

Zone 3: Commonwealth Countries in Asia and the Pacific

Appendix 3-1: Australia



<i>Basic Country Information</i>			
Geographic size	7,687,453 km ²	Independence	1901
Capital	Canberra	Population	20,090,500
System of government	Federal state; constitutional monarchy	Urbanisation	92%
Sub-national government	6 states (with own parliaments) and 2 internal and 3 inhabited external territories. In total there are 723 local authorities throughout Australia. <u>Local government:</u> New South Wales: 175 councils Northern Territory: 67 councils Queensland: 157 councils South Australia: 74 councils Tasmania: 29 councils Victoria: 79 councils Western Australia: 142 councils	GDP (per capita)	\$29,143
<i>Sub-national Government</i>			
Expenditure responsibilities	Many local services including roads, water supply, waste disposal, primary health, primary education, recreation areas, tourism, public health.		
Sources of revenue	Land tax (states); local rates (i.e. property tax) (Local Authorities); federal grants		
Importance of property tax	Significant		
<i>Land Issues</i>			
Land tenure	Freehold, leasehold, aboriginal title		
Land titling	Torrens system – extremely accurate		
<i>Taxes</i>			
National	Income tax, VAT, CGT	Sub-national	Land tax (states), Rates (local)
<i>Property-related Taxes</i>			
National	VAT; CGT	Sub-national	Land tax (states), Rates (local), stamp duties (state)

Note:

1. Large parts of rural Australia are not within the boundaries of a local government authority.
2. Aboriginal lands tend to be tax exempt.

<i>Rates: Australian Capital Territory (ACT)</i>		
Acts: Rates Act 2004		
Taxation Administration Act 1999		
	<i>Legislation</i>	<i>Practice</i>
<i>Tax Base & Taxpayer</i>		
Tax base	Unimproved land value	This base is also used for the ACT land tax (levied in terms of the Land Tax Act 2004).
Coverage of tax base	<ul style="list-style-type: none"> • Extensive with few exclusions and exemptions • Commonwealth property is generally included in the base and rateable 	Comprehensive coverage within all rating jurisdictions.
Taxpayer	Owner (for freehold land) or leaseholder	Almost all land within ACT belongs to the Crown and is therefore leased to occupiers.
<i>Valuation & Assessment</i>		
Valuation	<ul style="list-style-type: none"> • Unimproved land value is used for the whole territory and it is assumed that the unexpired term of the lease is 99 years • Rates are determined with reference to the 'average unimproved value' – which is the average of the actual unimproved values for the immediately preceding 3 years 	Values are determined annually.
Responsibility	The Act states that the 'commissioner' determines the value – i.e. the Commissioner of Revenue	
Valuation cycle	All parcels of land are valued annually	
Objection & appeal	<ul style="list-style-type: none"> • Objections must be lodged with the commissioner for revenue within 60 days after notice of the rateable value has been given • Review of the determination by the commissioner may be requested from the Administrative Appeals Tribunal (AAT) 	
Quality control measures	In-house	
Tax rates	<ul style="list-style-type: none"> • Uniform ('fixed charge') rates are imposed on rateable land parcels that has an average unimproved value of or below the threshold amount • Where the parcel value exceeds the threshold amount, rates are determined in accordance with a statutory formula 	The 'fixed charge' is determined under the Taxation Administration Act 1999.
Exemptions	<ul style="list-style-type: none"> • Commons, public parks and public 	

	<p>reserves not leased out</p> <ul style="list-style-type: none"> • Cemeteries, public hospitals, benevolent institutions and properties used exclusively for charitable purposes • Churches and other sites used exclusively for religious purposes • Commonwealth property leased and used exclusively by or in connection with schools • Free public libraries • Unoccupied Commonwealth property not leased <p>The Minister may grant exemptions and may also issue guidelines in this regard</p>	
<i>Tax Administration</i>		
Tax relief measures	<ul style="list-style-type: none"> • A discount rate applies in respect of early payment • The Minister may remit rates when it is deemed 'fair and reasonable in the circumstances' • The commissioner may remit interest payable on rates • Deferral is also available to pensioners and some non-pensioners on application • Rebates on application 	
Collection	<ul style="list-style-type: none"> • Rates are collected by the 'commissioner' and payable in full on or before the payment date (which may not be less than 4 weeks after the assessment notice) • Rates may also be paid by instalments, but not fewer than 4 	
Enforcement	<p>The enforcement provisions of the Taxation Administration Act do not apply to overdue rates, and therefore the Rates Act provides for the following –</p> <ul style="list-style-type: none"> • Interest on overdue rates • Overdue rates constitute a charge on land or an interest in land with preference over a sale, conveyance, mortgage, lien or encumbrance in relation to the parcel • Commissioner may take possession and lease out unoccupied land for up to 7 years • If property is rented out by the Commissioner, the rent can be taken as set-off against unpaid rates (and 	

