
THE SENATE DEBATES

(UNOFFICIAL REPORT)

PARLIAMENT 2013 – 2018

THE SENATE

Wednesday, March 8, 2017

The Senate met in the Senate Chamber, Parliament Buildings on Wednesday the March 08, 2017 at 11.15 a.m.

PRESENT

Her Honour Senator Miss K. F. IFILL, B.Sc. (Hons.), M.B.A., (President)

His Honour Senator the Very Reverend H. E. CRICHLow, G.C.M., B.A. (Hons.) Dunelm, (Deputy President)

Senator the Hon. Miss M. P. O. McCLEAN, B.Sc. (Hons.) M.A., M.B.A., (Minister of Foreign Affairs and Foreign Trade) (Leader of the Senate)

Senator Dr. the Hon. E. R. BYER-SUCKOO, M.B., B.S., (Minister of Labour, Social Security and Human Resource Development) (Minister of Commerce and Trade)

Senator the Hon. D. W. BOYCE, B.Sc. (Econ.), M.B.A. (Fin.), CMA, F.C.A., (Minister in the Office of the Prime Minister with responsibility for Energy, Immigration, Telecommunications and Invest Barbados)

Senator the Hon. P. M. T. TODD, B.Sc., (Minister of State in the Office of the Prime Minister)

Senator Mrs. V. I. SANDIFORD-GARNER, CIM, Dip. Mng., M.B.A., (Parliamentary Secretary, Ministry of Tourism and International Transport)

Senator H. A. HUSBANDS, M.L.I.R., B.Sc., (Public Administration) (Hons), Ed. Cert. (U.W.I.), (Parliamentary Secretary, Ministry of Education, Science, Technology and Innovation)

Senator J. INCE, J.P., B.B.A., M.B.A., Dip. (Mgmt.), (Parliamentary Secretary, Ministry of Finance and Economic Affairs)

Senator R. A. HUNTE, J.P.

Senator A. R. WORRELL, B.A. (Hons.)

Senator Miss V. A. G. DE PEIZA, B.Sc. (Hons.), LL.M. (Merit)

Senator Dr. J. X. WALCOTT, J.P., M.B., B.S., F.R.C.S

(Edin.)

Senator W. A. ABRAHAMs, LL.B. (Hons).

Senator Sir Roy TROTMAN, K.A., M.A.

Senator Professor Emeritus Sir Henry FRASER, K.A., G.C.M., C.M., B.Sc., M.B.B.S., Ph.D., F.A.C.P, F.R.C.P.

Senator Dr. Sir Trevor CARMICHAEL, K.A., L.V.O., Q.C., B.Sc., (Econ.), M.A., Ph.D.

Senator A. A. ADAMS, J.P., B.A., Ed. Cert., M.Sc. Ed.

Senator J. A. WATSON

Senator Carol Lady HAYNES, M.B.B.S.

Prayers were led by Senator the Very Reverend H. E. CRICHLow.

MADAM PRESIDENT: This Senate is in Session.

MESSAGES FROM HIS EXCELLENCY THE
GOVERNOR-GENERAL

ANNOUNCEMENTS BY HER HONOUR THE
PRESIDENTS

MADAM PRESIDENT: I am in receipt of excuses for following Senators: Senator Carol Lady HAYNES, Senator Rev. Dr. D. L. DURANT and Senator the Hon. D. W. BOYCE who are unable to join us today. I am also in receipt of an excuse for lateness for Senator Dr. the Hon. E. R. BYER-SUCKOO. I am further in receipt of the Minutes of the Sitting of the Senate on 22nd February, 2017. Are there any errors or omissions? There being none, I ask that these Minutes be confirmed.

PRESENTATION OF PAPERS

Senator M. P. O. MCCLEAN: Madam President, I am commanded to lay:

(1) the Caribbean Broadcasting Corporation Financial Statements of 31st March, 2015.

(2) the Annual Report and Financial Statements of the Accountant General for the Financial Year 2014/2015.

(3) the Annual Report of the Operations of the Barbados Drug Service for fiscal years 1st April, 2014 to 31st March, 2015.

(4) the Estimates of Revenue and Expenditure together with the Schedules of Personal Emoluments for the Financial Year 2017/2018

(5) the Duties, Taxes and other payments Exemption.

(6) the Fresh Milk Platform Inc. Order 2017.

MOTIONS RELATING TO THE BUSINESS OF THE SENATE

INTRODUCTION OF BILLS

Senator M. P. O. MCCLEAN: Madam President, I beg to give notice of the Resolution to approve in accordance with Section 5 of the Land Acquisition Act, CAP 228, the compulsory acquisition by the Crown of the parcel of land, the property of Brighton Plantation Limited situate at Brighton in the parish of Saint George in this island for the purpose of housing development.

PUBLIC BUSINESS

ORDER No. 1

MADAM PRESIDENT: Senator MCCLEAN, you have the floor.

Senator M. P. O. MCCLEAN: Thank you very much, Madam President.

I rise to speak to the Barbados Revenue Authority (Amendment) Bill 2017. This Bill seeks to amend the existing legislation to make provision for the issuance of tax clearance certificates and related matters. Madam President, in doing my presentation and contributing to this debate, I really will basically answer a couple question which would help to ensure an appreciation of what it is that we are seeking to do. Basically, what are we doing when we do this amendment? What exactly has it been necessary? How does it, at the end of the day, benefit Barbados? Then I would perhaps say something about some regional and indeed international comparisons.

The issue of a Tax Clearance Certificate is not new, it is not peculiar to Barbados. It is something that has

existed in many countries. I remember in the probably late 70s or 80s if my memory is correct, Trinidad and Tobago required Tax Clearance Certificate for persons seeking to travel abroad. There are a number of countries in Europe and in Africa, for example, I know that the Irish have had a Tax Clearance Certificate or do require Tax Clearance Certificates for a number of purposes. In Barbados we are looking to do this as part of an effort to improve the work of the Barbados Revenue Authority and to understand the usefulness or the benefits to be derived from those, it might be useful also to step back a little and revisit because we did have a debate on the Barbados Revenue Authority when it came into existence, to look again at the purpose for that.

Why did we move to a Barbados Revenue Authority? If you think of the many taxes or statutory obligations that Barbadians have to pay or persons doing business in Barbados, we would recognise that these things run the gamut of land tax, corporate taxes, value added taxes, personal income tax and a mix of taxes but at the end of the day what we have is in many instances a single tax pair, therefore, part of what we have sought to do is to bring about a level of increased tax efficiency as well as an effort to enhance tax compliance.

Basically, what the first one, the tax efficiency speaks about ensuring that the mechanisms that are put in place allow us to be as efficient and as productive as possible in terms of the process of collecting those taxes, et cetera. Basically, what we are looking at, Madam President, is the business of putting in place, systems under one roof, figuratively speaking that allow us to collect the broad list of taxes to be collected.

What that allows is the better utilisation of technology and the better utilisation of personnel, our human resources. It also allows us to better monitor and evaluate the level of compliance and to better monitor the actual collections of moneys received by the Crown.

Madam President, in looking at these things we are not looking at the imposition of more taxes but ensuring that there is greater resources due, in other words, that a significantly higher percentage, hopefully, of those impositions are collected and accounted for, and in relation to tax compliance where there is a single entity and with the use of the appropriate technology we are better able to monitor that our citizens, whether individuals or corporate, are in fact following and paying in what is required.

Madam President, I think that issue of tax compliance is very important. We are in a situation where we know that there is a heavy reliance on Government to finance a number of issues of a developmental nature. Government is also called upon to contribute to the stimulation of business activity, et cetera, but to do that at

the end of the day the bulk of the revenue that Government receives comes in the form of taxes, and so that is essentially what we have been looking to do.

Madam President, I made reference at the beginning to the fact that a Tax Clearance Certificate is not uncommon. What I would also say to you is that the model of a single revenue agency is also not uncommon. In fact, it is one of the things that has been recommended in several spheres. Here within the Caribbean, for example, where we are talking about ensuring that we have tax harmonisation across the Caribbean community as we build out the Caribbean Single Market and Economy, again the recommended approach, and it has been adopted by a number of countries, is that we have a single entity which replaces the multiplicity of entities collecting revenue. For example, we know that we had the Licensing Authority to deal with the licensing of vehicles and we have the Land Tax Department and we could go on and on in terms of how those things were collected, and so the creation of a single entity was one of the first steps in the process of refining and improving our tax collection mechanisms.

One of the things, of course, having done that and having passed the legislation, we would have seen as we can imagine with any piece of legislation as it is implemented every single possibility cannot be anticipated and so we would have discovered as we went along that there were some anomalies which need to be addressed in order to ensure that what we have is improved. One area that has been identified as a possible challenge is the whole question of tax leakage coming about where the authorities are not able in a simple, effective and timely manner to monitor the level of tax payments by any single tax payer whether, as I said, it is a domestic situation or the case of a corporate entity, so the objective, of course, is to ensure that there is a minimisation of tax evasion. Madam President, I do not anticipate that any system will totally eliminate tax evasion and therefore what we are talking about is a process of improving the systems to minimise that.

Madam President, let me quickly define tax evasion and separate it from what we call tax avoidance. Tax evasion is simply people not paying the taxes they should pay. Tax avoidance, on the other hand, relates to the business of developing your tax commitments or taking advantage of any opportunities given to a tax payer to claim against taxes paid. For example, in some instances we could claim for entertainment if we are a business. If you are a company you may be able to write off marketing expenses against your revenue. The individual can claim expenses, if he or she has a rental property, but of course they have to declare the revenues generated from the rental income, so tax avoidance is about your tax planning methods which are consistent and compatible with the law which allows you to minimise your tax payments. Tax

evasion, on the other hand, is trying to find ways not to pay taxes that you legitimately should pay. Madam President, part of this process is an attempt to ensure, as I said before, that we are minimising that level of evasion where people can use any legitimate means to minimise their tax thus engaging in what can be termed tax avoidance.

The setting up of a single tax authority, the Barbados Revenue Authority in the case of Barbados, also should assume that it is able to monitor and process information for a single tax payer with a single identification. That was always contemplated by the law and therefore as we seek to put this in place that is part of what we are trying to ensure comes to being, that concept of a single tax payer. Madam President, up to now, because we have that legislation in place, Government relies on individuals properly declaring in several places so at a glance at the moment with some improvements of course, that is less a problem, but in the past no tax official could at a single glance identify that Maxine McClean, for example, it is best to use myself as an example, has in fact been paying all of her taxes, and this is particularly so of persons who are self-employed and persons who are not salaried employees. Let us take a clerical officer in the public service or an accountant, a person working in the hospital as a salaried employee of Government or any of the companies down town who have salaried employees as an example. When those persons work, on a monthly basis or by--weekly basis depending on how they are compensated, they will have deducted automatically from their salaries things such as their national insurance contributions, their income tax or any other imposition that is identified as deductible from their salaries, so whether they like it or not they will pay their taxes. On the other hand, we have a number of persons in Barbados, professionals, and that ran the gamut from architects, engineers, doctors, lawyers, plumbers and masons and then you have self-employed persons, people who operate micro enterprises, small businesses and so on, and the law expects those persons to voluntarily present themselves so to speak to the tax collectors. In other words, it is expected that periodically they would file their corporate taxes if they are registered as corporate entities, they will pay their national insurance and pay according to what is expected of them. I might touch on that later because it is something that I have always have a pet peeve about where people perhaps are not carrying their full share of the burden but then later on expect to get the benefits. In looking at those things, where a person is salaried it is fairly easy to access their resources for tax purposes so that they pay their fair share. Where persons are self-employed or registered as corporation entities, et cetera, unless they follow the rules and so on, they do not necessarily do that. Madam President, in essence, what we are really saying is that in trying to do this we are trying to make sure that the process is efficient and that in terms of making sure that the process is efficient we are also making sure that persons are more likely than before to carry their fair share of the tax burden.

Madam President, having put that in place and having worked through the details of ensuring that we have mechanisms to monitor, collect, report on the collection of taxes and having identified the situation of the need to create a single taxpayer's identity there are a number of

transactions which give rise to the need for proper monitoring. Madam President, from my perspective a tax clearance certificate is one which allows the tax authorities to ensure that persons have been paying their due. Madam President, as I said before, the notion of a tax clearance certificate is not new or peculiar to Barbados because people in the past have had to ensure that they have cleared their taxes before they can complete transactions.

Ma'am, if I am correct, and I believe that I certainly am, when people buy properties before those properties can be transferred fully and legally there had to be evidence that people owed no land tax on those properties. In fact, if for some reason somebody found themselves with title to land on which taxes were due then from my perspective they would obviously become liable for those taxes and so the notion of land tax certificate has existed with us, so that not new.

