

AS TABLED IN THE HOUSE OF ASSEMBLY

A BILL

entitled

LAND TAX AMENDMENT (NO. 2) ACT 2015

WHEREAS it is expedient to amend 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 Amendment (No. 2) Act 2015.

Amends section 2

2 In section 2(b) of the Land Tax Act 1967 ("the principal Act"), delete "5.5%" and substitute "7%".

Amends section 3A

3 In section 3A(4) of the principal Act, delete "\$50,000" in each place and substitute "\$29,000".

Amends the Schedule

4 The table in the Schedule to the principal Act is repealed and replaced as follows—

ANNUAL RENTAL VALUE BAND	\$	RATE OF TAX %
1	0 - 11,000	1.8
2	11,001 - 22,000	2.5
3	22,001 - 33,000	4.4
4	33,001 - 44,000	6.8
5	44,001 - 90,000	11.6
6	90,001 - 120,000	21.2
7	120,001 +	25.0

LAND TAX AMENDMENT (NO. 2) ACT 2015

Commencement

5 This Act comes into effect on 16 December 2015, and the revised rates apply in respect of the tax period commencing 1 January 2016, and subsequent tax periods.

LAND TAX AMENDMENT (NO. 2) BILL 2015

EXPLANATORY MEMORANDUM

This Bill seeks to amend the Land Tax Act 1967 (“the principal Act”).

Clause 1 is self-explanatory.

Clause 2 amends section 2(b) of the principal Act to increase the land tax payable in respect of properties other than private dwellings from 5.5% to 7%.

Clause 3 amends section 3A of the principal Act, so that the special concessionary basis available to Bermudian seniors living in their own homes will provide an exemption in respect of private dwellings below the annual rental value of \$29,000 (reduced from \$50,000), or a discount in respect of the amount that would be payable on the first \$29,000 for a private dwelling with an annual rental value in excess of that amount.

Clause 4 repeals and replaces the table in the Schedule to the principal Act to increase the land tax rates for private dwellings as shown.

Clause 5 provides for commencement on 16 December 2015, the date of the first reading of this Bill, in accordance with the Provisional Collection of Revenue Act 1975. The amendments to the rates of land tax will apply in respect of the tax period commencing 1 January 2016, and subsequent tax periods.