	land tax) <ul style="list-style-type: none">• Sale of property after at least 2 years (i.e. after 1 year formal notification of arrears, and at least a further 1 year after notification)	
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<i>Rates: New South Wales</i>		
Acts: Local Government Act 1993 No 30		
Valuation of Land Act 1916 No 2		
Valuers Act 2003		
	Legislation	Practice
Tax Base & Taxpayer		
Tax base	Land and buildings	Site value is also used for the land tax (levied in terms of the Land Tax Act 1956 No 27).
Coverage of tax base	Extensive with few exclusions and exemptions	Comprehensive coverage within all rating jurisdictions.
Taxpayer	Owner	
Valuation & Assessment		
Valuation	Site value used for the whole state	
Responsibility	Centralised Department of Lands undertakes the valuations on behalf of the Valuer-General.	
Valuation cycle	Every 4 years	
Objection & appeal	Objections to assessed values must be made in writing to the Department of Lands within 60 days of receipt of the Notice of Valuation	
Quality control measures	In house quality control measures; Valuer-general has oversight authority.	
Tax rates	Each council can set its own rates; differential rates used according to specified categories.	
Exemptions	<ul style="list-style-type: none"> • Crown land • Land used by the council and other statutory bodies • Land used for charitable, educational and religious purposes • Land used for sports grounds 	
Tax Administration		
Tax relief measures	Deferment and waiver of rates to address financial hardship.	
Collection	Payment can be by lump sum or 4 equal instalments.	
Enforcement	<ul style="list-style-type: none"> • Interest on unpaid rates • If property rented, the rent can be taken to cover unpaid rates • Sale of property 	

<i>Rates: Northern Territory</i>		
Acts: Local Government Act 1993		
Valuation of Land Act 1963		
	<i>Legislation</i>	<i>Practice</i>
<i>Tax Base & Taxpayer</i>		
Tax base	Legislation allows for various options: <ul style="list-style-type: none"> • Capital improved value • unimproved capital value • annual rental value 	In practice councils utilise only unimproved values. It is noteworthy that the Northern Territory does not levy a land tax.
Coverage of tax base	Extensive with few exclusions and exemptions	Comprehensive coverage within all rating jurisdictions.
Taxpayer	Owner and or the occupier (if the owner cannot be found)	
<i>Valuation & Assessment</i>		
Valuation	Unimproved land value are determined in practice	
Responsibility	Valuations undertaken by the Valuer-General	The Valuer General for the Northern Territory is seconded from the offices of the Commonwealth Australian Valuation Office (AVO)
Valuation cycle	Every 3 years for councils	
Objection & appeal	<ul style="list-style-type: none"> • Objections to assessed values must be made in writing to the Valuer-General within 30 days from receipt of the Notice of Valuation • An appeal against the decision of the VG can be made within 30 days of the decision to the Chairman of the Valuation Board of review • A further appeal from the Board can be made to the Land and Valuation Review Tribunal 	
Quality control measures	In-house quality control measures	
Tax rates	<ul style="list-style-type: none"> • Each council can set its own rates • Differential rates may be used according to specified property categories 	
Exemptions	<ul style="list-style-type: none"> • Crown land • Land used by the council and other statutory bodies • Land used for charitable and religious purposes 	
<i>Tax Administration</i>		
Tax relief measures	Rebates to assist in the proper development of the council; and to	

	<p>preserve historical buildings. Deferment and waiver of rates to address financial hardship</p>	
Collection	<p>Payment can be by lump sum or by way of 4 equal instalments</p>	
Enforcement	<ul style="list-style-type: none"> • Interest on unpaid rates • If property rented, the rent can be taken to cover unpaid rates • Charge on the land • Referral to Magistrates Court • Sale of property 	

<i>Rates: Queensland</i>		
Acts: Local Government Act 1993 City of Brisbane Act 1924 Valuation of Land Act 1944 Valuers Registration Act 1992		
	<i>Legislation</i>	<i>Practice</i>
<i>Tax Base & Taxpayer</i>		
Tax base	Land only	Land tax is levied by the state on the same base (in terms of the Land Tax Act 1915).
Coverage of tax base	Extensive with few exclusions and exemptions	Comprehensive coverage within all rating jurisdictions.
Taxpayer	Owner	
<i>Valuation & Assessment</i>		
Valuation	<ul style="list-style-type: none"> • Unimproved value must be determined • The Act allows for the ‘averaging’ of values • Exempt properties must be valued 	The definition of ‘unimproved value’ which excludes ‘merged improvements’ is causing some problems in practice.
Responsibility	Centralised in the Department of Natural Resources and Mines	
Valuation cycle	Annually	All properties throughout the state are valued annually.
Objection & appeal	<ul style="list-style-type: none"> • The taxpayer has 42 days from receipt of the Valuation Notice within which to lodge an objection in writing with the Chief Executive of the valuation authority. • The initial objection is heard by the department of Natural Resources and Mines. If still aggrieved the taxpayer can within 42 days appeal to the Land Court. • From the Land Court appeals can be made to the Land Appeal Court. 	
Quality control measures	Internal quality measures; also oversight on quality by the Valuer-General.	
Tax rates	<ul style="list-style-type: none"> • Councils can specify a general rate along with a series of special rates. • A differential tax rate system may be used, but only if properties have been properly categorised. • Although rates may not be appealed, objections may be lodged with the local council against the categorisation of land within a specific category 	