Madam President, again the Land Tax department would have situations where even beyond the issue of issuing land tax certificate they had to put regulations in place of ensuring that when people say they have paid what was due, that they used mechanisms to pay, which were pretty much risk-free. Ma'am, let me explain, for example, a number of institutions do not accept personal cheques, even from lawyers as far as I know. In some instances they would require a banker's cheque which is essentially the purchasing of money.

Senator W. A. ABRAHAM: Madam President, I rise on a point of order. My good friend, Madam President, is misleading this Honourable Chamber. I do not think that the Honourable Member is doing so deliberately but when lawyers complete transactions on behalf of their clients they do pay by cheque but that is a client's account cheque, a cheque drawn on your client's by which you guarantee that you do have the funds. Ma'am, it is supposed to be as firm as a banker's draft. Ma'am, lawyers do not complete transactions for their clients by the payment of personal cheques which is the lawyer's property, they put out of an account where the funds are being held on trust for the client on whose behalf you are paying.

Senator the Hon. Miss M.P.O. McCLEAN: Madam President, I certainly do not intend to mislead this Senate in terms of personal cheques, but I recall... Ma'am, I am a bit older than the Honourable Member, yes, I am a lot older, I can almost be his mother if I do my math correctly. Madam President, I would not get into the technicalities and it was not a personal cheque, but I know there was a situation where the institution have often said that they needed a banker's draft because oftentimes cheques were not honoured when presented, that was at the level of the individual as well. Therefore, the institution asked that even before they could issue a tax clearance certificate that you had to pay.

Madam President, I would not spend too much time on that because I am not attacking any single profession. Ma'am, the idea was that in order to complete transactions that certificates of compliance, in this case a land tax certificate, would have been required and so a tax clearance certificate extends the whole notion of compliance beyond, let us say, land tax or some other method of tax, for example, excise taxes, et cetera. Madam President, simply put, what this is intends to do is to ensure that at the end of the day people pay their fair share.

Madam President, it is important because we really should have no difficulty in supporting the use of tax clearance certificate if people are complying. In fact, the legislation makes clear provision for accommodating a situation where the inability exists where the individual is not in a position to pay 100 per cent of the tax obligation. The Act speaks to the payment of 10 per cent and the making of provisions for the payment of the outstanding amounts. Ma'am, in essence, transactions will not be held up where the individual is not in a position to fully meet 100 per cent of their obligation. In fact, you are only required to pay up front 10 per cent and make proper arrangements in order to complete the outstanding payments to the satisfaction of the Revenue Commissioner, which in turns allows the person to get the certificate. Ma'am, that would clearly deal with any situation that might face an individual taxpayer who feels that he or she is not immediately available to do that. Madam President, in essence, I believe that this allows people to play their part and to follow the law and to ensure that we in Barbados are able to benefit from the collection of taxes from citizens across the country.

Madam President, I do not propose to speak too long on this given the condition of my voice and my throat but one of the things that concerns me in Barbados is the extent to which persons who are least able to afford the payment of taxes are the first often to do that. When we go across the street, if you are driving by the Treasury Building, for example, on a morning oftentimes when land taxes become due, you would see long lines of old people and average Barbadians standing in line to pay their taxes. It does not mean that they have done something that others are not doing, in other words, it does not mean that people are probably sitting behind their desks and paying it but these are persons who often say that before doing anything else with the money that they must pay their taxes due. On the other hand we have situations where other people do not do that.

Madam President, it is a tangential point but I want to put it on the table because it is something that concerns me and I have actually raised it with my colleague, the Minister of Labour. I used to be self-employed in the past and I know that as a self-employed person you do not necessarily always have cash flows that match your

expenses, in other words, in one month you may make much more money than your bills, while at another month it may be the reverse but at the end of the day it is important that we recognised that we have statutory obligations and I will use the example of the National Insurance Scheme. Madam President, when we look at the National Insurance Scheme and at the maximum benefits that can be derived and when we look at the rules there has been a practice among some people of avoiding paying what I would call the requisite contributions to the National Insurance Scheme that reflect their true earnings.

Madam President, I do not remember the maximum amount that you pay on but there are people who would pay substantially less than they should, but there is a window of time where if you pay the maximum you can get the maximum benefit. Ma'am, I will call it invidious or a bad practice of people paying substantially less than they are earning in terms of coverage by the National Insurance Scheme, where they would wait until that window opens and then pay the maximum, which allows them to claim later on. Their pension then would reflect that maximum when in fact a salaried person's contributions would increase automatically as their salaries increase. In essence, it is a situation where people are using the system. I do not know the extent to which it is existing. I know it has been a problem, and I have heard that over the years while talking to people who know something about the system. What I would hope is that one day we can come in here and make an Amendment to whatever legislation is possible to ensure that people's pension benefits will reflect their long-term contributions. I do not think it is fair because the truth is that most persons -- and I use myself with the educational background and the kind of areas I would have been in -- would have been working for more than the highest level at which we can contribute to National Insurance. Therefore, if I did not contribute to that consistently as I earned a level which would have attracted that, and later on went and claimed National Insurance pension at the highest level, I would have been taking advantage of other people's money. I think it is something which we have a moral obligation to follow, because if the system of calculating your pension reflected your overall contributions rather than "your most recent contributions" over a specified period, then there would be a greater incentive for persons to do right by the system. As I said, again, it is not fair that a salaried employee who has his or her deductions calculated and taken out by an employer should in fact almost be subsidising somebody who could pay better but just use the system. That is something I will have to ask to be investigated. In fact, as I said before, I have raised it with my colleague and I believe that persons would in fact have been looking at that and hopefully we can do it.

Madam President, the other point that I made, in terms of the kinds of things which I hope I can touch on in my short contribution this morning, would be how

Barbados benefits. The illustration which I used just now in terms of tax collection or other statutory collections has to do with the importance of equity in the meeting of our obligations. At the end of the day, we all want to have access to good roads, proper security if something happens in our neighbourhood and we call the Royal Barbados Police Force and want them to respond properly, and all of these things. Therefore, we should all share and carry our fair share of the burden. In essence, I think that is part of the issue, so in looking at this, Madam President, I believe that this Bill seeks to empower the Barbados Revenue Commissioner to have proper oversight in terms of who is paying taxes and who is settling any obligations as they seek to undertake other transactions in a way to make sure, as I said, that there is proper compliance.

Madam President, it also will as a matter of course require some Amendment to other pieces of related legislation, and for those things to be set out in the Schedule in terms of Amendments to the Excise Tax Act, the Liquor Licences Act and of course the Property Transfer Tax Act which I mentioned. In looking at these things and in adjusting what we call the taxing Acts -- Excise Tax, Income Tax, Land Tax, Value-Added Tax -- taxpayers now are improving the level of transparency in terms of being able to evaluate the observance of our obligations and basically the paying of our taxes. Madam President, I therefore see no major difficulty with this piece of legislation. In fact, I think it is part of a process of enhancing our tax administration. It is a part of a process of ensuring that people meet their obligations. I would end by simply saying that when we look around the region, when we look around the world, there are two things which go hand-in-hand: the establishment of a single revenue authority, and certainly the practice of issuing tax clearance certificates, which is not new here in Barbados or in the region.

I did mention before, and I will make the point again: As part of a process of tax harmonisation within the CARICOM region, these are the kinds of things which are recommended and some of them have been implemented by some of our member states. They are also very much part of what we see internationally, as I said before, both in Europe and Africa, for example. Therefore, Madam President, with those few words, I ask to move that this Bill be read a Second Time.

MADAM PRESIDENT: Senator Abrahams, you have the Floor.

Senator W.A. ABRAHAMS: Madam President, allow me first to say to all the ladies, women in the Chamber and anybody else who is listening, Happy Women's Day.

Asides.

Senator W.A. ABRAHAMS: I have on my red tie in honour of the event. It is coincidental but I claim it today in honour of the event. Madam President, I am glad that last week I was able to stand up wholeheartedly and support the vesting of the land in Bridgetown for the purpose of the Jewish Synagogue, because I was unqualified in my support of that. I guess the charges which are normally levelled against me that we object for the sake of objecting would have to have been put on hold at least last week. Now, equally, as the Chamber listened and acknowledged my contribution when I was wholeheartedly agreeing, I would ask that the same consideration be made to my wholehearted opposition today. Madam President, I am starting by saying that I cannot support this legislation; this Amendment to the Barbados Revenue Authority Act.

Under the provision of this Amendment, all persons natural and juridical, meaning individuals, human beings and companies who wish to convey property, must first obtain a tax clearance certificate from the Barbados Revenue Authority (BRA) as evidence that....

POINT OF ELUCIDATION

Senator V.I. SANDIFORD-GARNER: On a Point of Elucidation, Madam President. I thank the Honourable Senator for his greetings but the colour of Women's Day is purple, Ma'am.

Senator W.A. ABRAHAMS: Madam President, being aware of that and having very few purple ties but a proliferation of red ties, I today designate this red purple and stand on my comments. Yes, Madam President, it has specks of blue. I think red and blue equal purple. I take the Point, Madam President, and I acknowledge that the Senator is wearing her purple inside shirt.

Madam President, back to what I was saying: Any person, any natural person, any company, anybody or entity holding land in Barbados and wishing to convey the land must first now obtain a tax clearance certificate from the Barbados Revenue Authority, so that all taxes payable under the Excise Tax Act, the Income Tax Act, the Land Tax Act and the VAT Act have been fully paid, or that agreement has been entered into with the Barbados Revenue Authority to pay a sum of least ten per cent of that which is assessable in relation to the tax.

Madam President, I listened with interest as Senator McClean indicated that the taxpayer is not required to pay all of the taxes but can pay ten per cent. Madam President, that is not true at all. The taxpayer has to pay all of the VAT input tax and all of the land tax and then 10% of the others with penalties and interest.

Now, Madam President, Senator McClean spoke and said tax clearance certificates are nothing new, agreed. Tax

certificates are nothing new at all. They exist for a number of reasons. Senator McClean also stated...

Senator M.O.P. McCLEAN: I rise on a point of order. I believe Senator Abrahams is misleading the Honourable Chamber. I want to read the Commissioner to issue tax clearance certificate.

"Where an application is made to the Commissioner for a tax clearance certificate and the Commissioner is satisfied that no taxes are due under the Taxes Act, all taxes, interest and penalties, interest and penalties which have accrued under the Taxes Act have been paid, or an amount satisfactory to the Commissioner that is equal to not less than the 10% of the taxes, interest and penalties which have accrued under the Taxes Act have been paid and an agreement has been executed with the authorities for the purpose of making schedule payments to liquidate the sums owed."

Madam President that is what I spoke of.

Senator W.A. Abrahams: Madam President that is what is said in that Act and this is going to prove my point, because what is said in this piece of legislation we are debating today has very little practical application to what actually happens. The fact is, land tax is the first charge on land, Madam President, a first charge on land. So that any taxes owed for land tax followed the land into the hand of the next owner. So it does not matter whether the Government grants a land tax certificate or a tax clearance certificate in relation to land tax. The conveyance will never be completed unless all the land taxes are paid. In the conveyance as well we also have to certify that all the VAT input taxes have been paid. So the amendment is saying -- the fact is, if I am trying to sell my land to Senator McClean, how then could they ask for a tax clearance certificate in relation to the land tax? He is not going to accept that 10% of outstanding land taxes are paid, because if the land is sold with the other 90% of the taxes outstanding, that tax burden is taken off the previous owner and is now transferred to Senator McClean the new owner. The land taxes followed the land. Water rates also follow the land.

Madam, the theory back then was, anything that property touched and concerned the land followed the land. So land taxes are paid in relation to your ownership the and release of the land and it is attached to the land itself. So there is not really a tax on the owner of the land. There is tax on the land that is then transferred from person to person for whoever owns the land. It is kind of technical, but the fact remains that I would be derelict in my duties as a lawyer to allow my client to complete a transaction as a purchaser without all of the land taxes being paid, without all of the water rates being paid, without all of the VAT input tax being paid.

So my point in this, Madam President, is, for people to give the impression that you do not have to pay off all in certain taxes is erroneous. You have to make an arrangement to pay 10% of some of the taxes.

Madam President, there is a reason that certain taxes followed the land, and always have. The Taxes Act set out in Section 4 (a) of the amendment, the only taxes due and payable under the Land Tax Act have the first charge on land, and the Land Tax Act, Section 4, says "Tax due until paid shall be a first charge on the land in respect of which it is levied, and as such shall be right prior to all other leases and demands affecting the land." The Excise Tax Act, Income Tax Act and the Value Added Tax Act contain a similar provision.

Madam President, each of those Acts provides for how the Crown power its due. It is not that the Crown is powerless. Under all of those taxing Acts, the Crown can sue the person who owes taxes for recovery of the taxes. It is not powerless. It does not need to attach those to land.

