



# THE PRIVATE SECTOR ORGANISATION OF JAMAICA

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## PRESS RELEASE

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

The Prime Minister has made a welcome, sensible and practical decision to withdraw the taxation proposal to apply a cess to electricity bills.

The announced plans to pay for the cost of street lighting by improved collections of property tax is a positive one. **The Private Sector Organisation of Jamaica (PSOJ) Council of Presidents** hope that the proposed increase in property tax revenue will come from greater compliance and not just another attempt to collect more from those who now pay. The Council does not understand the Prime Minister's statement that the amounts due to JPS will be paid "without continuing recourse to the Ministry of Finance". The JPS bills for street lighting must come from taxation revenue from the Ministry of Finance and Planning.

Government must concentrate on becoming more efficient and must manage on the income, which it earns. The Council is of the view that the Prime Minister was very poorly advised to announce a tax measure, which was unnecessarily complicated and inequitable. In a democratic society it is a wise leader who continuously reappraises plans in light of public wishes and concerns.

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The Council of Presidents now hopes that the government will continue to exercise this same level of decisiveness to deal with the important tasks of reducing crime, fighting corruption at all levels, holding criminals or incompetents accountable for their deeds, and, creating economic growth.

The PSOJ Council of Presidents looks forward to continue to work with the Government towards these objectives.

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## OFFICE OF THE PRIME MINISTER

### NEWS RELEASE

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#### STATEMENT BY PRIME MINISTER RT. HON. P.J. PATTERSON Q.C., M.P. ON

#### CHANGE OF POLICY RE: PROPOSED ELECTRICITY CESS

On Wednesday, I announced that legislation would be drafted immediately to ensure that all payments of a Cess for street lights by property owners or persons in possession during the fiscal year can be credited to their property tax account for that property.

I also announced that we were seeking to devise a scheme for the benefit of tenants, whether residential or commercial, who are not legally responsible for the payment of property taxes and that I had constituted a team of public officials to work on the modalities for the implementation of such a scheme.

I also promised that prior to the Senate Debate on the Bill, I would publicly indicate what legal changes may be required to existing laws in order to improve the rate of tax compliance, to afford equitable relief to the tax payer and to give effect as well to the purposes for which the street light Cess was contemplated.

Yesterday, I engaged in an extensive re-examination, with the relevant Ministers and officials, of all the available options and concluded that the proposal for a Cess on electricity bills should no longer be pursued.

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We will therefore not be enacting the Amendments to the Electric Lighting Act already approved by the House of Representatives and presently before the Senate for its consideration.

In view of my known preference for reaching a national consensus whenever and wherever possible, I will be proposing to Cabinet on Monday that we focus instead on securing a substantial improvement in the levels of property tax compliance, based on the new valuations which will shortly come in place.

I remain determined to ensure that payments to the Jamaica Public Service Company for street lighting are put on a secure and reliable footing, without continuing recourse to the Ministry of Finance.

I have also reiterated to the JPS and the Minister of Local Government my firm instructions to effect without delay, a massive programme for the repair of existing street lights and the erection of new ones in unlit portions of our rural and urban communities alike.

Based on the decisions which the Cabinet will be invited to take on Monday, it is my intention to make a full Prime Ministerial Statement to Parliament next Tuesday.

This change in the formula to pay for the lighting of our streets and public highways, is clear testimony of the willingness of my Administration to respond positively to any group or sector, willing to engage in a participatory approach and to advance constructive suggestions.

March 16, 2002