Exemptions	<ul style="list-style-type: none"> • Vacant state-owned land • Land occupied by state and other governmental organisations, unless leased out to private persons • State forests and timber reserves • Port authority land • Rail corridor land • Land used for religious, educational and charitable purposes • Aboriginal land unless used for residential or commercial purposes 	
<i>Tax Administration</i>		
Tax relief measures	<ul style="list-style-type: none"> • Concession granted to owner-occupied residential property • Existing use values used for agricultural land that could be used for a higher value purpose 	
Collection		High collection compliance
Enforcement	<ul style="list-style-type: none"> • Debt is registered to the subject land • Interest added to late payments 	

Rates: South Australia		
Acts: Local Government Act 1999 Valuation of Land Act 1971 Land Valuers Act 1994 Rates and Land Tax Remission Act 1986		
	Legislation	Practice
Tax Base & Taxpayer		
Tax base	The Local Government Act allows for – <ul style="list-style-type: none"> • Capital improved value • Annual rental value • Site value 	Site value is used for the state land tax (levied in terms of the Land Tax Act 1936).
Coverage of tax base	Extensive with few exclusions and exemptions	Comprehensive coverage within all rating jurisdictions.
Taxpayer	Owner and or the occupier (if the owner cannot be found)	
Valuation & Assessment		
Valuation	Only registered valuers	Most of the councils opt for capital improved value as tax base. Only a few councils still use site value as tax base.
Responsibility	Council can contract out the rating valuations or use the Valuer-General to prepare the valuation rolls	There are 68 councils in the state.
Valuation cycle	All property is valued annually	
Objection & appeal	<ul style="list-style-type: none"> • Objections to assessed values must be made in writing to the Valuer-General or council valuer. Within 60 days the Valuer-General or council valuer must make a determination on the objection • Where the objector is dissatisfied with the decision the matter can, within 21 days, be referred to an independent valuer for a review • Alternatively the objector can appeal to the Land and Valuation Court 	
Quality control measures	In house quality control measures; Valuer-general has oversight authority.	
Tax rates	<ul style="list-style-type: none"> • Each council can set its own rates • Differential rates may be used according to specified use categories. 	
Exemptions	<ul style="list-style-type: none"> • Crown land • Land used by the council and other statutory bodies 	

	<ul style="list-style-type: none"> • Land used for charitable and religious purposes • Health services • Community services 	
<i>Tax Administration</i>		
Tax relief measures	<ul style="list-style-type: none"> • Concession to value on the basis of existing use rather than on highest and best use • Rebates to support business; historic buildings; educational establishments; horticultural properties • Remission and postponement for hardship 	
Collection	Payment can be by lump sum or 2 or 4 equal instalments	
Enforcement	<ul style="list-style-type: none"> • Penalty of 2% • Interest on unpaid rates • If property rented, the rent can be taken to cover unpaid rates • Sale of property 	

<i>Rates: Tasmania</i>		
Acts: Valuation of Land Act 2001 Land Valuers Act 2001 Local Government Act 1993 Local Government (Rates and Charges Remissions) Act 1991		
	<i>Legislation</i>	<i>Practice</i>
<i>Tax Base & Taxpayer</i>		
Tax base	Legislation allows for – <ul style="list-style-type: none"> • capital value • land value • annual value 	Presently all 29 councils utilise annual value. A land tax is levied in terms of the Land Tax Act 2000 and Land Tax Rating Act 2000.
Coverage of tax base	Extensive with few exclusions and exemptions	Comprehensive coverage within all rating jurisdictions.
Taxpayer	Owner, however occupier can be liable in certain circumstances.	
<i>Valuation & Assessment</i>		
Valuation	Annual value determined	
Responsibility	Centralised valuation under the Valuer-General	
Valuation cycle	Every 7 years	
Objection & appeal	On receipt of the Notice of Valuation a taxpayer has 60 days to object. The objection is referred to the Valuer-General. In certain cases the objection can be referred to the Supreme Court or to an arbitrator. The Land Valuation Court is also empowered to handle objections.	
Quality control measures	In-house using ratio statistics.	
Tax rates	Each council can set its own general or specific tax rates	
Exemptions	<ul style="list-style-type: none"> • Crown land • Council owned land • Parks and nature reserves • Roads • Marine facilities • Land used for charitable purpose • Aboriginal land • Farm land 	
<i>Tax Administration</i>		
Tax relief measures	<ul style="list-style-type: none"> • Postponement of rates due to hardship • Farm relief scheme • Council can remit all or part of rates 	
Collection	<ul style="list-style-type: none"> • Payment can be made by instalments 	High compliance levels

	<ul style="list-style-type: none">• 10% discount for prompt payment	
Enforcement	<ul style="list-style-type: none">• Rates are a charge on the property• 10% penalty for late payment• Can attach rents if property rented• Sale of property	

