



THE PRIVATE SECTOR ORGANISATION OF JAMAICA

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PRESS RELEASE

PSOJ's COUNCIL OF PRESIDENTS RESPONSE TO THE STREET LIGHT CESS

The Private Sector Organisation of Jamaica (PSOJ) Council of Presidents were requested to meet this afternoon with the Minister of Local Government and Community Development, the Honourable Arnold Bertram and the Minister of Industry, Commerce and Technology, the Honourable Phillip Paulwell to discuss the implementation of the new street light cess. At this meeting the Council advised that they did not support the amended proposal and recommended that it be re-thought prior to implementation as they were of the view that any new tax or cess to be implemented should be simple, easy to understand and equitable.

While we acknowledge the government's consultative process on the streetlight cess the Council strongly objects to the implementation of such a programme. The Council of Presidents is of the view that such a programme:

- Would be difficult and complicated to administer given the wide range of parameters to be monitored;
- Is in-equitable as the cost of the cess will vary from the amount charged for property tax dependent on the relationship between the level of property ownership and electricity used;

- Has not been thoroughly thought through as no analysis to deal with tenants and group companies that may have land holdings in different entities to those that pay electricity bills has been addressed; and
- While the Council applauds the government's initiative to have tenants also benefit from this programme the introduction of this cess is likely to lead to the renegotiation of every rental agreement in the country as tenants seek to pass over to landlords the value of the cess paid.

The Council is surprised at the government's urgency to obtain cash flow by whatever means, especially since we were made to understand that the cash flow resources of the country were being planned, well managed and the necessary projections were in place.

Additionally, the Council is also concerned that the pending increase on property values may be influenced by the need to cover the street light cess.

The Council of Presidents advised the Ministers that the cess should not be implemented and as a general principle government should find these resources by becoming more efficient and reducing wasteful expenditure where possible.

The existing proposal does not follow the above guidelines.

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