

Real Property Tax Registry – Due Date May 13, 2011

Act 71 of July 2, 2010, established the “Registry for Real Property and Improvements of Commercial and Industrial Property not Assessed”. All commercial or industrial companies which have a real property or an improvement on real property that has not been assessed must register. The registry also includes residential property (but not related improvements). There are some benefits from the registry which are discussed below, but more important there are severe penalties for not complying. The main benefit is that once the Municipal Revenue Collection Center assesses the property it will only bill for the assessed year and the year prior to that one, instead of the usual five years back from the date of assessment. The penalties for failure to register by May 13, 2011 are made up of a 10% on the assessed value of the property plus certain fines (as detailed below).

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As previously mentioned, the properties and improvements registered during the compulsory registration period will be partially exonerated from the retroactive imposition of property tax. In the case of commercial and industrial real properties, the exonerated period is limited to the fifth, fourth and third fiscal year preceding the assessment date, so those properties will be taxed for the current fiscal year and the fiscal year immediately preceding. Residential property, in turn, will only be taxed for the current fiscal year.

The compulsory registration period lasts 75 days, as published on a general circulation newspaper. The registration must be completed by next Friday, May 13, 2011. The Act provides for penalties for not complying with the compulsory registration within the prescribed period:

- Residential property- 10% of the tax liability;
- Commercial and industrial property (including unassessed improvements) - 10% of the assessed value.

In addition to the above mentioned penalties, the Act provides for “non registration fines” of:

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- \$1,000 for residential property;
- \$5,000 for commercial property (including unassessed improvements);
- \$250,000 for industrial property (including unassessed improvements).

Please contact us if you need assistance with the Real Property Tax Registry.

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