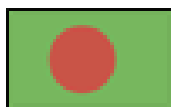
<i>Rates: Victoria</i>		
Act: Local Government Act 1989 Valuation of Land Act 1960		
	<i>Legislation</i>	<i>Practice</i>
<i>Tax Base & Taxpayer</i>		
Tax base	Legislation allows for various options – <ul style="list-style-type: none"> • Capital improved value • Site value • Net annual value 	A land tax is levied by the state in terms of the Land Tax Act 1958.
Coverage of tax base	Extensive with few exclusions and exemptions	Comprehensive coverage within all rating jurisdictions.
Taxpayer	Owner and or the occupier (if the owner cannot be found)	
<i>Valuation & Assessment</i>		
Valuation	All 3 values are used	As from 2004: 71 councils use capital improved value; 6 use net annual value; and 2 councils use site value. The use of site value has been declining and this tax base is now being used by only a very few councils. The City of Melbourne uses annual rental value. Site value is used for purposes of the state's land tax.
Responsibility	<ul style="list-style-type: none"> • Each of the 78 local councils can contract out the rating valuations • Melbourne has its own valuation department 	
Valuation cycle	<ul style="list-style-type: none"> • Every 2 years for local councils • Melbourne is valued annually 	
Objection & appeal	<ul style="list-style-type: none"> • Objections to assessed values must be made in writing to the council. Within 2 months the council valuer must make a determination on the objection • Where the objector is dissatisfied with the decision an appeal can be made to the Victorian Civil and Administrative Tribunal • An alternative approach is to appeal to the Supreme Court 	
Quality control measures	In house quality control measures; Valuer-general has oversight authority	

Tax rates	<ul style="list-style-type: none"> • Each council can set its own rates • Differential rates may be used according to specified categories and only when capital improved value is utilised as tax base • An appeal may against a rate may be lodged with the County Court on limited grounds 	
Exemptions	<ul style="list-style-type: none"> • Crown land • Land used by the council and other statutory bodies • Land used for charitable and religious purposes • Mining land • Farm land 	
<i>Tax Administration</i>		
Tax relief measures	<ul style="list-style-type: none"> • Rebates to assist in the proper development of the council or to preserve historical buildings • Deferment and waiver of rates to address financial hardship (in terms of the State Concessions Act 2004) 	
Collection	Payment can be paid as a lump sum or in 4 equal instalments	
Enforcement	<ul style="list-style-type: none"> • Interest on unpaid rates • If property rented, the rent can be taken to cover unpaid rates • Referral to Magistrates Court • Sale of property 	

<i>Rates: Western Australia</i>		
Acts: Local Government Act 1995 Valuation of Land Act 1978 Land Valuation Tribunals Act 1978 Land Valuers Licensing Act 1978 Rates and Charges (Rebates and Deferments) Act 1992		
	<i>Legislation</i>	<i>Practice</i>
<i>Tax Base & Taxpayer</i>		
Tax base	Land and buildings	Unimproved values are also used for the state land tax (levied in terms of the Land Tax Act 2002 and Land Tax Assessment Act 2002).
Coverage of tax base	Comprehensive coverage in urban and rural areas	There is comprehensive coverage of approximately 750,000 properties throughout the state.
Taxpayer	Owner	
<i>Valuation & Assessment</i>		
Valuation	<ul style="list-style-type: none"> • Unimproved value for rural land • Gross rental value for urban property 	In practice unimproved values are determined annually for properties for land tax purposes even if the rate base is gross rental value.
Responsibility	Centralised within the Office of the Valuer General	
Valuation cycle	<ul style="list-style-type: none"> • Annually for unimproved values • Every three years for GRV within the Perth metropolitan area • Every 3-5 years for towns in rural areas 	About 750,000 properties are assessed annually on the basis of unimproved values
Objection & appeal	<p>Objections are lodged with the local council and referred to the Valuer General.</p> <p>Persons aggrieved with the Valuer General's decision may appeal within 60 days to the Land Valuation Tribunal.</p> <p>A rating authority may bring a general appeal against the valuation roll to the Land Valuation Tribunal.</p>	An informal query phase prevents many unnecessary objections.
Quality control measures	In-house statistical measures	
Tax rates	<ul style="list-style-type: none"> • Each council can set its own rates • Differential rates may be used according to specified categories and only after giving proper public notice • Minimum rates may be instituted 	<p>Minimum rates apply throughout Western Australia. Most local authorities avail themselves of the right to levy differential rates.</p> <p>The City of Perth, e.g., uses 7 property categories.</p>

Exemptions	<ul style="list-style-type: none"> • Crown land • Land used for public purposes • Land used by religious, charitable and educational bodies 	
<i>Tax Administration</i>		
Tax relief measures	<ul style="list-style-type: none"> • Limited hardship relief on application • Deferral of rates 	E.g. the City of Perth provides a rebate to qualifying pensioners and senior citizens. The Shire of Augusta-Margaret River provides for tax deferral for pensioners.
Collection	Discount for early payment	
Enforcement	<ul style="list-style-type: none"> • Interest on unpaid rates • If property rented, the rent can be taken to cover unpaid rates • Charge on the land • Sale of property 	

