

## About Tax Payment and Recovery of Tax-in-arrears

### (a) Who is Responsible for the Payment of Property Tax?

#### ➤ If the property is owned by one person

The Assessor will issue the Property Tax assessment in the name of the sole owner.

#### ➤ If the property is owned by two or more than two persons

The Assessor will issue the Property Tax assessment in the name of the joint-owners/co-owners as follows :

<i>Owners</i>	<i>Property Tax demand note will be issued in the name of</i>
A & B	A & B
A, B & C	A and other owners
A, B, C, D & E	A and other owners

For joint-owners/co-owners, their liability to pay Property Tax and Provisional Property Tax is “joint and several”.

#### **Example 1**

If A, B, C & D are 25% interest co-owners and the amount of tax-in-arrears is \$10,000.

“Joint” liability means that the 4 persons will together be liable to pay up the whole amount of tax demanded, \$10,000. Each person should put up \$2,500 towards settlement.

“Several” means that each joint-owner/co-owner will be responsible for paying up the tax demanded as if he/she is a sole owner. The IRD can sue A for the whole amount - \$10,000. Once A has paid \$10,000, IRD will discontinue with all recovery action against all the owners. If A and B are both untraceable, IRD can sue C & D for \$10,000.

In any event, tax will not be overcharged. Any overpayment of tax will be refunded.

#### **Tax refund**

If no election for Personal Assessment is involved, the refund cheque will be made in the names of all of the owners, e.g., “A, B, C, D & E”. If

these 5 owners do not have a joint-name bank account, they can together sign a Letter of Authorization, authorizing IRD to issue a replacement cheque in the name of “A” to receive the entire refund on behalf of all of the owners. IRD will also ask “A” to sign a “Letter of Indemnity” to indemnify the IRD against any loss that may arise subsequently.

**(b) Methods of Payment**

Click [HERE](#) for information on payment methods.

**(c) Can I pay tax by instalments?**

Click [HERE](#) for information of “Application for Paying Tax by Instalments”.

**(d) Penalties for late payment and recovery of tax-in-arrears**

Please see

- [Consequence of Not Paying Tax on Time](#) and
- [Recovering Tax in Default](#)