Madam President, lets go further. Under the VAT Act, Section 92, the Crown must be set off under a refund against any outstanding taxes payable but not registered, the requirement of this amendment and the tax clearance certificate it contemplates seeks to treat the debts owed to the Crown lands as a first charge. I do not understand, Madam President, what mischief this is seeking to correct. If it is about tax efficiency, then fine. If it is about collecting all the taxes under this, then fine, but you cannot have it two ways. You cannot say in one breath we should be collecting all taxes under one roof, all of the taxes collectable by the Barbados Revenue Authority should be implemented and cross referenced and we should know who owes what, so that if you attempt to do anything with the land every tax has to be paid. The flip side must then equally apply. If VAT owes you a refund but I owe land tax, why should I not then be able to set off my refund against my land tax? It only makes sense if VAT owes me a refund, but I owe income tax less than what VAT owes to me, why should the sale of my land be held up? If the Government would pay me, I can pay my taxes. This Act is patently unfair and while it contemplates the maximum collection of tax by the Government, it does not equally contemplate fairly to the person who is owed taxes or refunds by the Government.

Madam President, then there is the right of appeal. I do not have to accept what the Government said is due and owing to them. I have a right of appeal. All of the taxing Acts contain a right of appeal, but there is no provision in the event that I am appealing. If I am trying to transfer my land and I have an appeal pending, I have to pay 10% of the taxes the Government deems are assessable. What about what I claim is assessable? It is forcing people to

compromise their right of appeal guaranteed by the taxing legislations.

Madam President, when we consider to a party who is liable for tax default and others. On this International Woman's Day, let us say a wife and a husband, unfortunately is getting a divorce and the court has ordered that the husband transfer his share of the property to the wife, what then happens? If the husband owes taxes to the Government, if he owes VAT, if he owes income tax, if he owes land taxes on another property, must it then fall to the wife to clear off those taxes before she can get the transfer to property? This does not affect that. I heard it in Other Place the suggestion that arrangements can be made and the court can waive and there is the provision for the waiver of certain taxes in certain situations. Are we asking the court now to act outside of this very piece of legislation? It makes no sense. It does not make any practical sense to link the payment of taxes of the individual which do not touch and concern land, but really are charges the Crown has against the individual, as opposed to property to link that to the transfer of property.

Madam President, what about mortgages? If I have a mortgage with a bank and for some reason I cannot pay my mortgage, I run into difficulty, it is open to the bank as mortgagee by the deed of the mortgage document to sell my land to recover that which is due to them. If I am beholden to the Crown in my personal capacity for VAT input, for excise tax, for any other taxes mentioned, then the bank cannot sell the land. The bank actually has to enter into an arrangement to pay off 10% of the taxes that I owe. The bank does not know that I am contesting the amount assessed by the Crown. It makes the bank now liable to discharge my obligations to the Crown before the bank can exercise its power of sale guarantee by the law. It just does not touch and concern the bank's ability to transfer the property. I have spoken to bankers about this, Madam President. What will then happen is, it will become increasingly more difficult for people to get mortgages and properties.

If you are somebody who is scrunting, when you come up in Barbados they always say, you have to aspire to own a piece of the rock. Before you could understand what the rock was, I was told that I have to get my piece of the rock. Eventually I will own my piece of the rock. My grandfather owned his piece of the rock. My father owned his piece of the rock and I should study hard in school, do well, get a good job and buy my piece of the rock which I can pass onto my son. Most Barbadians hold their piece of the rock jealously and guard it jealously. Buying land in Barbados is the single greatest investment that would be made by any Barbadian during their life time, the single greatest investment.

Madam, when a Barbadian parts with their land unless it is to obtain a benefit, chances are it is as a last resort to try to settle debts. You have run out of credit. Your bank account is dry. You have cashed in the insurance policy. You now have nothing else but the piece of the rock you own that probably came off from your father or grandfather. Now before you sell that you have to pay off everything, or enter into an arrangement? The reason you are selling it is because you are in debt. It is a penny wise and a pound foolish, Madam President.

I heard in another place or I heard comments about this legislation saying that the big people are trying to dodge taxes. The big companies are trying not to pay taxes. The big lawyers and the big doctors trying to not pay taxes. This does not affect doctors, lawyers, and big companies, Prime Ministers or Senators only. This affects every single Barbadian who owns a piece of the rock. It should not be willy nilly, it affects us all. Quite honestly half the time when Bajans are forced to sell their properties it is because they have hit rock bottom. There is nowhere else to go and that is the only way to dig yourself out of the hole.

I could understand that you have to pay your property transfer tax. Your property transfer tax is a result of your benefiting from the sale of your land. I could understand the land taxes have to be paid, because as I said before, it is not that the Government would actually stop you, or that the lack of a tax clearance certificate stops you from transferring a land as it currently stands. What the lack of tax clearance certificate does is preventing you from transferring clean title. So the person who buys it, buys it knowing or they should know that there are debts attached to that land and, at any point in time that land can be picked up and sold by the Crown to pay the debts which form a first charge. That is why often, Madam President, if I know there are taxes due on a property and somebody was selling it and they do not have the money to pay the taxes before the sale, we then get a statement from the Land Tax Department saying how much taxes are owed, and you the purchaser then withholds that money from the purchase point and you take that liability unto yourself, because it is the land, pay it or do not pay it. More often than not people immediately pay it from the proceeds of the sale and the Government gets its due. So it is not right or it is not true to say that property cannot be sold in Barbados without the payment of land taxes. It can be sold, but those taxes follow the property.

Madam President, the point I was making is, when you hit rock bottom, when you are suffering and sucking salt, when your children cannot eat, when you are fed up and you cannot take anymore and you decide now there is no choice than for me to sell my piece of the rock, it is not right for the Government to demand that you pay all taxes, not just those touching and concerning the land, but all taxes before you part with the possession of your property.

It is draconian. It is oppressive. It sends the wrong message especially now in this economy, Madam President, where the Government is not paying its tax refunds, where the Government is struggling to meet its obligations, where the Government is one of the biggest defaulters to the citizens of Barbados in terms of creditors.

Asides.

Senator W.A. Abrahams: You cannot be guaranteed you are going to get it. You have been holding on for years to get your tax refund, but yet the Government says to you, I know I owe you. I know I owe you. I have owed you for a while. I cannot tell you when I am going to pay you, but do not even dare try to set off what I owe you against what you will be paying me. Pay all and then sell your land. Go across and pay 10% and enter into an arrangement and then sell your land. Madam President, it stinks. We are asking people in Barbados to do this at a time when most Barbadians are living off their savings. Most Barbadians have drained their accounts. They are now down to the bottom. They are living on a hope and a pray, right down to the bottom. Is it fair to kick the Barbadian citizen who is down and out? Is it fair to kick them when they are down? Madam President, this Government has made a practice of advising itself and quite often badly. We came here once before when we did the amendments to the Family Law Act, where mandatory counselling was legislated before either party could file for a divorce. I stood up in here and said it would not work. It is wrong. It makes no sense. The Bar Association made a statement on that and objected to it, and I stood on this side and I heard from that side about the legal luminaries and the eminent lawyers and the QC's who contributed to that Bill and who am I, and that I would never become a Queens Counsel. Everything I had to say was discounted because of the messenger, not because of the message and we came back here and ate humbly pie when it had to be revoked because it could not work.

The Bar Association made a statement in relation to this amendment to the Barbados Revenue Authority Act. The Bar Association is not political. The Bar Council contains, I believe, 17 members. They are members of the Democratic Labour Party (DLP) and members of the Barbados Labour Party (BLP) on that Bar Council. The Bar Association has 1 200 lawyers and there are Dees, there Bees, there are people who do not care and there are people who care too much there. It is perhaps the most balanced professional grouping in Barbados in terms of numbers and representation of the political spectrum. When the Bar Association considers it expedient and considers it its duty to make a statement and to warn the Government about legislation that it is proposing to pass the Government needs to sit up and take note because whomever is advising the Government whether or not it is the Government itself or one or two lawyers you have the considered opinion of 17 on the Council and 1 200 that make up the membership.

The statement from the Bar did not just come from the Council, the statement of the Bar was circulated to members and the members weighed in in support. Let the Government take note. It is advising itself and it is advising itself badly and it is doing it to the detriment of the people in Barbados.

There comes a time when you have to back down from something when although the message is not what you want to hear and it is not your message, you have to listen and weigh it. We keep coming here and saying the legislation might not be perfect that is why you have amendments. Let us pass it now because we could amend it later. Madam President, the time for that has to stop. If you pass a piece of legislation that proves to be ??? go ahead and amend but when you passing something that is patently bad in the space of all objection from the people who should know, it is not good enough to say let us pass it and amend it later because you start by disadvantaging Barbadians from the time it is passed as happened with the Family Law (Amendment). This is not about wealthy people, Madam President. This is not about the "big ups" and those who have it all and are trying to skim on taxes.

I listened to the Leader of Government Business on That Side as she explained the difference between tax evasion and tax avoidance. This is not even about tax avoidance on behalf of the small man. This touches those who have liquor licenses, this touches the hairdressers, the mechanics and the people who could not even possibly afford to buy land but got the land by inheritance. This touches those who live on land that was passed down from seed-to-seed or in the family. This touches the hard core, the salt of the earth Barbadians because it touches and concerns the thing that we hold most dear; a piece of the rock. I believe "render unto Caesar what is Caesar's". I am not about bothering Caesar and those who owe taxes should pay your taxes and the Government has more than enough resources at its disposal to secure the payment of taxes from those who default. Let us stop taking the easy route and picking the low hanging fruit. If the Government is concerned about big companies that owe taxes, go after them, name and shame. Sue them, get a judgment and you can attach to their property in the same way. Sue them, get a judgment and get liens on what they own. Sue them and register a judgment and get an injunction that they cannot sell or dispose unless they pay the taxes or without your knowledge. All those avenues are available to the Government. It is not that the Government is powerless. This is the easy way but this easy way hits the common man too and it is wrong. The Constitution of Barbados guarantees the protection against deprivation of property. It guarantees that except in accordance with the law but I started by saying ...

Asides.

Senator W. A. ABRAHAMS: No, no, no. That is not inconsistent with that I am saying. I am saying this law is bad. I am saying property is mentioned in the Constitution, it not something to be laughed at. It is something to be taken very seriously. Your right to do what you want with your property was enshrined in the Constitution because it is as serious as that. The Government cannot willy-nilly ??? my ability to do with my property. The Government cannot willy-nilly take the thing that I have as my security blanket, as my in case of a rainy day, or in case of a vicious storm. Madam President, what if the person is a small man who actually owes more taxes or that what the land is worth, then what? He could never sell it? That person should be allowed to dispose of his/her property to get an easy. Pay the taxes that the law says touch and concern the land and then be able to apply the rest to dig himself out of that hole. Render unto Caesar what is Caesar's is good. It is the Biblical law. It is technically speaking the law now but Caesar cannot have all at the expense of the masses.

Madam President, this is why Barbadians are getting fed up and cannot take it anymore. This is why Barbadians are saying enough is enough because everything the Government is doing now is about a tax grab to get payment. Let the Government control its spending, let the Government do what it knows it needs to do, let the Government increase revenue where equitable not by crushing the man who is already on the ground. It cannot simply, Madam President, be about getting every coin that is due. Get the coins due where it is equitable and safe and decent to do so. When you get the coins due, do not threaten my right to appeal your assessment. When you get the coins due get the coins that the law says have to be due in a certain transaction not the other ones that you have failed to collect, not the other ones that you cannot bother to do what the law says should be done to collect them. Be decent, it is about common decency. Barbadians are now being crushed, Madam President. Most people do not even know how they are going to weather the storm. People do not know what is next, people cannot see pass next year or the end of this year. People do not know how the bills they have are going to be paid. Some people do not know where the next meal is coming from. Some people do not have the money to send to school their children or put clothes on their backs. Some children leave and go to school without having had a meal because their parents cannot afford it and this child is getting to school so that he/she can get a piece of school meals. Some parents do not send their children to school every day because they cannot afford the bus fare.

Asides.

Senator W. A. ABRAHAMS: The Barbados Transport Board does not work ... I am not even going you any attention now.

Madam President, some people in Barbados are at their wits end. It has never been as bad as it is now and those on That Side can stand in here and laugh. Go ahead, pick holes, pick on the one thing, or pick on the two things. When you are laughing you are laughing at Barbadians. This is serious business in here.

Madam President, we are here discussing the laws of the land that affect the common man and the common person. We need to talk about how it impacts the common person. It is perfectly in place in this Chamber to talk about people are hurting and how they are fed up. It is perfectly in order when we are discussing a revenue collection measure or amendments to the Barbados Revenue Authority Act to say that enough is enough and that the people of Barbados cannot take it anymore.