Appendix 3-2: Bangladesh



<i>Basic Country Information</i>			
Geographic size	144,000 km ²	Independence	1971
Capital	Dhaka	Population	144,320,000
System of government	Republic	Urbanisation	25%
Sub-national government	6 divisions, 64 districts, 490 Thanas There are 4 tiers of rural local government (comprising of 61 zila parishads, 3 Hill district parishads, 469 Upazila parishads and 4,484 union parishads) There are 6 city corporations and 284 pourashavas. A further 232 urban centres have no formal municipal government.	GDP (per capita)	\$1,786
<i>Sub-national Government</i>			
Expenditure responsibilities	Rural and urban local government have a wide variety of functions including; building and maintenance of roads, removal and disposal of refuse, street lighting, water supply, slaughter houses, libraries, social welfare, traffic control, provide and maintain public markets and open spaces, etc.		
Sources of revenue	Property taxes, business and profession tax; market fees; charges, rents as well as grants and loans.		
Importance of property tax	Significant in urban areas representing 40% of total revenue; rural areas accounts for 20-30%. In Dhaka in 2001/02 taxes accounted for 48% and grants only 24% of revenues.		
<i>Land Issues</i>			
Land tenure	No data		
Land titling	No data		
<i>Taxes</i>			
National	Income tax, VAT	Sub-national	Holding tax, business tax, tax on vehicles, entertainment tax
<i>Property-related Taxes</i>			
National	VAT, stamp duty, property transfer tax (of which revenue is shared with pourashava).	Sub-national	Holding tax, property transfer tax

<i>Holdings Tax</i>		
Act: Local Government Ordinance, 1980 (amendment) Municipal Taxation Rules 1960 Model Tax Schedule, 1985 Municipal Corporation (Taxation) Rules 1986 The Dhaka City Corporation Ordinance, 1983		
	<i>Legislation</i>	<i>Practice</i>
<i>Tax Base & Taxpayer</i>		
Tax base	Land and buildings (referred to as 'holdings')	Piecemeal approach
Coverage of tax base	All rateable property within boundaries of a 'pourashava' (i.e. municipality)	Less than 50%
Taxpayer	Owner (but should owner default, it could be recovered from the occupier)	Records are not computerized and often outdated.
<i>Valuation & Assessment</i>		
Valuation	Annual rental value	Dhaka City Corporation: <u>Rented property:</u> <ol style="list-style-type: none"> 12 month's rental is estimated 2 month's rental deducted for maintenance formal mortgage interest associated with holding is deducted <u>Owner-occupied property:</u> <ol style="list-style-type: none"> Probable annual rent for property of similar description; or at 7% of the value of the building plus ground rent; whichever is less.
Responsibility	<ul style="list-style-type: none"> Local urban councils (i.e. 'pourashavas') through assessment officials and ward commissioners In 2004/05 Dhaka City Corporation will introduce self-assessment for the holding tax 	Proper records are not kept by all the pourashavas. It is argued that the law does not allow for self-assessment.
Valuation cycle	Every 5 years	
Objection & appeal	Object to the City Corporation within 30 days from receipt of notice of assessment.	Rates are often reduced on receipt of complaints.
Quality control measures		
Tax rates	<u>Holding tax:</u> 7% of annual value <u>Rates:</u> Street lighting: 3% of annual value Conservancy: 2% of annual value	The rates for street lighting, water, and conservancy are assessed on the same base.

	Water supply: 10% of annual value	
Exemptions	<ul style="list-style-type: none"> • Places used exclusively for worship • Cemeteries and crematoria • Public charities – at discretion of City Corporation • Properties valued below Tk. 200 	
<i>Tax Administration</i>		
Tax relief measures	Discount for early payment	5% to 10% in Dhaka
Collection	<p>The following registers are to be maintained:</p> <ul style="list-style-type: none"> • Valuation register • Assessment register • Demand and collection register • Daily tax collectors register <p>Payment can be made in instalments (maximum 4 instalments)</p>	<p>In Tangail, 12 bank branches can be used to pay holding tax.</p> <p>In Dhaka payment can be made at the Janata Bank or the Revenue Supervisor.</p>
Enforcement	<ul style="list-style-type: none"> • Penalty for late payment at 5% • Distrain of movable property and sale of property by auction • Attachment of rent • Deduction from remuneration of employees 	A 5% penalty does not act as sufficient deterrent for tax delinquency.

Appendix 3-3: Brunei Darussalam



<i>Basic Country Information</i>			
Geographic size	5,769 km ²	Independence	1984
Capital	Bandar Seri Begawan	Population	372,500
System of government	Constitutional sultanate. The Sultan of Brunei is advised by various councils and ministers; no elected government.	Urbanisation	72%
Sub-national government	4 districts, 3 municipal boards	GDP (per capita)	\$14,094
<i>Sub-national Government</i>			
Expenditure responsibilities	No formal local government, though there is some local administration through 4 districts and 3 municipal boards. The latter are responsible for urban areas.		
Sources of revenue	Property tax (called 'rates') is levied by the local administrations (called 'municipal boards').		
Importance of property tax	No data		
<i>Land Issues</i>			
Land tenure	Ownership restricted to citizens of Brunei Darussalam, and non-citizens when the consent of the sultan has been obtained. Foreign companies generally lease land.		
Land titling	Land ownership is computerized and transfers are properly recorded.		
<i>Taxes</i>			
National	Corporate tax, stamp duties, import duties, oil and gas taxes, road tax, land tax No personal income tax, no VAT, no CGT	Sub-national	Rates
<i>Property-related Taxes</i>			
National	Stamp duty, estate duty (at a flat rate of 3%), land tax	Sub-national	Rates

