

A BILL

entitled

LAND TAX TEMPORARY AMENDMENT ACT 2018

WHEREAS it is expedient to make a temporary amendment to the Land Tax Act 1967;

Be it enacted by The Queen's Most Excellent Majesty, by and with the advice and consent of the Senate and the House of Assembly of Bermuda, and by the authority of the same, as follows:

Citation

1 This Act may be cited as the Land Tax Temporary Amendment Act 2018.

Amends section 2

2 In section 2(b) of the Land Tax Act 1967 (tax payable on a valuation unit other than a private dwelling), delete "7%" and substitute "12%".

Exemption

3 The amendment made by section 2 shall not apply in respect of any valuation unit in any of the economic empowerment zones designated under section 2A of the Economic Development Act 1968.

Commencement, expiry and application

4 (1) This Act comes into effect on 1 July 2018 and shall cease to have effect on 1 July 2019.

(2) For the avoidance of doubt, the amendment to the rate effected by section 2 applies only in respect of the tax periods commencing on 1 July 2018 and 1 January 2019.

LAND TAX TEMPORARY AMENDMENT BILL 2018

EXPLANATORY MEMORANDUM

This Bill seeks to make a temporary amendment to the Land Tax Act 1967 to increase for a period of one year from 1 July 2018 the land tax payable on a valuation unit other than a private dwelling.

Clause 1 is self-explanatory.

Clause 2 amends section 2(b) of the Land Tax Act 1967 to increase the rate of tax charged on a valuation unit other than a private dwelling from 7% to 12% of the unit's annual rental value.

Clause 3 provides an exemption from the increase in respect of any valuation unit within any of the economic empowerment zones designated under the Economic Development Act 1968. Areas currently designated include parts of North East Hamilton, Somerset and St George's, as shown on the maps in the respective Economic Development (Designation of Economic Empowerment Zone) Orders.

Clause 4 provides for commencement of the Act on 1 July 2018 and expiry on 1 July 2019, and clarifies that the increase in the rate of land tax will apply only in respect of the tax periods commencing on 1 July 2018 and 1 January 2019.