

## **REDUCTION IN GOVERNMENT DUTIES ON REAL ESTATE TRANSACTIONS**



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The legal costs on sales and purchases of Real Estate have been reduced as a result of Governments duties on real estate transactions.

In May, 2008 the rate of Transfer Tax payable on a sale of Real Estate in Jamaica was 6% of the sale price (or market value) while Stamp Duty was paid at a rate of 4 ½% of the sale price. The Government reduced those rates in January, 2009 to 5% for Transfer Tax and 4 ½% for Stamp Duty.

In the Jamaica Budget 2009/10 announced on April 23, 2009 the Government announced a further reduction in those rates. Effective January 1, 2010 the rate of Transfer Tax will be 4% while Stamp Duty will be 3%.

Transfer Tax is payable by the Vendor only while Stamp Duty is shared equally by vendor and purchaser.

It is expected that the lowering of the abovementioned duties will stimulate activities in the real estate market and property development in the country.

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