<i>Land Tax and Local Property Tax</i>		
Act: Municipal Boards Act (Cap 57)		
	<i>Legislation</i>	<i>Practice</i>
<i>Tax Base & Taxpayer</i>		
Tax base	Annual value of 'lands, houses or buildings'	Only in urban centres
Coverage of tax base	Only within the territory of the 3 municipal boards	Limited
Taxpayer	Owner	
<i>Valuation & Assessment</i>		
Valuation	Estimated gross annual rent of the property – excluding 'machinery'	
Responsibility	Municipal board must cause a valuation to be made	
Valuation cycle	Section 18 states that valuations must be made from 'year to year' (i.e. annually), although section 25 states that it shall not be necessary to 'prepare a new record every year'.	
Objection & appeal	<ul style="list-style-type: none"> • Objection: Before 7 days of the date given in the notice of the valuation – which notice must provide a period of at least 3 weeks. Board must act on the objection. • Appeal: To the High Court within 30 days of the date of certification of the value by the Board. 	
Quality control measures	No data	
Tax rates	B\$25.00 per 0.1 hectare for an industrial site	Varying rates. Statutory maximum: 15% In practice: 12%
Exemptions	<p>On direction from His Majesty -</p> <ul style="list-style-type: none"> • Buildings owned or rented by the Royal family • Government-owned or rented buildings • Public schools • Buildings used for religious or charitable purposes • Cemeteries and burial grounds <p>Municipal boards may exempt –</p> <ul style="list-style-type: none"> • land, houses or buildings with an annual value below \$500 if it is the sole property of the owner • houses and huts occupied for free by labourers employed at plantations or mines 	

<i>Tax Administration</i>		
Tax relief measures	On notification by the owner that a property has been unoccupied for at least 30 days, a proportionate remission of rates from the date of notification.	
Collection	<ul style="list-style-type: none"> • Land tax by Land Department; property tax (i.e. 'house assessment tax') by local administration – i.e. municipal boards (e.g. the Bandar Seri Begawan Municipal Department) • Half-yearly instalments payable in advance in January and July at the office of the Board. 	Significant arrears for both the land tax and the 'house assessment tax' are reported.
Enforcement	<ul style="list-style-type: none"> • Rates constitute a first charge against property • Arrears to be recovered as provided for in the Land Code 	
<i>Additional Comments</i>	Notification of any changes in ownership and/or the reoccupation, completion of construction must be given to the municipal board.	

Appendix 3-4: Fiji



<i>Basic Country Information</i>			
Geographic size	18,333 km ²	Independence	1970
Capital	Suva	Population	844,000
System of government	Republic, unitary state with a bicameral legislature	Urbanisation	46%
Sub-national government	4 divisions divided into 14 provinces; 2 city councils and 10 town councils	GDP (per capita)	\$5,517
<i>Sub-national Government</i>			
Expenditure responsibilities	Local roads, street lighting, water supply, sewerage, garbage disposal, public parks, building control, town planning and discretion to also establish and maintain public utility services.		
Sources of revenue	Property rates, business licences, various fees and charges		
Importance of property tax	Represents a very important revenue source for local councils (approximately 57% of total revenue in 2001).		
<i>Land Issues</i>			
Land tenure	34% freehold; 18% crown land (i.e. state-owned land); 48% held under native title. Leasing of customary land allowed conditionally under strict state scrutiny.		
Land titling	Some boundary disputes in respect of customary land. Torrens system of land registration for freehold land and compulsory occasional registration of customary land.		
<i>Taxes</i>			
National	Income tax, VAT	Sub-national	Rates
<i>Property-related Taxes</i>			
National	VAT, stamp duty	Sub-national	Rates

<i>Rates</i>		
Act: Local Government Act, Chapter 125, 1972 Local Government Amendment Act 1980		
	<i>Legislation</i>	<i>Practice</i>
<i>Tax Base & Taxpayer</i>		
Tax base	All land	
Coverage of tax base	100%	60%
Taxpayer	Owner	
<i>Valuation & Assessment</i>		
Valuation	Unimproved market value of land	
Responsibility	Centralized valuation department within the Department of Lands and Mineral Resources	
Valuation cycle	Every 6 years	
Objection & appeal	An aggrieved taxpayer can appeal to the Magistrate Court on the following grounds: <ul style="list-style-type: none"> • that the values determined are too high or too low • that the description of the land not included in the valuation has not been so included • that the areas of land that should have been included in the valuation have not been included • that area of land that has been included in the valuation should not have been included 	
Quality control measures	In-house and informal	
Tax rates	Normally councils set tax rates at 1-2.5% in the \$ A maximum of 10% can be levied	
Exemptions	<ul style="list-style-type: none"> • Crown lands • Lands used for educational establishments • Hospitals and mental homes • Lands used for public worship • Prisons • Lands used for charitable purposes 	
<i>Tax Administration</i>		
Tax relief measures	In a proven case of hardship council can write-off unpaid rates.	
Collection	<ul style="list-style-type: none"> • Rates may be paid in instalments with 5% discount • Discount of 15% available for prompt payment of rates 	

	<ul style="list-style-type: none"> • If property tenanted rent may be taken to cover unpaid rates 	
Enforcement	<ul style="list-style-type: none"> • Unpaid rates attract an interest penalty of 7% per annum • Rates as a charge on the subject land 	

