arrangements for tax arrears of \$94.2 million. As at September 2014, \$72.3 million was collected, resulting in an outstanding balance of \$21.8 million.
- 3.3** We reviewed 37 payment arrangements across various parishes, valuing \$3.7 million in respect of delinquent property owners⁴. As at September 17, 2014, six payment arrangements were settled in full and 10 were paying in line with the agreed terms. The remaining 21 arrangements were breached by the property owners who did not pay the required monthly amount. However, TAJ did not take any enforcement action, including preparing and issuing of summons to recover the outstanding amount.

TAJ acknowledged the breaches relating to payment arrangements and indicated that it will 'take all necessary measures to ensure that these breaches are addressed and to reduce any re-occurrence in the future.'

TAJ Tax Records System

- 3.4** We found that TAJ records were not comprehensive as the details of some payment arrangements were omitted. For example, the Manchester Tax Office failed to enter the details in the property tax system for 21 payment arrangements valuing \$2.8 million, which were contained in the individual tax files. The system should generate a report which

⁴ Property tax is considered outstanding when payment is not made by April 30 in the year in which the tax becomes due and payable (Section 6 of the Property Tax Act)

shows the arrangements entered into and the payments made so that the agreements can be monitored for compliance. However, we saw no evidence where that was done. TAJ indicated that the observation of breaches in the maintenance of payment arrangement records would be investigated and the appropriate action taken.

Legal Enforcement

- 3.5** A review of TAJ national records and examination of the operations of four parish offices, namely Kingston, May Pen, St. Ann’s Bay and Mandeville revealed that the primary enforcement mechanism for the recovery of outstanding property taxes was through the Courts. The enabling Acts provides TAJ with the legal authority to enforce various measures to recover outstanding property tax (**Table 5**)⁵.

Table 5: Enforcement

No.	Legal Procedure
1	Filing a suit in the Revenue Court to recover property tax, penalty and interest {Property Tax Act - Section 7(4)} 1152
2	Seizure of personal property (including goods)
3	Appointing a bailiff to seize goods of persons as well as goods found on the land for which property taxes are owed (Tax Collection Act - Section 28)
4	Seizure and disposal of money bonds, bills, notes and other securities for money (Tax Collection Act – Section 30)
5	Instruct the Attorney General to pursue forfeiture proceedings where property taxes have not been paid for five years (Property Tax Act – Section 14 and Quit Rents Act – Section 6)
6	Recovering of property tax from the occupier, tenant or any other interested person in the property (Tax Collection Act – Sections 26 & 37)
7	Lodging a caveat on the Certificate of Title preventing any transactions using the title (Registration of Titles Act - Section 139)
8	Notifying the Accountant General of persons in arrears who are in receipt of a salary from the Government or receive monies from the Government (Tax Collection Act – Section 12)

Source: Property Tax and Tax Collection Acts

- 3.6** Where a taxpayer fails to settle the property tax obligation or defaults on a payment arrangement, TAJ may seek a court order to collect the debt. Section 23 of the Tax Collection Act grants TAJ the authority to serve summonses on either the property owner or the occupier of the property.
- 3.7** TAJ performance target for the 2011/12 to 2015/16 financial years required a minimum of 85 per cent of summonses prepared to be served to delinquent taxpayers. TAJ records revealed an average of 70 per cent of summonses served on delinquent taxpayers over the period. In this regard, TAJ prepared 28,489 summonses over the five-year period and issued 20,018 to the delinquent taxpayers.
- 3.8** Despite the shortfall, the performance for FY2011/12 represented an improvement, which continued into subsequent years. Of the 11,309 summonses that were prepared for

⁵ Property Tax Act and Tax Collection Act

FY2013/14, TAJ served approximately 77 per cent of these summonses relative to 61 per cent for FY2011/12. TAJ did not provide similar information for 2009/10 to 2010/11, despite our request (**Table 6**).

Table 6: Summonses served to delinquent taxpayers by Parish

Parish	Sample Total	Summons issued (volume)	Summons not issued (volume)	Settlements (volume)	Total Outstanding (\$M)
Kingston	30	-	28	2	0.54
St. Ann	23	1	19	3	1.83
Clarendon	53	7	45	1	4.14
Manchester	21	-	21	-	1.77
St. Catherine	68	6	60	2	1.88
St. Thomas	39	-	38	1	5.20
St. Andrew	43	4	38	1	4.39
Total	277	18	249	10	19.75

Source: TAJ

- 3.9** TAJ indicated that locating delinquent taxpayers was a major challenge faced in serving summonses as a number of properties were vacant and/or had absentee owners. Summonses can only be served on delinquent property owners or occupiers of the property between Monday and Saturday before 6 p.m. Further, locating the delinquent taxpayers was difficult if they were not at the property or mailing addresses during the stipulated periods. TAJ had proposed an amendment to the Tax Law to allow for the posting of signs on the delinquent properties, taking pictures of summonses posted as evidence and posting information on the delinquent properties on TAJ’s web site. However, to date, the recommendation has not been adopted.
- 3.10** TAJ indicated that the names of delinquent taxpayers are posted in the newspapers and based on this practice, most delinquent taxpayers visit the Tax Office in an effort to clear the outstanding debts owed or make payment arrangements.

