



2017 Property Tax Assessment

Do you own real estate or a plot of land in Aruba? If you do, your 2017 property tax assessment should be in by now. If you have not yet received the 2017 property tax assessment though, you might have to request the tax authorities for a duplicate. This Tax Newsflash highlights the key points you should note when reviewing the 2017 property tax assessment. The assessments will be dated May 31, 2017, so you will have until July 30, 2017 to protest the registered value of your property. Beware that it will be effective for the next five years!

Five- year period

Property tax is levied over the registered value of real estate/land owned by an individual or legal entity as at January 1 of any year. The property tax is based on the fair market value of the real estate/land or on the annual rent multiplied by a certain factor (which depends on the year in which the property was built).

Bear in mind that the registered value of your property as determined on the 2017 property tax assessment will be effective for a period of five-years!

The tax authorities set the registered value of the property once every five-years. They do so by appraising the property. As the five-year period ended on December 31, 2016, the new five-year period started on January 1, 2017. Since the registered value during this five-year period will basically be the same throughout the entire period, it is important to ensure that the tax authorities have not set the registered value of the real estate/land too high (not higher than the fair market value).

General exemption

The property tax rate is set at 0.4% of the registered value of the real estate and/or plots of land, minus a general exemption of AWG 60,000. The general exemption should be applied per legal owner of the property. Check if this exemption has been applied correctly.

Reduction/exemption

If (part of) the real estate is not being used for more than six consecutive months in a year, a reduction in the property tax due can be requested from the tax authorities for this specific period. Please note that the exemption should be requested within three months after the year in which (part of) the real estate is not being used. For example: maintenance work prevents Client X from renting out a building during the months of January through August of the 2017 financial year. Client X can then request a partial reduction of property tax 2017, provided the request is filed before March 31, 2018 at the latest.

Deferred payment scheme

If it is not possible to pay the property tax according to the payment terms, a request for a deferred payment scheme can be submitted with the tax collector. We recommend – if applicable- to request such a scheme as soon as possible to avoid additional expenses for failing to pay on time.

Notice of objection

A property tax assessment can only be challenged in the first year of the five-year period. Therefore, if you disagree to the registered value as stated in the 2017 property tax assessment, an objection can only be filed in the 2017 financial year. The notice of objection has to be filed within two months after the date on which the assessment was imposed. Since the 2017 property tax assessments are dated May 31, 2017, any notice of objection should be filed on July 30, 2017 at the latest.

Legal Jurisdiction

Any dispute or other legal matter resulting from this correspondence shall be governed by the jurisdiction of the Common Court of Justice of Aruba, Curaçao, Sint Maarten and of Bonaire, Sint Eustatius and Saba.

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