Appendix 3-5: India



<i>Basic Country Information</i>			
Geographic size	3,287,590 km ²	Independence	1947
Capital	New Delhi	Population	1,080,265,000
System of government	Federal union and democratic republic	Urbanisation	28%
Sub-national government	28 states, 6 union territories, and the National Capital Territory of Delhi Within each state there are local authorities – generally divided into rural authorities (called “panchayats”) and urban authorities (called municipalities). Altogether there are 240,588 local authorities throughout India – of which 3,694 are urban authorities	GDP (per capita)	\$2,909
<i>Sub-national Government</i>			
Expenditure responsibilities	Despite the fact that India is a federal state, local government is responsible for relatively few services. The main services for which local government is responsible are water supply and sanitation, waste management and disposal, burials, street lighting, and roads. Recently economic development and poverty alleviation have been added to the list for urban authorities. Primary education is a local responsibility and public health is a responsibility shared with state governments.		
Sources of revenue	Taxes (such as property tax), user charges and fees. Intergovernmental grants are significant (approximately 70%).		
Importance of property tax	About 60% of own revenues on aggregate comes from property rates – which makes it a very important own source of revenue.		
<i>Land Issues</i>			
Land tenure	No data		
Land titling	No data		
<i>Taxes</i>			
National	Income tax, VAT, CGT	Sub-national	Rates, octroi
<i>Property-related Taxes</i>			
National	Stamp duty	Sub-national	Rates, property transfer tax

Note:

1. Major property tax reforms are underway in a number of states and major cities throughout India, e.g. Bangalore, (see Deist, 2005; *Times of India*, 2002), Delhi (*The Hindu*, 2004).

<i>Local Property Tax (State of Tamil Nadu)</i>		
Act: Urban Local Bodies Act, 1998		
Chennai City Municipal Corporation Act 1919 (Chennai was formerly known as Madras)		
	<i>Legislation</i>	<i>Practice</i>
<i>Tax Base & Taxpayer</i>		
Tax base	'Reasonable letting value' must be determined to arrive at annual rental value	Rent control impacts significantly on property tax
Coverage of tax base	Land and improvements separately	Limited coverage
Taxpayer	Owner	
<i>Valuation & Assessment</i>		
Valuation	<p>Reasonable monthly letting value of land and buildings is fixed with reference to a basic rate per square feet for residential and for non-residential properties separately.</p> <p>Basic rate is determined with reference to location.</p> <p>Basic rate is multiplied by the 'plinth area' (i.e. built-up covered area measured at floor level)</p> <p>In essence the factor to be used to determine the annual value of any building is 10.92 (i.e. the monthly rental must be multiplied by 10.92 to determine annual value of buildings).</p> <p>Specific provisions (values are generally determined with reference to income that these properties can generate) for the following special types of building:</p> <ul style="list-style-type: none"> • Nursing homes and hospitals • Star hotels and lodging houses • Cinemas and theatres • Kalyana Mandapam 	<p>Factor to be used to determine annual rental value: 10.92 (This factor allows for the exclusion of an arbitrary 10% for land value and a 10% depreciation for the repair and maintenance of the building.</p> <p>Statutory rent control in some instances limit (market-related) annual values</p>
Responsibility	City Corporation	The taxpayer can easily verify an assessment by doing the necessary calculation. This can be done on-line for taxpayers with access to the internet.
Valuation cycle	5 years	Revision due in 2003 was postponed.
Objection & appeal	Taxation Appeals Tribunal	The new system excludes most traditional objections and appeals – especially as basic rates are conservative.
Quality control measures	No data	
Tax rates	Depending on the annual value, within 4 grades, the total tax rate (i.e. general tax, education tax and library cess), range	Grade I: 6.62% Grade II: 9.92%

	between 6.62% and 12.40%	Grade III: 11.02% Grade IV: 12.40%
Exemptions	No data	
<i>Tax Administration</i>		
Tax relief measures	<ul style="list-style-type: none"> • Semi-permanent buildings – 20% rebate • Owner-occupied: residential – 25% rebate • Owner-occupied: other property – 10% rebate • Depreciation of building at 1% for each year (maximum 25%) 	
Collection	Paid in half-yearly instalments	Can be paid via the internet.
Enforcement	No data	
<i>Additional Comments</i>	<p>The simplification of the assessment has been welcomed by at least one influential commentator – a former president of the Indian Institute of Valuers (see Gopinatha Rao, 2004).</p> <p>In 2003/04 property tax amounted to 46.9% of total revenue for Chennai City Corporation (see www.chennaicorporation.com)</p>	

