

This week's #TaxationSimplified, explains how **Property Tax** is administered to **individuals on the value of their net property**. Section 2 of the Property Tax Act defines "property" as, **immovable property** (house and land), **movable property** (motor vehicles, furniture, jewellery, and paintings), **rights of any kind and effects of any kind** (patent, trademarks, proceeds from the sale of any of the items stated previously) and **any money or investment** (savings/fixed deposit account balances, shares stocks).

Before providing further details regarding the application of Property Tax, it is imperative to note that the tax is remitted to the Guyana Revenue Authority on an annual basis. Further, the application of this tax is calculated on the value of the net property owned by every individual and company, **at specified rates**.

For this week's topic, we provide answers to four of the questions submitted:

HOW DOES THE GUYANA REVENUE AUTHORITY DEFINE NET PROPERTY OWNED?

Net Property is the amount by which the total value of property owned by an individual at the end of the year exceeds the total value of all debts owed by that person at the time.

HOW CAN I IDENTIFY IF I AM REQUIRED TO PAY PROPERTY TAX ON AN ANNUAL BASIS?

If your property is less than Forty Million Guyana Dollars (G\$40,000,000) you are not required to pay Property Tax. However, ¾% is charged on every dollar above this threshold.

Further to this, it should be noted that Property Tax is applied to the value of net property owned in Guyana or otherwise, by every individual, whether resident or non-resident. As such, it should be noted that individuals residing in Guyana will be assessed on their net property owned in Guyana and or overseas. Non – resident individuals should note however, that Property Tax is charged on the value of their net property owned in Guyana (**only**).

AM I REQUIRED TO FILE A TAX RETURN FOR THIS TAX?

Every individual (resident or non-resident) who possesses net property in excess of **One Million Five Hundred Thousand Guyana Dollars (G\$1,500,000) on December 31 of any year, MUST** submit a Property Tax Return **on or before April 30 of the following year**, to the Commissioner – General of the Guyana Revenue Authority (GRA).

WILL I BE PENALIZED FOR FAILURE TO FILE A PROPERTY TAX RETURN OR MAKE PAYMENTS?

Yes! Section 15 (2) of the Property Tax Act prescribes that, any person who refuses, fails or neglects to perform any act required shall be guilty of an offence. Further, penalties will be imposed for failure to file a Property Tax Return and to pay Property Tax before the due date.

NOTE! This document is not a substitute for the law. The law shall prevail in case of any inadvertent conflict

For additional information refer to Tax Operations Policy# 11

http://www.gra.gov.gy/images/GRA_Docs/Tax_Policies/tax_operation_policies/PropertyTaxPolicy11.pdf

Or

The Property Tax Act, Chapter 81:21: <http://www.gra.gov.gy/publications/tax-laws/112-property-tax-act-1962>