Madam President, what is interesting is that they attempted to link the Tax Clearance Certificate to the payment of professional fees, so the professional licences will not be granted unless you can produce a Tax Clearance Certificate. That position was retracted from very quickly when the professionals kept noise. When the same doctors, the same lawyers and all of the other professionals kept noise the Minister of Finance and Economic Affairs backed down from that position, but who is here to keep noise for the common man. Who is here to keep noise for the person who cannot afford to pay all? Who is here to keep noise for the person who probably cannot afford to pay the 10 per cent? Who is here to keep noise for the person who when they hit the bottom of the line, the last resort, and the only thing you can now do is to sell your property? Who is here to keep noise for that person?

Those on that side might not wish to keep noise for that person but we, the two on this side, will keep noise for that person. The two on this side will let the people of Barbados know we have heard your cry. The two on this side will let the people of Barbados know that we are fighting for you. We will not let something pass here without objection if we think it is unreasonable, if we think it is oppressive, if we think it is draconian or if we think it is going to hurt you. Madam President, the two on this side will call it as it is. The two in here on this side, Madam President, will say that we are fed up and that people are fed up. The two in here on this side, Madam President, will step up to the call. The two in here on this side, Madam President, will step up to the representation of the people. The two in here on this side will do what is necessary to make sure that silence does not reign, that our voices are not silent and that the poor people, the disadvantaged and the oppressed in Barbados have a voice.

Madam President, no less an organisation than the Barbados Bar Association spoke about it, not politically but in the interest of law and justice, fairness and constitutionality. You may dismiss what I say. You may

dismiss me as political. You may not take the message from me because the messenger is me but do not dismiss those who have no agenda and know axe to grind. If we open our ears to hear what is said and to listen with reason as to the import of what we are discussing, we would see that this Barbados Revenue Authority Amendment is wrong. It is imposing obligations on people to kowtow to the Barbados Revenue Authority where the Barbados Revenue Authority does not have the authority but for this to demand it. It is trying to shift the established regiment of first charges on land and trying to create other first charges to the Crown. It is saying to the Crown do not do what it is that you made me need to do to collect what is owed to you but attacked the low-hanging fruit.

Madam President, we are going to be back here at some point in time to repeal this piece of legislation. Madam President, I can say that when next the Barbados Labour Party forms the Government one of the first step, if this is passed today, is going to be to repeal this piece of legislation, and that is without hesitation, that is without qualification. We deem it bad. We have heard those who have been speaking on it. We deem it bad and we will not allow that oppression created by this amendment to continue into the next Administration if it is so unfortunate that this here should pass today. For those reasons and for many more, Madam President, I cannot support this amendment and I wholeheartedly oppose this amendment.

Madam President, I thank you.

MADAM PRESIDENT: Senator Ince, you have the Floor.

Senator J. INCE: Madam President, I rise in support of the Barbados Revenue Authority (Amendment) Bill, 2017 that is before this Honourable Chamber. Madam President, it comes at a time when we said to the people of Barbados - I have said it and I have repeated it - that this Administration as a platform indicated that we are going to restructure and diversify this economy. Madam President, that restructuring and diversification of the economy not only looked at the sectors that produce goods and services but also at those areas of legislation that needed to be amended for the efficiency or the operations of Government.

Madam President, I cannot recall living outside of Barbados, in the United States of America and having an opportunity to live in Trinidad with my grandparents, when there was not a time when any topic of taxation came up that there was not criticisms or contentious issues. For those who I call the biblical scholars, when you look at the history of taxation written within the Bible - because sometimes there are some persons who when I listen to them I wonder whether or not they read the holy scripture crossways, sideways or front-ways -- you would see that

even from biblical times there were issues with the collection of taxes and the issuance of tax clearances. Even from biblical times there were issues with the tax collector and issues with the system of tax collection.

Madam President, I do not have a problem with a Tax Clearance Certificate. Madam President, I pay my taxes. Yes, there are challenges but I pay my taxes and if there is a year or so that I cannot pay my taxes I walk into the Treasury Department and say to them, listen I cannot pay all now, I would like to pay some and they would give me a payment plan. I did it more than once. I did not wait until the lion get at my door. Sometimes we sit and wait until the lion is at the door then to find excuses. We like to use the theory the poor man or the poor persons when it suits us. If you have your taxes to pay, pay your taxes. All of us at some point in time know early look we cannot meet this bill this month or we cannot meet all of it but we sit around and wait until something happens. As I said, I pay my taxes. My professional licence fee is \$2 500 a year working in the financial industry. Madam President, if I know that my license is due the following year and that come January I cannot afford to pay that \$2 500, I am going to put aside some moneys, then months before I will go and do my installment payments so that when the time comes around my license would be in order. I am not saying that people do not have challenges but all of a sudden we like to play politics, we like to talk about the poor and the downtrodden.

Madam President, we are simply saying that if you need a tax clearance certificate not only can you pay down 10 per cent but that you can also make arrangements to pay the balance. Madam President, that is written here. Madam President, I am not an attorney-at-law but I believe that I have some minimal understanding of legal procedures. Madam President, it says at Page 5:

“Notwithstanding paragraph (c) of subsection (1), where an application is made to the Commissioner for a tax clearance certificate to facilitate a conveyance of land, an applicant shall: (c) pay an amount satisfactory to the Commissioner that is equal to not less than 10 per cent of the taxes, interest and penalties which have accrued under the other taxing Acts and execute an agreement with the Authority for the purpose of making scheduled payments to liquidate the sums owed under those Acts.”

Madam President, it speaks of other taxing Acts and maybe persons in the legal profession can tell me what is “other taxing Acts.”

Madam President, on the same page it sets out the following:

(a) Excise Tax Act (Act 2015-32);

(b) Income Tax Act, Cap. 73;

(c) Land Tax Act, Cap. 78A;

(d) Value Added Tax, Cap. 87,

and any subsidiary legislation made thereunder.”

Madam President, it says clearly that for the purposes of making scheduled payments to liquidate the sums owed under those Acts. What does it mean by “those Acts?” It did not say “a single Act,” it says “those Acts.” Madam President, what they are saying is that they would look at all of the taxes owed under the different Acts and you can make a scheduled payment with the Commissioner of Revenue, you can pay down 10 per cent and you make a scheduled payment under all of the other Acts, so that if I owe \$1 500 under all of the other taxes, I pay 10 per cent of the total owed and the balance I will make some scheduled payments. Madam President, what is so difficult about that?

Madam President, as I said, those persons who were trained in the legal profession clearly understand but I am putting my side to it, that is what is written here, so do not let us get carried away. Madam President, there are some issues, if I felt uncomfortable about it, whether or not it was the Barbados Labour Party or the Democratic Labour Party I will state in this Senate and will say to the public of Barbados that I feel uncomfortable about it and that I think we need to reviewed but Madam President, as far as I am concerned we have put a system in place, we have said to bring all of your taxes no matter what they are. When we are aware of what those taxes are, we want you to pay down 10 per cent to the total of those taxes. Ma’am, in simple layman’s terms it is like hire purchase credit where you go for a refrigerator worth \$5 000, the company then asks that you pay down 10 per cent, then to enter into an installment payment that is reasonable to you. If you are in a position to pay more than the 10 per cent, you can do so but as I said, I have done it already with agencies, I have told them that I have other things to do.

Ma’am, nobody wants to pay taxes. Who likes to pay taxes? Madam President, I would say to you that no individual likes to pay taxes, that is a fact, when you hear the word taxes people become uncomfortable. Ma’am, even in the United States of America where the tax system is supposed to be simple there are a company called H&R Block, I did an income tax course with them, if you see the lines outside the H&R Block when it comes to time for tax filing, as simple as that tax form looks people do not like to file their taxes and so they would pay H&R Block or one of the persons who represent H&R Block to file some of those tax reforms, some of which are very simple. Ma’am, what must be made clear is that the objective of this Government is to have what we call a simplified tax system. The

Barbados current tax system is complex, with a little piece here and a little piece there.

Madam President, I have always said and will continue to say that I would like to see the time in Barbados when we can collect 90 per cent of our taxes. If we can do so, do you not know, Madam President, that we can literally reduce personal income tax down to the lowest level? Ma’am, that is the objective of this Government, if we can get that tax collection rate down to what we call a reasonable level, personal income taxes can be reduced significantly, but persons must understand that. Ma’am, that is what we are striving for when we speak to a country that is social balanced. When we speak about being socially balanced we want to create that tax level so that all persons in society would benefit, so that I am yet to understand this hue and cry about having a tax clearance certificate.

Madam President, yes, there will always be pressure, you cannot stop people from complaining, challenges will always be with us. In the best of economic times you are going to get persons who are going to be challenged by poverty, that is why I said that Government is 95 per cent social obligation and 5 per cent profit, while the private sector is 95 per cent profit and 5 per cent social obligation. Madam President, we understand the cries of Barbadians, that is why it is important to put such structures in place such as a tax collection system.

Madam President, I look forward to the day in Barbados when, for example, I can walk into one area and can pay all of my taxes and that is what this is all about, it is about where we are heading. I look forward to the day when I could walk into an insurance company, once Government has the correct IT platform, and pay my road taxes and other things without having to leave that insurance company. Madam President, I also look forward to the day in this country that when a person reaches pensionable age, I strongly believe that with an efficient or what I would term a level of comfort, a tax collection rate that is comfortable, you should not be paying land tax on your residential home, this is where you are going to spend time with your grandchildren and this is where you are going to end your glory days, you should not be paying land taxes on that property. If you have other properties, however, then you should be paying land taxes. That is where I would like to see Barbados go. That is what I would like, and that is what we are aiming for when we speak of a country that is socially balanced and economically viable. Madam President, we are not here to disadvantage, but I understand clearly Opposition politics.

Aside.

Senator J.INCE: On the other hand, I want Barbadians to recognise that what we are doing is not to the disadvantage or the advantage of a selected few, but what

we are doing is for the country. As I said before, Madam President, once we meet the objective where our tax collection rate seems to be efficient and reasonable, then there are benefits to be had. There are benefits to be gained; significant benefits. Yes, we are going to see the comments. We are going to hear about the draconian measures. All of these things happen when an economy is challenged - internationally, regionally and locally -- but let all of us play our part. Once we continue to play our part and show you are committed to the cause of your country, that is where it is; the commitment to country. We are committed to political parties, but then there is a difference between commitment to political parties and commitment to country. Madam President, when we are committed to country, we are committed to the success of the country, we are committed to the political stability of the country, and we are committed to those principles which would make that country economically viable for all. We speak of economic growth; I speak of economic viability where the tax system would allow us to have those critical services. The tax system would allow our children to go to school and have school meals. The tax system would allow our elderly to go to the Queen Elizabeth Hospital and the polyclinics to have medical services. That is what we are talking about.

Madam President, as I said, I support this Amendment. It is for what this Administration indicated to Barbadians: restructuring and diversifying the economy for the benefit of all. Madam President, with those words I am obliged.

SUSPENSION

Senator Hon. Ms. M.P.O McCLEAN: Madam President, I beg to move that this Sitting be suspended for lunch until 2.30 p.m.

The question that the Sitting do now suspend until 2.30 p.m. for lunch was put and resolved in the affirmative without division and Her Honour the PRESIDENT suspended the Sitting accordingly.

1.01 p.m.

INSERT S11 jULIETTE

Wednesday, March 08, 2017

Senator Miss V. A. G. De PEIZA: ..by producing the certificate. For those three taxes that you already know, because you are speaking about them in a conveyance as of today, they touch and concern land, those ones you still have to pay up before you can transfer land. What has changed is that the all other taxes now are tapped on but they are still held differently. All other taxes, you pay 10 per cent and you make an arrangement to pay the rest. How

is that different from the arrangement that you would make if you walk into the Treasury Building and say look, I have back taxes, I know I have them, but by pocket is dry, can we make an arrangement, and you decide you would make so much as a lump sum and then pay the rest over time? That is what happens now under the Income Tax Act. That is what happens in relation to all of the other taxes that you could possibly own. You would go in, as Senator Ince said, and make an arrangement for the payment over time of what you owe. This Bill allows again for you to have such an arrangement, so it does not stop your land transaction. You now will have your land transaction. Yes, you are getting a lump sum of money from your land transaction and Government is not saying give me all, it is saying give me 10 per cent and we could discuss the rest over time. How is that unreasonable?

