



Tax Administration Jamaica
Working together to serve you **EVEN** better

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NEWS RELEASE

FOR IMMEDIATE RELEASE

Reduction in Transfer Tax Rate (Inter vivos) and Increase in Transfer Tax Threshold for Estates

Inter vivos Transactions (Transactions made during one's life time)

Tax Administration Jamaica (TAJ) is advising that Cabinet has approved the proposal made by the Minister of Finance and the Public Service, Dr. the Honourable Nigel Clarke, in the 2019/2020 Budget Debate, to reduce the Transfer Tax payable on the transfer of property from 5% to 2%. This takes effect on April 1, 2019.

The Transfer Tax Act imposes a rate of tax on the market value of certain property transferred after the 3rd day of April 1984. The Transfer Tax charged is the rate in existence at the date of the document.

As a result of Cabinet's approval and in accordance with The Provisional Collection of Tax (Transfer Tax) Order 2019, Documents dated April 1, 2019 and later will benefit from the reduced rate and will be assessed at two percent (2%) of the market value of the property.

Documents dated **from April 1, 2013 to March 31, 2019** will be assessed to Transfer Tax at a rate of five percent (5%) of the market value of the property being transferred. Documents dated prior to April 1 2013 will be assessed at the rate which existed on the date of the document.

Estate (Transfer Tax on death)

Cabinet has also approved Dr. the Honourable Nigel Clarke's, 2019/2020 budgetary proposal to increase the Transfer Tax threshold from \$100,000 to \$10,000,000 where the estate of a deceased person is to be transferred. This means a nil rate of Transfer Tax (i.e. Estate Tax) will be charged on up to \$10M of the market value of the deceased person's estate at the time of his or her death.

It should be noted that since May 31st 1974 the Transfer Tax Act has provided for a rate of tax to be charged on the market value (as at the date of death) of certain property which are part of an estate.

As a result of The Provisional Collection of Tax (Transfer Tax) Order 2019 and Cabinet's approval, all Estate cases not paid up before April 1, 2019, will benefit from the new Transfer Tax threshold of ten million dollars (\$10,000,000.00). However, where payment was made (in whole or in part) before April 1, 2019, no refund will be granted.

For further information persons may call the Tax Administration Customer Care Centre at 888-Tax-Help (888-829-4357) or visit the website www.jamaicatax.gov.jm.

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