

## *Property Transfer Tax Act*

*37/1998 & 5/1999*

### *What is Property Transfer Tax ?*

Transfer of property means any transfer, whether by sale, exchange, gift or other disposition, *inter vivos*, whereby any property or any estate or interest in any property is legally or equitably transferred to or vested in a purchaser or any other person on his behalf or by his direction.

### *Alien Landholding Licence:*

Alien wishing to purchase property in Grenada must apply to the Prime Minister's Office for a Licence to hold property.

### *Rate of Tax payable on transfer of Property:*

<b>Citizens</b>	<b>Percentage of market value</b>
Vendor	5%

<b>Non Citizens</b>	<b>Percentage of consideration or market value</b>
Purchaser	10%
Vendor	15%

### *Special conditions*

Where a property is transferred by way of a **deed of gift**, tax shall be payable on the value of such

property **exceeding \$150,000.00.**

Where a transfer does **not** occur **through a deed of gift**, the tax shall only be payable on the value

**exceeding \$20,000.00.**

### *Rate of Tax payable on transfer of Property other than land:*

<b>Non Citizens</b>	<b>Percentage of market Value</b>
Vendor	10%

### *Conclusion:*

The Inland Revenue Division is committed to making every reasonable effort to inform property owners and agents, how their assessments are calculated and to assist them with lodging their objections, alterations and appeals.

**Valuation Division**  
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## **A TAXPAYERS GUIDE**

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### **To The**

## **PROPERTY TAX ACT**

No. 2/1997; No. 4/1999

**&**

## **PROPERTY TRANSFER**

## **TAX ACT**

No. 37/1998; No. 5/1999

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*Towards a fairer and more  
equitable system of  
Taxation*



## What is property Tax?

Property Tax is the charge placed by Government on Real Property. The Tax is an Ad valorem Tax i.e. The Property is assessed at Market Value and a Taxable rate is applied based on the Land use classification.

## Valuation takes into account the following:

- Location
- Land prices in the area
- Developmental potential & Land use in the area.
- Type of Land (quality & nature of the soil).
- Size of land and other relevant factors.
- Condition, quality and age of building (s).

## Who pays the Tax?

The Tax is payable by the property owner, as well as occupiers of buildings on extended family land. Tenants of property are also entitled to pay Property Tax where an arrangement is stipulated in the Lease Agreement.

**NB: The Tax is made payable to the Government of Grenada.**

## Current Rate available:

Two separate rates are set for each class of property. A rate for the Building and the other for land.

The rates are as follows:

Classification	Land	Building
	%	%
Agricultural	0.0	0.0
Amenity	0.1	0.1
Commercial	0.5	0.3
Hotel	0.3	0.02
Industrial	0.3	0.2
Institutional	0.1	0.1
Residential	0.1	0.15
Reserve	0.1	0.0
Waste	0.1	0.0

## Exemptions:

An exemption of \$100,000.00 is deducted from the residential building value of an highlight **occupied property**. Only one property can be given a homestead exemption. The remaining Assessed Value is multiplied by the classification rate: agricultural lands are also entitled to an exemption but must first get a certificate from the Chief Agricultural Officer, before 90% of the tax can be exempted.

## When is the Tax due?

The tax is borne by the owner and payable from 1st January each year. The property owner is entitled to 5% rebate (discount) if the tax is paid by June 30th of the given year.

The taxpayer has a choice whereby he or she can pay in two installments, the first 50% by March 31st and second by June 30th.

If the tax remains unpaid by August 29th, 10% penalty shall be applied. Thereafter, interest of 2% per month shall be added to the unpaid balances.

## The rights of the Taxpayer to object and appeal:

The Taxpayer or Agent can object within fourteen days after been served with a Valuation notice.

## Where are the Taxes payable?

All Property Taxes can be paid at the Inland Revenue Division on the Carenage, the VAT Unit located at the corner of Young & Scott Streets, St. George's or any District Revenue Office in each parish.