Collection Sites and Schedules

- 4.1** The TAJ collects property taxes at locations island-wide or via their electronic platform. We found that despite the relative ease of payment, compliance was low and many properties were in arrears. In an effort to boost collections, TAJ opened additional collection points and extended service hours in some municipalities inclusive of *Saturday-openings* at offices in relatively larger population centres (e.g. as in the case in Portmore, St Catherine).

Capacity Building

- 4.2** The TAJ has enhanced its capacity in staffing, training and qualifications to improve efficiency and effectiveness. There was an increase in the number of teller windows and customer service personnel in the larger tax facilities to expedite payment of all tax types including property taxes.

Electronic Payment

- 4.3** In April 2013, TAJ implemented an electronic platform to facilitate payment of various taxes including property taxes. However while a receipt can be generated electronically, the 'official' receipt can only be provided when the client takes proof of payment to the office.

Risk Profiling Strategy

- 4.4** In 2012, 'compliance officers' were engaged in parishes where compliance was low and outstanding revenues were high, solely for the collection of outstanding property taxes. Funding of the compensation packages for the special compliance officers was garnered from property tax collected based on the actions (reminders served) by these officers. The MLG&CD was responsible for compensating these officers (**Table 7**).
- 4.5** The system of compliance officers required the following procedures:
- Property Tax database generates an arrears sheet;
 - Compliance Supervisor assigns officers a target group to be visited;
 - Compliance Officer visits those taxpayers on the list to collect revenue due; and
 - Compliance Officer applies compliance procedures

Table 7: Collections via Compliance officers: Oct 2012 to Aug 2014

Financial years	Period employed	Officers (volume)	Collections (\$M)
2012/13	October 2012 - March 2013	12	89.4
2013/14	July 2013 - March 2014	18	179.2
2014/15	June 2014 - August 2014	13	27.9
Total		43	296.5

Source: TAJ

Reminder Notices

- 4.6** The Property Tax Act requires TAJ to serve a notice of property tax assessments on each property owner at the start of each financial Year, at the taxpayer’s usual place of abode or business stating the amount of property tax payable. Notices are also distributed from the MLG&CD to the Parish Councils. We found that notices were generally delivered well beyond the due date or none at all. Hence, while this does not negate the obligation, it could have otherwise result in delays in collections. TAJ responded that the reminder notices are hand delivered or mailed to taxpayers.

Amnesty

- 4.7** The TAJ implemented several amnesties in an effort to meet annual collection targets. While this activity could be viewed as counterproductive to compliance as it is undertaken after the tax liability falls due, the effort would have enabled the TAJ to establish connection with delinquent tax payers.

Appendices

Appendix 1 – Property Tax Accounts in Arrears per Parish as at May 2014

PARISH	TOTAL Property Account on Roll	Number Property Account in Current	Number of Property Account in Arrears	AMOUNTS (\$)	Percentage (%)
Kingston	13,540	2,713	10,827	208,183,733	80%
St. Andrew	95,648	22,513	73,135	2,328,943,917	76%
St. Thomas	36,289	8,664	27,625	278,878,557	76%
Portland	31,818	7,297	24,521	333,564,133	77%
St. Mary	45,245	9,582	35,663	426,642,699	79%
St. Ann	59,302	11,935	47,367	1,036,308,545	80%
Trelawny	29,410	5,757	23,653	409,502,136	80%
St. James	53,653	12,184	41,469	1,256,562,123	77%
Hanover	22,087	5,325	16,762	350,203,468	76%
Westmoreland	41,235	10,345	30,890	675,635,169	75%
St. Elizabeth	63,740	12,166	51,574	1,267,894,454	81%
Manchester	65,259	11,113	54,146	1,819,076,829	83%
Clarendon	91,655	16,141	75,514	1,352,146,029	82%
St. Catherine	148,999	30,975	118,024	1,798,726,702	79%
Total	797,880	166,710	631,170	13,542,268,494	79%

Appendix 2 – Exempted Properties (June 2014)

PARISH	# OF PROPERTIES	AMOUNT OWING
ST. ANN	1,152	\$ 41,021,971.32
PORTLAND	1,095	\$ 19,545,695.46
ST. CATHERINE	2,112	\$143,022,529.90
MANCHESTER	2,052	\$106,527,413.10
KINGSTON	24	\$ 6,016,328.29
ST. ANDREW	465	\$ 29,273,013.30
HANOVER	2,195	\$ 54,580,512.87
ST. MARY	2,220	\$ 26,414,779.35
ST. ELIZABETH	662	\$ 37,097,722.37
WESTMORELAND	1,476	\$ 24,963,395.02
ST. THOMAS	919	\$ 19,367,154.65
ST. JAMES	930	\$ 39,343,088.89
CLARENDON	4,164	\$ 88,842,217.38
TRELAWNY	538	\$ 22,855,863.61
TOTAL	20,004	\$658,871,685.51