There is full and perfect understanding that the majority of Barbadians are not looking to dodge taxes, they simply have cash flow problems, and therefore what you are looking to do is to make an arrangement. It does not stop the land transaction if you choose not to sell so that you do not have to pay this 10 per cent because if you sell you still have to pay the VAT under Sections 46 and 48 and you still have to pay your land taxes and the property transfer tax, so the only thing that is different now is the 10 per cent plus the agreement, so if you let that stop you from doing a land transaction then that is your personal choice. There is nothing in this legislation that hinders a land transaction any more than already happens.

I wish also to put it in context again in terms of what already happens in relation to Government collecting revenue. I am going to confine my contribution against, since it is apparently that it is only in relation to conveyancing and not in relation to opening a restaurant or some wholesale place because those are covered under this amendment but apparently cause no consternation on the other side, so I will try treat them as accepted... There is no dispute in relation to those but only in relation to conveyancing. Let us understand then what Government already can do outside of this Bill which I consider to be a whole lot more draconian than this Bill suggests because this Bill is looking to negotiate with you: Give me 10 per cent and the other 90 per cent we could discuss over time. It does not even say over a five-year period maximum, it says over time we would come to terms in relation to the other 90 per cent. Here is what Government already can do when you owe them money: Government can sell your land and get back what is owed to them. That is guaranteed under several provisions. Your water rates are a first charge, your land tax is a first charge, and that is why as conveyancers we make sure that those are cleared before a transaction of transferring land is completed because we know these can walk on with land, it is a first charge. It does not have anything to do with the owner, it has to do with the lands and if they remain then who next owns the

land has them to pay because you took with those already in place.

For VAT, and I am not talking about Sections 46 and 48 now dealing with construction costs, I am talking about the rest of the VAT provisions, Government can take a security over your land, a security is a mortgage over your land, for your VAT debts and that too makes you liable to sale because you would know that with a mortgage if you miss a payment or too many payments the mortgagees will sell, that already is in place.

We have had situations where land has passed, but you cannot record the transaction without paying the property transfer tax, so some persons have taken to passing ownership but not recording the title deeds and avoiding the requirement to pay property transfer tax. Here is how Government can get around that. Property transfer tax is also a first charge on the land already existing. Government can sell the same land that you are saying that the provisions are stopping you from selling. What has changed? Government can sell your other possessions besides land to satisfy revenue debts that are owed. Again, land tax and income tax once judgement has been registered against you. They can leave the land alone and come and take away your fridge and your three-piece suite and the motor car and your cow. So long as they are not tools of your trade the Government can come and pick them up and sell them to satisfy debts that you owe to them, not negotiating a 10 per cent and then pay the difference over time but outright selling. Government already has the power to do that.

Government can garnish your moneys. That means that if someone else owes you Government can say to that person do not give the money to him give it directly to me. Again not talking about terms, they want all when it comes to a garnishment. That is what Government can do but did not do in relation to this Bill.

Government can get a civil judgement against you as well, and when you get a civil judgement all of the methods of enforcement including the ones mentioned above are simply again you paying in instalments in order to get what we call the satisfaction of that debt, to actually get the money. The judgement is just a piece of paper. Actually getting the money requires another set of actions, what we call enforcement. An enforcement includes selling property or goods, garnishments, payment in terms or instalments. All of that is included when you are talking about enforcing a judgement.

Under the Land Tax Act, the Income Tax Act and the Customs Act which govern the excise tax because under the excise tax it says if you need to enforce check the provisions under the Customs Act, so all of the taxes that are mentioned as other taxes under this amendment

Government can do more draconian things than it is doing in this amendment. This amendment allows Government to do something nicer than selling your land, than picking up your car or than getting a judgement against you which would affect your credit rating. Madam President, this allows Government to do something softer than it is already able to do and that is the message that needs to be carried out there. Ma'am, all of this prophet of doom and gloom only puts the wrong impression. We have an expression out there now, "alternative facts" and we need to be very careful, especially those of us who ought to know better, that we are not simply running a lie but that we are actually making sure that we are following the truth. The reality of this piece of legislation is that it now also touches and concerns land because that is how you get to have a tax that touches and concerns land, you have to have legislation.

Madam President, so that the idea is not out there that it is only this Administration that brings taxes that touch and concern land, the very Property Transfer Tax (Amendment) Bill that I spoke of earlier to allow a first charge on the land for nonpayment was brought in 2004 by the last Administration. Ma'am, this is all an effort to tidy up the collection of debts. Ma'am, land transactions happen on a daily basis and here is a method of collecting taxes due, because while no one likes to pay taxes everyone likes when ill to go the polyclinics and Queen Elizabeth Hospital; while no one likes to pay taxes everyone likes the fact that from age three to eighteen our children are well-accommodated in schools and we have sold ourselves short in past generations but suggesting to people that these commodities are free. They are not free, they come at a cost and the cost is to the taxpayers of this country therefore one has to appreciate that Government has to collect taxes. This is the mischief that this amendment is looking to achieve.

Madam President, I would not stand here and say that there are not problematic situations and I will address the ones that were raised by Senator Abrahams. In relation to family matters by their very nature they are acrimonious, there is often a lack of cooperation between the parties but here is how it is addressed in any event. First, your interest attaches only to the equity in the property. Secondly, where there is a recalcitrant party, the courts signs the conveyance and in determining shares the court can say that the property is owned 50/50 between husband and wife but the statutory debts that are attached to the land can be set off so that the transfer is free and clear. Ma'am, for example, if the husband's payout was supposed to be \$50 000 but that he owed Government \$20 000, then his payout would be that of

\$30 000 with the opposite cheque of \$20 000 to the Government and the conveyance, if not signed by that spouse, would be signed by the Registrar of the Supreme

Court, because there is already the understanding that we are dealing with difficult circumstances, so the Family Law Act makes provision for dealing with difficult circumstances in the transfer of titles.

Madam President, as it relates to mortgages there is going to be a knock-on effect in instances where the debt owed to Government is sufficient to impact on the equity of the property. If what is owed to the bank is more than what is left back in the net value of the property then there will be something with interest attached for the former homeowners to pay up to the bank. Ma'am, that is accepted but guess what. In an upside-down mortgage situation where property is sold for less than the debt, you would have already had that circumstance and former homeowners find themselves after the sale of the property to satisfy a mortgage still having some shortfall to pay over to the bank. That is something that already happens, so it is not a circumstance that we cannot resolve because we know we have already met them.

Madam President, we know that there are issues that will arise simply because we are dealing with human nature but I am satisfy that the legislation is sufficiently robust that it can be used. I do not want to use the word manipulated because it could be misconstrued but that is how we term it in law, you would use the legislation and find a way, especially in terms of mortgages to make some arrangement, because I do not see a bank going the extra to actually engage with the Barbados Revenue Authority in relation to 10 per cent down payments and further installments on the behalf of a debtor, that would have to be something for which a debtor makes arrangement privately and then informs the mortgagee in relation to it, but that is one way of dealing with that issue, you know that the bank is going to sell your property, you know that you owe debts to Government, go in and make the arrangements yourself. That will be a way to deal with it.

Madam President, the concern though in relation to this piece of legislation is that it does not actually bring any more persons under the tax umbrella, this is finding ways to make persons who are already under the tax umbrella compliant. Madam President, I am certain that this would be a next step, that once there is a way to bring more persons under the tax umbrella, and I am speaking about the informal economy where people work but there is no way of recording their earnings, they may well be earning well above the tax threshold for income tax but it cannot be proven at this point in time. Madam President, those of us who know anything at all about the American system know that there are ways that they can be brought under the tax system and that there are ways it can be done so that the tax burden is spread more fairly, which I think is what really ought to be the concern, especially since taxes of the type mentioned in this legislation already touch and concern land but do not necessarily touch and concern everyone

outside of land. Madam President, I would be interested, hopefully in the near future, to see legislation coming in this Honourable Chamber that would assist in spreading that tax burden because spreading the tax burden would also lower income taxes.

MADAM PRESIDENT: The Honourable Member has two minutes left in which to conclude.

SENATOR Miss V. A. G. DePEIZA: Ma'am, so that it is known more widely than it is already, this Bill addresses more than conveyances, it also looks at liquor licenses for what I would term larger establishments such as wholesalers, restaurants and operations of that nature who already in order to comply with the requirements to get a liquor license have to display certain information in any event, including their tax situation. Now there is going to be a document, an actual certificate that they bring forward. I see this as shortening the process for them. There would not be any running around trying to get a letter from here, there and everywhere in relation to your tax situation. There will be a document which will assist. The provisions in relation to conveyancing are repeated in relating to other transactions: the taxes that touch and concern that particular event and business establishment and then a ten per cent, plus an arrangement to pay the 90 per cent. That is what is being put in place by this Bill. Do not let anyone scare you that something new is being invented. Just for emphasis, I will repeat. Already you have to pay Land Tax and Property Transfer Tax before you can close a conveyance. Already you give a guarantee that you did not claim any input tax back from Government in relation to your construction, and in respect of all of the other taxes, Government, already having the right to sell your land, is now putting in place something else, which is basically, "Let us make a deal and come to an arrangement where I get some and you get some and we get the rest over time."

Madam President, I wholeheartedly support this Bill and look forward to its workings; and to all of those who are satisfied that it presents a constitutional problem, I also look forward to the deliberations in court. I thank you.

MADAM PRESIDENT: Senator Hunte, you have the Floor.

Senator R.A. HUNTE: ... I have not been there in recent years. I had a Dominican connection, and the last time I was there was in 1974, and the person with whom I was associated used to work as a public servant, but it did not matter where that person worked. I am trying to establish the point that every time she left Dominica, she had to get a tax clearance certificate. Dominica was not an independent country in 1974. I think Dominica became independent in 1979. It was the same even for those who were under the colonial establishment, so to speak, in those

Caribbean islands. I suppose it was not only Dominica but probably St. Lucia but I like to talk about what I have experienced and I know. Having a tax clearance certificate is nothing new.

There is one thing which Senator Walcott and I agree on, if nothing else, and that is that Government is a continuum. That is a fact of life, so all of this talk about repealing this and repealing that is strictly playing to the gallery; and they are always bringing in “small people” into these things. Government does not pass legislation for one sector of the community. Legislation is passed or established for every single person, rich or poor, because who is poor today could well be rich tomorrow. This poor and rich and all sorts of things do not always work when it comes to legislation, and it should not be really put in the public domain as though a Government is trying to do all of this kind of harm to small, poor people. We are talking about trying to cover the bases as far as paying tax is concerned in this country. I am glad that Senator DePeiza reminded the Chamber when the last Amendment was made to the Land Tax Act, because I remember the then Prime Minister saying there was over \$300 million owed to Government in land taxes. Those were not small people only. I know a number of properties which were sold out in this country by Government. Senator DePeiza outlined the legislation currently that Government can do all of those kinds of things such as sell properties, of course, to cover taxes. I have known quite a few. Legislation is not put into operation for any one particular sector of the community, and we need to disabuse our minds of that kind of behaviour. Laws are laws and we live by them.

With the last Amnesty they had, one person paid up so much money that he or she was able to get a rebate of some \$7 000 in interest and penalties. Seven thousand. Why could they not have done it all the time? Did they go and get a bank loan? I do not believe it. You cannot continue with people who can take up money, travel around the world and do all kinds of things, but do not want to upkeep their own country. I have said in here already what I understand, and it is that one of the agencies which had an overview of our economy and our revenues, et cetera, said that our difficulty in Barbados is not so much about even the recession. It is about Government not collecting what is owed to it. We all know in here that you cannot get away from the United States Government or the Inland Revenue Service. If you owe them a cent, they let it mount up, but when they come for you, you have to pay.

Asides.

Senator R.A. HUNTE: I have said in here that Government does not work anywhere. We, the taxpayers of Barbados, are the Government, and if we duck and hide and get short change here and there, where is the revenue going to come from? If you borrow, you still have to pay

back. We have to clearly understand that. They are playing up to the gallery about repealing this Act and the next Act. I said already on the record that they are not so good on that. The Barbados Labour Party is not so good on that. I will give you a little demonstration here. There is a copy of all the 1974 Amendments that were made to the Constitution of Barbados. Where is the copy? Twenty-nine amended sections and four insertions. That is it there. Not one of them. Tom Adams brought out all the people in Barbados -- similar to how you all will go and march on Saturday -- without a permit because they assembled here.

3.11 p.m.

INSERT S15 JULIETTE

Wednesday, March 08, 2017

Senator H. A. HUSBANDS: Madam President, with those few words, I say no more, and I am much obliged.

MADAM PRESIDENT: Senator Fraser, you have the Floor.

Senator Prof. Emeritus Sir Henry FRASER: Thank you, Madam President. I rise to make some comments and express some concerns about this Bill and to articulate comments and concerns from a number of thoughtful citizens who have raised these issues with me. I commend the midwives for this Bill for any ideas that are good at improving tax collection from some individuals. Madam President, while giving commendation, I commend also Senator Ince for his proposal to abolish land tax for pensioners, but there are apparently some possible negative results that may accrue from this Bill which may not have been considered.

I have had communications from a number of professionals, including attorneys-at-law and real estate agents on this Bill, which seem to have a number of worrying issues and implications that clearly call for a review. The input I have received is professional, objective and, as far as I can make out, totally apolitical. If property transactions are held up waiting for a Tax Clearance Certificate there would inevitably be further delays and we are all only too aware of the increased burden on the Barbados Revenue Authority which has already consistently demonstrated difficulty in providing Tax Clearance Certificates in what most people would consider a timely manner.

There appear to be a number of issues legal as well as economic, social and developmental that are possible consequences of the proposed amendments. For example, there will almost certainly be negative effects on the economy and the coffers when sales are seriously delayed or as sometimes would happen not go through at all. There

can be negative effects on some business developments by delaying sales, and we need to do everything to promote productivity and development as a matter of the greatest urgency now, not next year or in 2020 when some of the benefits of this proposal can kick in, so not in a year or two which is how long tax clearances may well take.

There may well be negative effects on banks and other agencies if sales do not go through or are delayed for very long periods. There may be negative effects because at the high-end property owners and businesses and corporate entities where transfer of shares can be made to offshore companies with major losses to Government. In summary, there could be multiple economic effects.

The social effects: Significant potential delays could occur if an elderly person in need of selling a property merely to secure the income to survive perhaps to be accommodated in a care home but is unable to deal with tax returns. I commend the provision of the 10 per cent with commitment but this can be difficult to reach in such cases of improvident and desperate cases of the old and feeble, and the big issue therefore is potential delay. I am reminded, even though it occurred more than 30 years ago, of the case of a very, very popular family practitioner in Barbados who with the onset gradually of his dementia failed to return his income tax returns and as a result his property was confiscated and he ended up as a ward on the State under my care in the Queen Elizabeth Hospital for three years at a cost to the Government of considerably more than the estimated tax that he had failed to pay, so those problems can occur with the very elderly. There are other possibilities of huge delays if someone dies and there are multiple family members inheriting and they cannot sell before the house becomes derelict. Even in the present circumstances that has happened all over Barbados because of our implementation deficit disorder.

Madam President, then there are the potential developmental delays. Barbados is in desperate need of development of every kind at every level. An entrepreneur interested in a property to set up a small business or a manufacturing enterprise or a cottage industry or a restaurateur or an hotelier wanting a property to develop can easily get turned off by long delays. Real estate agents who have spoken to me about this and expressed this very serious concern have told me of such examples already occurring even without the introduction of this amendment to cause potential further delays, so there is no question that if property transactions are held up waiting for a clearance certificate that there can be long delays. This would also delay or possibly stop the payment of property transfer tax and stamp duties under the very same transaction if they do not go through. This fact might not have been taken into consideration by the powers that be. In other words, in some cases there would be gains in Government revenue by increasing payments of taxes owed

by some people but there will be instances of sales not occurring which would result in loss of stamp duty and the property transfer tax of 2.5 per cent on one of the West Coast development properties of worth say US\$5 million that will come to \$250 000 which may not take place. Anyone interested in real estate in Barbados is aware of the scores, if not hundreds, of those properties that are sitting hoping to be sold. Gains on the roundabouts, in other words, can be lost on the swings.

It also does not affect or improve the collection of taxes for all that great majority of other possible delinquent tax evaders who are not looking to sell, so perhaps the Barbados Revenue Authority should improve its tax collection methods in general because emphasis on producing Tax Clearance Certificates can compromise the time devoted to the other approaches. Methods must be improved in general for everyone.

Madam President, this complex controversial Bill merely addresses some possible tax evaders with an increased burden on the Barbados Revenue Authority compromising their efficiency on the whole in collecting income tax, corporation tax, land tax, PAYE, VAT, et cetera. It does not appear that the Barbados Revenue Authority is ready or equipped to handle things swiftly at this present time. How does it affect the administration overall in our molasses drowning civil service already moving too slowly to increase productivity in this the year of productivity? We are already suffering at every level from the latest and most devastating of our chronic diseases, the implementation deficit disorder or IDD. The entire exercise of getting tax clearance is potentially a major increased administrative burden with the inevitability of major delays affecting potentially important transactions causing delays in development, economic impact and social stress. This imposition of a huge layer of bureaucracy therefore does not make sense at this time although it may in future.

There is also the charge being made that it is unconstitutional. I am not an attorney-at-law but clearly even to a humble physician and scientist like myself, there appear to be differences of opinion which may be politically polarised, but it does seem to me that it is rather like two doctors dealing with a case of acute paralysis. One doctor thinks it is a simple stroke, another thinks it could be caused by a brain tumour. The situation needs further assessment and investigation to resolve. Now, an MRI will not resolve the issues of this Bill but there is an option, what I would call a parliamentary CAT scan. Given our various crises at this time, the economic, administrative and political, this curative but controversial Bill should, I think in my humble opinion, be delayed and rethought or go to a select committee as has been suggested elsewhere, and so I am calling for a parliamentary CAT scan, a select committee to address the technicalities.

Madam President, this is not a debate about the good sense of the Barbados Revenue Authority which I think we all agree makes good sense, all about people wanting or not wanting to pay taxes, as nobody does, are good points and these I submit are really rather red herrings. We all approve of the Barbados Revenue Authority and we all approve of paying taxes but there is a significant issue here as is so often the case of political polarization and party loyalty when it comes to reasonable doubts about a Bill. This Honourable Chamber is constantly called in derogatory terms by the public a simple talk shop. I have only once in some seven or eight years of paying attention heard of a Bill being sent back for review by this Honourable Chamber. I make comparison with the Antiquities Bill which was sent back some seven or eight years ago because of its draconian features and has not yet returned. This is not a draconian Bill, although the term has been used, but it is a Bill with multiple problems that have been identified across the table and identified to me by both several real estate agents and several attorneys, so let this Honourable Chamber consider the message objectively without shooting the messenger.

Madam President, I make comparison also with the British Upper House which sends back flawed or draconian Bills. Last year it sent back a Pensions Scheme Bill that would have disadvantaged and hurt body and soul the pensioners in Britain. They sent back another Bill later in the year that would disadvantaged the sick and disabled. These Bills were sent back by the House of Lords for review. The British Parliament's two chambers, like the United States of America two chambers provide for checks and balances. Our Constitution, because of its constitution of the Senate, does not permit those checks and balances, it has become virtually impossible to delay or to send back a flawed or controversial Bill which rather like the plagues of Egypt seems to happen only once every seven years.

Madam President, I am well-aware that the differences of opinion in this Honourable Chamber do not often go down well it seems, because every Bill is believed to be informed by omniscient draftsmen and legislators who can make no errors of judgment. I will borrow from Senator Hunte's phrase and ask that we debate with more maturity and objectivity. I am prepared as an Independent Senator to express views communicated with me by non-political professional people who call me and give me their views and which makes sense to me. Ma'am, although I do not have a political constituency, my constituency is Barbados and so, Madam President, to do less than this would be reneging on the responsibility given me by our Governor-General. Madam President, I am not in this Senate in a popularity contest but to speak for the benefit of our people and therefore in this case to recommend that this Bill deserves further review. I would suggest that it should not be approved by this Honourable Chamber at this time

but that it is sent to a Select Committee for review. This is an honourable objective and sensible way forward.

Madam President, it is also being claimed in some quarters that the proposed amendment offend the provisions of the Constitution. I am not an attorney and will not venture on an opinion. I am not aware that the Barbados Bar Association is a political body but they are appropriately saying that the amendments upon a citizen's right to alienate his property, that is to sell or to transfer his property at the discretion of a single public functionary, I am told it is naïve to believe that that kind of discretion or indiscretion that the lure of victimisation could not occur. These proposals can easily lead to corruption or even possible victimisation through unnecessary delays such as the unexplained and often long delays that commonly occur at the Bridgetown and Country Planning Department.

Madam President, one better answer suggested by two attorneys-at-law who spoke with me, if one is needed, is to amend the Barbados Revenue Authority Act to state that any unpaid statutory imposts are deemed first charges on the taxpayers' property, similar to the current situation with land tax or unpaid water rates. In this way the taxpayer or taxpayers can alienate, that is sell the property but would have to liquidate sums owing to Government as a purchaser will not accept title with such encumbrances. I am told that while the details can be worked out, this is a simpler, less problematic, more fair and less controversial way to go and that it would be constitutional without any doubt.

Madam President, in summary these amendments have been described by realtors as creating monumental problems and I quote:

"Creating loads of stress and delays undescribed by attorneys as impractical and possibly unconstitutional, to be resolved possibly [as was said] in a court of law." Madam President, most importantly, "that the Barbados Revenue Authority Administration is not at this stage ready and able to cope efficiently and in a timely manner with this increased burden."

Madam President, the Bill in my humble view is extremely well-intentioned but it appears to need further consideration and possibly delayed until the efficiency of the Barbados Revenue Authority is greatly improved and the anomalies resolved. Ma'am, to borrow a phrase used earlier, there are clearly anomalies that need to be addressed. Further, to borrow Senator Ince's phrase, many others and I seem to feel uncomfortable about aspects of the Bill. Madam President, in my humble opinion the logical way to go therefore is to delay the Bill, to send it for a Parliamentary cat scan, a Select Committee, to address the technicalities and come back. I thank you, Madam President.

MADAM PRESIDENT: Senator Worrell, you have the Floor.

Senator A. R. WORRELL: Madam President, I rise to support this amendment to the Barbados Revenue Authority Act to make provision for the issuance of tax clearance certificates and for related matters. Ma'am, I was planning to give way this afternoon and not make my presentation after such a thorough presentation by Senator DePeiza who I thought would have clarified a lot of the issues that were raised by the Opposition and brought a whole clarity into this Bill but unfortunately because of the presentation of the previous speaker I still find the need to rise to make an intervention on this legislation.

Madam President, I believe that when we are debating such amendments that we cannot just look at the amendment which was submitted without looking back at the legislation that is being amended. Ma'am, with this particular amendment a number of pieces of legislation are being amended, so that therefore you need to go back and look at the legislation which deals with all of the various taxes and see what impositions were in place before and what is the change that we are now implementing.

Ma'am, let me step back a bit, this amendment deals with the Barbados Revenue Authority. Years ago we had a number of different agencies that were collecting taxes in Barbados. There was the Land Tax Department, the Customs Department, among others that were collecting taxes in Barbados. If you wanted a tax clearance certificate from any of those agencies you would have had to walk to each of those offices to collect that certificate. I believe it was in 2013 or prior that the Barbados Revenue Authority was established as a single tax collection agency so that I do not see what is the issue with asking that single tax collection agency to be able to offer a tax clearance certificate which will cover all of the taxes for which they are responsible for administering.

Asides.

Senator A. R. WORRELL: I believe that the whole idea of establishing the Barbados Revenue Authority was to increase the efficiency in tax collection in Barbados. By offering one tax clearance certificate, it would also reduce the level of bureaucracy. I cannot see how this measure could become more bureaucratic in a society. It will make it easier, because we now have one agency which is capable of looking at all of the various taxes it is collecting and which each individual is responsible for paying. It is basically saying to an individual, "You are applying for a tax clearance certificate, yes; in this instance for a land transaction, but we do recognise that you owe Income Tax, or we do recognise that you owe VAT. We would like to offer you the tax clearance certificate but we would prefer if you made some arrangement to pay off some of these

taxes so that we can then offer you that tax clearance certificate." What is so draconian about that? What is so bureaucratic about that? What in that situation would cause business in Barbados to grind to a halt? We need to ask ourselves that question.

The same persons who would speak about driving business in Barbados to a halt would also be saying to the Government that it needs to cut its expenditure and it needs to increase its revenue and stop the Central Bank Governor from printing money. In order for us to do that, we need to find ways of increasing our revenue and our tax take. We increase our revenue through our tax collection, so hopefully if we are more efficient in collecting taxes which are owed to the Government, by George, the Central Bank Governor might be able to stop printing money. It will make it easier for us to run a more efficient Government. That is all that we are simply asking right now.

I mentioned before that when bringing these Amendments, we need not to just look at what is submitted to us. All of us were issued with these blue books which contain all of the laws, and we need to go back to them and see what the law says. I would use as a simple example the Liquor Licence Act, which is CAP 182, and under section 32 of that Act it says:

"Subject to subsection 4, no applicant for a renewal of a licence of the class specified in Paragraph b, d, e, g or h of Section 4(1) shall be granted unless the applicant furnishes to the Licensing Authority certificates from the Commissioner of Inland Revenue, Commissioner of Land Tax, the Comptroller of Customs and the Director of National Insurance stating that all liabilities for payment of tax and National Insurance contribution in respect of the business or trade to which the applicant for the renewal of the licence relate have been discharged."

Basically, what is being asked in this Amendment is already written in law, but we are just simplifying the process.

POINT OF ORDER

Senator W.A. ABRAHAMS: Madam President, I rise on a Point of Order. The Honourable Senator is misleading the Chamber. Madam President, what is being asked is not already supplied in law. Madam President, what is being asked is that an Act be passed which, among other things, prevents you from transferring your land without a tax clearance certificate for a whole rash of taxes. That is not the case as it stands, Madam President. If that were the case as it stands, we would not have to be here discussing or debating this Amendment.

MADAM PRESIDENT: Senator Worrell.

Senator A.R. WORRELL: Thank you, Madam President. Again, let me educate Senator Abrahams. This Amendment does not deal only with Land Tax or the sale of land. Let me just mark my page so I can come back to it.

Aside.

Senator A.R. WORRELL: It does not deal only with conveyances.

Asides.

Senator A.R. WORRELL: The first Section of this legislation where it deals with the Commissioner issuing tax clearance certificates, 8A (1), deals with tax clearance certificates to anything. You do not only need a tax clearance certificate when you are doing land conveyances, but if Government has a tender, you have to apply for a tax clearance certificate as well. It has nothing to do with you selling land. Okay? Understood, Senator Abrahams?

It has nothing to do with you selling land, so it is 8A (1) of this legislation which speaks to that. That is why Land Tax was not mentioned here, because it has nothing to do with the sale of land. For instance, let us say Government has a tender to build a new highway. It would normally ask for persons to submit tax clearance certificates and National Insurance clearance certificates as part of the tender process. They would then need to submit certificates saying they do not owe VAT, they do now owe Excise Tax or anything of that sort. It did not specify land here because that is not necessarily important to that particular one. Then we go to Part 2 which is, "notwithstanding Paragraph c of subsection 1, where an application is made to the Commissioner for a tax clearance certificate to facilitate a conveyance of land, an applicant shall...." Senator DePeiza dealt with that, and that is why it specifies all of the taxes which are, as she would have said, attached to land. That is why it specifies the Land Tax Act and the VAT Act which dealt with if you receive some sort of rebate. That is already there, and it is nothing new. Then it speaks about paying "an amount satisfactory to the Commissioner that is equal to not less than ten per cent of taxes, interest and penalties which have accrued under other taxes". There is the difference.

This legislation, persons would believe, has only to do with land conveyances but it does not. It covers a whole ream of taxes in Barbados and it is not just with land conveyances, so I appreciate that the Opposition would want to bring people into a frenzy to make them think that they cannot sell their land or their property. This is not true, and I think that you are exaggerating a lot of the points when it comes to this legislation. For instance, as was mentioned also by Senator Fraser as well, regarding the old lady who may need to sell her property for subsistence, to improve her lifestyle or to help to pay bills and buy food

and so on after retirement, I do not necessarily think that she owes anything in VAT. There is the possibility that she did not own a business and never did, and the only way you can owe the Government for VAT is if you operated a business, so that would not apply to her. I do not believe that she owes Excise Tax either because she would have paid that even without knowing. She is not allowed to owe the Government for Excise Tax, so this would not apply to her. I believe that the very same old lady, even before she decides to sell the land, would look at her Land Tax bill to see if she owes any money and she would march down the road and pay her Land Tax bill. She might even qualify for a rebate. She may otherwise have made the decision that, "I am selling this land for \$30 000. I know that I owe you \$10 000 in Land Tax, so give me \$20 000 and you take your \$10 000, and we are all fine and dandy." Again, I hope that this would convince Senator Fraser that a lot of the points which he has in his well-written speech do not necessarily apply.

Asides.

Senator A.R. WORRELL: I hope that would have answered the objection too by Senator Abrahams. When I read the Liquor Licence Act, you already had to go and get tax clearance certificates from the Land Tax Department, from the Commissioner of Inland Revenue, from the Comptroller of Customs and from the Director of National Insurance. If you wanted to get a liquor licence, you had to go all over the place before. If you owned a wholesale business selling liquor, if you owned a hotel and you were selling liquor, if you owned a restaurant and were selling liquor, you would have to get a members' club and a proprietary club licence.

3.50 p.m.

INSERT S19 JULIETTE

Wednesday, March 08, 2017

Senator H. A. HUSBANDS: ...for places at the nursery level as we are refocussing our educational system and going back to basics and upgrading the nursery level. This would be the second in six schools, so you have early warning, Madam President, and I do not have to apologise again when I arrive to the Senate late after having participated in that ceremony.

Madam President, I want to make just one comment on this piece of legislation before us. I think sometimes we do ourselves an injustice. Although in recognising the significant contributions made by Senator De Peiza and Senator Worrell, I am kind of defeating the argument that I am about to make, I think that sometimes we do ourselves an injustice when we focus only on the specific amendment and deal only with that.

Madam President, this is occurring in a context. When I spoke about the issues in education, I make the point, and the Honourable Prime Minister made the point this morning, that there is a quiet revolution going on in education, we are doing certain things. Education is not just teaching and learning, it is a key element in the entire development in the country. We have taken the decision to redevelop and reorganise the economy of this country and along with that comes certain difficulties and we know what these difficulties and challenges are but we have to stay the course, and the putting into operation of the Barbados Revenue Authority is a key element in that programme.

Madam President, let me place it on record that I do not owe the tax man anything. As a matter of fact, the Barbados Revenue Authority owes me money and I would like them to really send me a cheque any time now. I do not owe the Barbados Revenue Authority anything so I could speak freely on this issue. I do not have to make any apologies for people who owe the tax man. I do not owe them anything. They owe me. I hope they hear and send my cheque.

The challenge that we confront is just as in the water system. All of the leakages that occurred in the water system with those pipes that existed for 100 years where more water was leaking than was going into the homes, the issue here is the same thing, there is no difference. There are significant leakages in our tax collection system. When you talk about the poor man, you know that if we stop these... The amount of taxes I pay is that high because there are people who should be paying who are not paying, and that is why they owe me money because there are people who are not paying for whatever reason, good reason or bad reason. I pay and thousands of other Barbadians pay, so that if we stop the leakages the tax rate could come down, which is what we are aiming at here. Of course, there are circumstances and if anybody has any problems paying their land tax or whatever tax, they could go to the Treasury.

Madam President, I know an old lady there in Bank Hall who is a pensioner and who owns a property and she gets tax relief. You go and apply and you get tax relief and they bring down the thing. It is no big thing, it happens every day. People could get relief as the system is now but you have to pay your taxes. You cannot come and make an argument for people not paying taxes. The fact that there are people who are not paying means that the rest of us have to pay more to fix the roads, to provide medicine in the hospital and to fix the Carnegie Library. It is simple fact like that. Both Senator De Peiza and Senator Worrell have pointed out...

As it relates to this issue of a Tax Clearance Certificate, when this first became topical, I remember

seeing a man in the barber shop who is involved in a business who has always had to get Tax Clearance Certificates for his business each time he goes to apply for a new licence and his position was that he does not see what the issue is. He has been getting under the Barbados Labour Party and under the Democratic Labour Party the last time. To him, Tax Clearance Certificates were nothing new. As Senator Worrell pointed out, the specific nature of this amendment is to increase the efficiency in the acquisition of Tax Clearance Certificates. You can now go one place rather than running around like a chicken without a head to get severed...

The Barbados tax authorities and the Revenue Collection Authorities have a history of preparing Tax Clearance Certificates. It is nothing new. It is no new task that they have to spend any time to get this particular expertise.

I am a civil libertarian in my personal life and I have said in this Chamber before that when we talk about the Barbados Revenue Authority we are focussing on the wrong thing. There is going to be a department of Government that knows everything about you, and it is going to be on some computer server somewhere. I say that I do not owe anything but next week WikiLeaks may publish in the Nation Newspaper that I owe the tax people money or some such thing, that is not farfetched. Sometimes when we talk about these things sometimes we focus on the wrong thing.

The Barbados Revenue Authority and the work that it is doing is aimed at one thing, whether it is in this area or some other areas, increasing the efficiency of our tax collection services so that the tax rate... At the end of this I expect that the tax rates could be reduced, that, I think, is the aim, but we cannot get to that part unless we take care of the inefficiencies of those people who are not paying taxes when they ought to be and also widening the tax net to include more people.

Madam President, I am confident that this is another step forward in the layout of the work and direction of the Barbados Revenue Authority. I think it is performing a key function in redefining and improving efficiencies in the tax collection system. In whatever area the Barbados Revenue Authority moves to make this tax collection system more efficient we are going to have objections because they are going to catch people who were slipping through the net for good reason or bad reason.

When you say that you are involved in the business of selling land and property and that your contribution is objective but you are in the business of selling land, but if you do not owe the tax man anything, then I have a bias partisan political objective but you the land seller are

objective on the issue of paying taxes on land that you should have been paying in the first place.

Madam President, there are several avenues and we are going to come up with several challenges. I said to the educational system that we are remaking the system; in the area of water we are doing that; in the area of taxes we are doing that and whenever big changes come there are opportunities like this and areas to discussion and real debate - not preparing speeches -- and a full reading of the legislation before us.

Madam President, with those few words, I thank you.

MADAM PRESIDENT: Senator McClean, you have the Floor.

Senator the Hon. Miss M.P.O. McCLEAN: Madam President, I rise to wrap up this debate on the Income Tax (Amendment) Bill, 2017, in which provision is being made to amend the legislation to accommodate the issuing of tax clearance certificates. I want to thank all persons who spoke to the legislation, I especially want to thank Senator DePeiza who as usual is able to translate what are often complex legally, technical and particular issues in a manner that we understand.

Madam President, I usually take all criticisms and concerns in stride but when some of my colleagues on any side for that matter, if it was on this side I would have pulled them aside and talked to them squarely, but when people suggest that perhaps we are not being objective in our contribution, to suggest that "I am being objective" and that "I am not in the business of trying to win friends" and whatever - a popularity contest - I have a difficulty with that. Madam President, I speak for everybody in here but I certainly will speak for those persons appointed by the Government. I will not come here to behave in any trivial matter or to get involved in any popularity contest. I find it highly offensive, Madam President. Madam President, we come here to make a contribution to this country that has made it possible. When I look around, for the most part we are representing the poor people in this country because that is our origin. I think that to come here and to suggest that we come here to trivialize matters...

Madam President, there is then the reference to omniscience, that to my mind insults me. I am not omniscient, I am not God, none of us is but I will say that I join this Cabinet in 2008 and on that occasion the late Right Honourable Prime Minister, David Thompson, put in process a system of Cabinet Committees focusing on economic policies, social policies, infrastructural policies, et cetera, and there was a clear reason for that. Ma'am, it was felt that there needed to be, and it has proven to work very well that when we sit as a Cabinet, the tradition that

obtained when we first arrived there, the tradition of receiving Papers on the day before Cabinet sits to go into Cabinet to deliberate was not the best way; that when we received those Cabinet Papers which would have been referred to those Committees or Members of Cabinet would bring issues to the Committee. Ma'am, a critical part of those Committees would be the review of legislation. Ma'am, in the process of reviewing those legislation we would have before us the officials from the relevant ministries, the people from the Solicitor-General Office who draft legislation to take us through it. The objective is that having gone through that process of review before taking it to Cabinet where there is another look at it, when matters come before the Parliament, whether here or in the Other Place, those matters would have been vetted in a very significant way.

Madam President, however, we are not omniscient, we are not all-knowing, we are not all-powerful, and we are not all-seeing nor any of those things. Madam President, things will come, when we put legislation in place, as it is operationalised, Madam President, matters may come, so that this notion of the Senate being a rubber stamp is not what it is but that any Government will seek to bring to Parliament and ultimately to this Honourable Chamber legislation that has been properly vetted and therefore 99.9 per cent of the time it should be passed. If that is not happening then we have to ask ourselves what are those, what I would call, measures of control -- the Cabinet signs off. Before that the Attorney-General of this country is supposed to sign off and say to Cabinet that it has been vetted and that his office is comfortable that it is in a condition to go to Parliament.

Madam President, therefore to come here and read to me in tones that I know would influence people in a way that is almost condescending to suggest...

Asides.

Senator the Hon. Miss M.P.O. McCLEAN: Madam President, I am being kind, I have a bad cold today, but it is condescending to us here as if matters come here and they are badly written as the norm and therefore "I have to stand up against the passing of legislation that perhaps is not well written". Madam President, in fact, there are processes and so I would wish that people would appreciate that because these things go out and it will be taken up by the media that we have refused to consider taking something to a Select Committee which should have been there. I say no, it should not be there, (1), because of the process, (2), to those of us who are not lawyers it helps when the lawyers among us take time to read the legislation and to stand up before us and explain it in terms that laypersons like myself can understand.

Madam President, therefore, to give the impression that we are running roughshod over a process, that we are not taking our work seriously or that we are being less than objective is, to my mind, to impute improper motives which is unparliamentary. Madam President, I will say no more on that. I will simply say as I had started earlier to explain within the context of the Barbados Revenue Authority as we move to be efficient.

Madam President, there was also a suggestion somewhere in there that the process, in fact, rather than improve things will slow them down. Ma'am, I often write down things but I did not write everything down but there was some suggestion in there that delays would lead to corruption. Again, I am offended on the behalf of whomever that comment was targeted. Again I find it offensive, I must say. Ma'am, what we have here is a process which, if the amendment was read and the existing legislation reviewed, we would understand the full context and substance of which we speak, therefore, I hope that people would be prepared to...

Madam President, there are some things that are pretty much above my head sometimes and when they are I seek advice, I seek explanations and I certainly treasure those in this Honourable Chamber who go the extra mile to explain it to us, but to read what I suspect is given to me without understanding or doing the research or getting explanation.... Ma'am, I heard something about this amendment being unconstitutional, that something that is unconstitutional is a major something, but no evidence was given to say I was told that, that I have read it or that I believe it was unconstitutional for A, B, C, D, X, Y or Z reasons, but we throw that out there and the Press that we have will take that and will run with it and we would get a lot of long talk about the unconstitutionality of something, Madam President, that certainly is not correct.

Madam President, I believe when we come to these matters that we need to be careful about what goes abroad because it certainly does not do justice. Madam President, as I always say, I do not dilute good contributions. As I said before, the contributions made by Senator DePeiza and Senator Andre Worrell in explaining some of those things in very simple terms would help us to understand. I also would want to link Senator Husbands' excuse with this, because the fact that the Ministry of Education was able to receive \$10 million in information technology (IT) equipment such as computers and related material, is something that is part of a process of developing a competence in technology and the use and application of computers, not only in the classroom but on the job. When people go to work for the same BRA, they will be going to be part of an institution which over time would have been phasing out a lot of manual and traditional systems. Right now, an officer from the BRA -- this is perhaps what frightens some people when they start to complain -- can

look and determine whether Maxine McClean, as I said, has been paying her Income Tax. I do not have any Corporate Tax to pay because I do not have a business anymore. A BRA officer can see whether I have been paying my National Insurance, whether I have paid my Land Tax which I have to do because every so often the mortgage company says, "Please bring us evidence that you have paid your Land Tax," but it is something I do as soon as I get it in order to get the maximum rebate. Those are the kinds of things that they can see.

Madam President, we have been complaining recently.... I want to link what tax collection is to the whole question of the situation of this country. Year after year, Government after Government goes to Parliament and presents Estimates and a Budget with certain projections, and you can almost bet that where there are discrepancies they are on the revenue side. You make your projections, but the challenge is collecting on those projections. This kind of system allows people to take it seriously. If I know that I have to get a tax clearance certificate to sell a piece of land which I have, I would do what I have to do early. This notion that we may lose business and lose investors coming to buy properties that are sitting around and so on, I do not believe that is the case. It will tell people, "Put your house in order." At the end of the day, there are some people in this country who feel that they should be above the law.

Madam President, reference was made to little old people. Little old people in Barbados, for the most part, do not pay taxes; they do not pay bus fare, because we have a social network which says we have to do certain things for the elderly. As was said, and I do not need to go over the explanations, those were a "given". There are current provisions made for the elderly.

I also want to emphasise something. Last year in September, the Minister of Finance announced an Amnesty in relation to VAT, Income Tax and Land Tax; and around the same time or just before that, the NIS announced an Amnesty as well. The Amnesty in the case of the VAT, et cetera, was for five months, and there is a gentleman I know very well who sought to cash in some Treasury notes he had because he had a massive Land Tax bill. I did not ask him why it was where it was at, but he realised, "Hey, you know what? If I settle this, I do not have to pay the interest arrears and so on," and he would have ended up paying the principle. Do you know what? There were many people like him who probably would have continued to build up arrears, et cetera, and every year before we had the BRA the Commissioner of Land tax would have been estimating, based on the properties existing in Barbados, that revenues collected should be X or Y. At the end of the financial year, all he could report to the Ministry of Finance was that we collected maybe 40, 60 or 75 per cent -- I am not sure -- but substantial arrears. At the time when

the Minister of Finance spoke of those Amnesties, he was looking at an outstanding figure. Technology allowed me to take up my phone and do some checking, and the outstanding arrears were about \$568 million; in excess of half-a-billion dollars.

Think about the information that was provided, because I note that yesterday the Estimates were laid and there was a shortfall in revenue of a billion; outstanding taxes of property, VAT and Income Tax. It was almost half of what the difference was. This was one category of tax owed to Government.

When we look at these things and talk about being unconstitutional and so on, it flies in the face of the truth, of course, but it really comes at a time when people are making demands that Governments address these things. The same people who complain will make these claims: The Government needs to address, for example, its spending, but it must address its spending while at the same time saying to Barbadian students at the University of the West Indies, "We will pay 100 per cent for you instead of 80 per cent", or while saying at the same time, "We will provide for you all of the benefits of good roads, good hospital care free of cost to those who want it." What must the Government do? It has to tighten up on both sides, and while it is tightening up it also recognises that there has been a commitment, by this Government and by previous Governments of this party and on the other side, to provide to Barbados certain types of social provisions: education, health, and so on. I recommend that some people do some checking about what obtains within this region and this hemisphere in terms of what Government pays for on behalf of the citizens.

When we look at this, we are not trying to make people pay more taxes. We are not trying to make a process lengthier. In fact, if people do what they are supposed to do and so on, it becomes very clear that you can pull up a screen and see information and the process can work; but it is always very much unexpected that when things like this come, certain people will scream and scream very loudly. Madam President, I will tell you this, as with other things -- and I will use the international business sector, for example -- as the process is tried, they will need to make whatever adjustments are necessary. There was a time when the international business sector and the tourism industry were complaining about the issuing of work permits, and I know that under this Administration - starting with myself because in January 2008 I was assigned the responsibility for Immigration when I was in the Prime Minister's Office, right up to now when it is Minister Boyce, and before that Senator Husbands was at some point responsible as well -- mechanisms were put in place to make that more efficient. I do not recall recently hearing any complains about work permits, so in the same way when we talk about tax clearance....

The other thing is, if you have a set of personnel working across the system issuing Land Tax clearance -- for example, the people who are applying for licences and so on in discreet places and different agencies -- some of that personnel should come together and make this more efficient. Madam President, I am sure the kinds of concerns can be addressed with the systems put in place; and most importantly, with the persons responsible for delivering and using those systems taking what they are doing seriously, which is the case for most of our public officials.

I do not see what the big hysteria is all about, and therefore I do not see that it is unconstitutional. I think, too, if we sat here and took the time to listen to Senator DePeiza, she would have answered all of the concerns raised by Senator Abrahams. I guess he was able to hear from her. He is no longer here with us, so clearly he has no objections and he has been brought to a Christian understanding on the matter. As I said, the process that has allowed us to take this through from the various stages to getting it here are such that I do not see the concerns expressed by Senator Fraser being justified. I guess he did say that he was speaking on behalf of some concerned persons, but I would recommend that as you do that, you balance that against what you hear in here and what you are able to read.

4.29 p.m.

Insert s23 juliette

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EDITORIAL NOTES — NOT PART OF THE REPORT

Prepared with the transcript; for checking against the recording and the Minutes.

EDITORIAL QUERIES

Points noted while preparing this report from the edited transcript. The text has not been altered except where stated.

Q1. Masthead. The session is not stated in the source, so no session line is printed.

Q2. End of record. The source ends in the middle of Senator the Hon. Miss M. P. O. McClean's reply, at take-slip 'S:D5 (22) 4.29 p.m.', followed by the note 'Insert s23 juliette'. The end of the reply, the second reading, any Committee stage, the third reading and the adjournment are missing. Please supply the missing takes if available.

Q3. Order No. 1, missing takes. The merged source also carries the notes 'INSERT S11 jULIETTE' after the suspension, 'INSERT S15 JULIETTE' and 'INSERT S19 JULIETTE'. The resumption after lunch and the start of Senator Miss V. A. G. De Peiza's speech (it begins '..by producing the certificate'), the end of Senator R. A. Hunte's speech, and the end of Senator A. R. Worrell's speech, with the start of the next, are missing.

Q4. Order No. 1, Senator H. A. Husbands. A single line labelled Senator H. A. Husbands ('with those few words, I say no more, and I am much obliged') follows the missing take S15, and he then speaks at length after the missing take S19. The first line may belong to the end of another Senator's speech. Printed as in the source.

Q5. Order No. 1, title. In her reply Senator McClean refers to 'the Income Tax (Amendment) Bill, 2017', but the Bill under debate is the Barbados Revenue Authority (Amendment) Bill, 2017. Printed as in the source.

Q6. Headings and Papers. The headings read 'ANNOUNCEMENTS BY HER HONOUR THE PRESIDENTS' and 'PRESENTATION OF PAPERS'. A heading for Messages from the Governor-General stands with nothing under it. Papers items 5 and 6 ('the Duties, Taxes and other payments Exemption.' and 'the Fresh Milk Platform Inc. Order 2017.') appear to be one Order split in two. Printed as in the source.

DEBATE SUMMARY

(Editorial summary — not part of the record.)

The Senate met on Wednesday, 8th March, 2017, International Women's Day, at 11.15 a.m., with the President, Her Honour Senator Miss K. F. Ifill, in the Chair; prayers were led by Senator the Very Reverend H.

E. Crichlow. The President announced excuses for Senator Carol Lady Haynes, Senator Rev. Dr. D. L. Durant and Senator the Hon. D. W. Boyce, and the Minutes of 22nd February, 2017 were confirmed. Senator the Hon. Miss M. P. O. McClean laid papers including the Estimates of Revenue and Expenditure for 2017/2018, the Annual Report and Financial Statements of the Accountant General for 2014/2015 and the Barbados Drug Service's Annual Report. She gave notice of a Resolution for the compulsory acquisition of land of Brighton Plantation Limited at Brighton, St. George.

Under Order No. 1, Senator McClean moved the second reading of the Barbados Revenue Authority (Amendment) Bill, 2017, to provide for tax clearance certificates. She said such certificates were common elsewhere, explained the purpose of a single revenue authority in improving efficiency and compliance, distinguished tax evasion from tax avoidance, and placed the measure within CARICOM tax harmonisation. Senator W. A. Abrahams corrected her on lawyers' use of client account cheques.

Senator Abrahams, after wishing the women of the Chamber a happy Women's Day (Senator Mrs. V. I. Sandiford-Garner noted that the day's colour was purple, not red), opposed the Bill. He said all persons wishing to convey property would first need a certificate, and argued that the Crown already had powers under each taxing Act, including set-off under section 92 of the VAT Act, garnishment and the right of appeal. He described the effect on mortgagors and on people selling land as a last resort, cited the Barbados Bar Association's criticism, called the law bad and touching on property rights in the Constitution, and said it would be repealed. Senator McClean rose on a point of order to read the provision on the Commissioner issuing certificates.

Senator J. Ince supported the Bill, noting that taxpayers could pay down 10 per cent and make scheduled payments under the Excise Tax, Income Tax, Land Tax and Value Added Tax Acts. After the suspension, Senator Miss V. A. G. De Peiza explained the Crown's existing remedies, including civil judgments and garnishment, and said the Bill addressed more than conveyances. Senator R. A. Hunte said Government was a continuum and the taxpayers were the Government, citing a person who received a \$7 000 rebate under the last amnesty.

Senator Prof. Emeritus Sir Henry Fraser, relaying concerns of attorneys-at-law and real estate agents, warned of legal, economic, social and developmental effects, including delays to elderly sellers and banks, noted the charge that the Bill was unconstitutional, compared the

British Upper House's practice of sending back flawed Bills, and suggested the Bill be delayed. Senator A. R. Worrell supported it, saying the Revenue Authority was meant to improve efficiency and that similar requirements already existed, for instance under the Liquor Licence Act; Senator Abrahams raised a point of order. Senator H. A. Husbands compared revenue leakage to leakages in the water system and called the Bill another step forward for the Revenue Authority.

In reply, Senator McClean took exception to suggestions that the Senate was a rubber stamp and that Senators were not objective. She linked tax collection to revenue shortfalls in the Estimates laid the day before, recalled the amnesties on VAT, income tax and land tax and by the NIS, and said elderly people for the most part did not pay taxes. She also rejected the claim that the Bill was unconstitutional. The record ends during her reply.