<i>Local Property Tax (Delhi)</i>		
Act: Delhi Municipal Corporation Act, 1957 Delhi Municipal Corporation (Amendment) Act, 2003 Delhi Municipal Corporation (Determination of Rateable Value) Bye-laws, 1994 Delhi Municipal Corporation (Property Tax Return) Bye-laws, 1994 Delhi Municipal Corporation (Property Tax) Bye-laws, 2003		
	<i>Legislation</i>	<i>Practice</i>
<i>Tax Base & Taxpayer</i>		
Tax base	Land and buildings on the basis of unit area. The tax is determined by fixing a unit area value per square metre and multiplying this value with various factors.	This new system replaced the old system based on annual rental values on 1 April 2004.
Coverage of tax base	Where vacant land constitutes more than 75% of the total plot area, the base unit value is computed at a factor of 0.3.	
Taxpayer	Owner	
<i>Valuation & Assessment</i>		
Valuation	<ul style="list-style-type: none"> • Self assessment of land and buildings on the basis of use (in the case of buildings), as well as colonies/localities (i.e. with regard to street width), structural characteristics (buildings), age (buildings), and occupancy. • Annual value = unit area value x covered area x (structure factor x age factor x occupancy factor [if not owner-occupied] x use factor [non-residential]) 	Use categories specified in the bye-law: building for recreation and sports purposes, business building, farmhouse, hazardous building, industrial building, mercantile building.
Responsibility	<ul style="list-style-type: none"> • Owners (i.e. taxpayers) of any vacant land and covered space of building, or any other person liable to pay property tax, or occupier in the case of an absentee owner. • The Commissioner may at any time cause a revision of the annual value where, for example, there was new construction, change in occupancy or use, etc. 30 days notice must be given. 	
Valuation cycle	3 years	2004/05 – 2006/07
Objection & appeal	Municipal Valuation Committee	Objections and appeals have been significantly limited as a result of the system of self assessment.
Quality control measures	<ul style="list-style-type: none"> • The total area of any ‘covered space’ can be certified by an architect • Council can verify data provided by 	

	<p>owners</p> <ul style="list-style-type: none"> The annual value of every taxable property must be entered into the 'Municipal Assessment Book' 	
Tax rates	No data	
Exemptions	<p>Vacant land and buildings –</p> <ul style="list-style-type: none"> used exclusively for agricultural purposes (other than a dwelling house) exclusively used for public worship exclusively occupied or used, with approval by the municipal corporation, for purposes of a public charity, or medical relief to, or education of the poor – free of charge public burial grounds or crematoria constituting specified heritage land owned by the municipal corporation and not leased out in village abadi – occupied for residential purposes by the original owner or his heir 	
<i>Tax Administration</i>		
Tax relief measures	<p>A Hardship Anomaly Committee meets on an ad hoc basis to dispose of petitions received from groups of affected persons</p> <p>Rebates (30%) are available to senior citizens, women-owned properties, ex-servicemen and physically-challenged persons.</p> <p>Concession available for small flats (smaller than 100m²).</p> <p>Rebate for lump-sum payment of 15%.</p> <p>Rebate for vacant non-residential use properties.</p>	
Collection	Lump-sum payment or quarterly instalments	<p>Welfare organisations, schedules banks, and other agencies can apply to be registered as agents for administration of the property tax in one or more ward.</p> <p>The Commissioner then appoints such number of entities as required, subject to the approval of the Standing Committee, for the period and on conditions deemed appropriate.</p>
Enforcement	<ul style="list-style-type: none"> Penal interest of 1% per month or part thereof. 	

<i>Additional Comments</i>	<ul style="list-style-type: none">• The Delhi Municipal Corporation may also levy a betterment tax on the increase in urban land values resulting from the execution and development of public infrastructure.• In slum areas a simplified system of collecting service charge applies. The actual cost of the service is divided by the number of dwelling units in the area and then divided by 12 to calculate the monthly levy.
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Appendix 3-6: Kiribati



<i>Basic Country Information</i>			
Geographic size	811 km ²	Independence	1979
Capital	South Tarawa	Population	92,000
System of government	Democratic republic	Urbanisation	37%
Sub-national government	6 pre-independence districts; presently each inhabited island has its own council (with some islands having more than 1 council). There are 3 urban and 18 rural local authorities.	GDP (per capita)	\$800
<i>Sub-national Government</i>			
Expenditure responsibilities	Traditional, pre-primary and primary education; primary healthcare; markets; building and town planning; community and public utilities; social welfare services; transport and roads; sanitation and water supply.		
Sources of revenue	Basic rate (i.e. a poll tax); licences and permits; (property) rates; all revenues collected from land tax under the Landowners Taxation Ordinance, 1957. Grants and loans account for about 45% of revenues and taxes only 10%.		
Importance of property tax	Not too important		
<i>Land Issues</i>			
Land tenure	Predominantly customary tenure; limited freehold; some state-owned land. Leasing of customary land allowed conditionally under strict state scrutiny.		
Land titling	Boundary disputes (customary land)		
<i>Taxes</i>			
National	Income tax, sales tax	Sub-national	Landowners tax or rates
<i>Property-related Taxes</i>			
National	Stamp duty	Sub-national	Landowners tax or rates

<i>Local Property Tax</i>		
Acts: Local Government Act 1984		
	<i>Legislation (LGA, 1984)</i>	<i>Practice</i>
<i>Tax Base & Taxpayer</i>		
Tax base	Assessment value of immovable property	
Coverage of tax base	No data	
Taxpayer	Owner	
<i>Valuation & Assessment</i>		
Valuation	Assessed value in terms of a method of assessment determined by the council	
Responsibility	Assessment committee	
Valuation cycle	No data	
Objection & appeal	Not stipulated	
Quality control measures	No data	
Tax rates	Uniform amount	
Exemptions	<ul style="list-style-type: none"> • Churches, charities, educational institutions, cemeteries; parcels exempted at discretion of Minister • Women could be exempted (although this probably apply to the poll tax (i.e. basic rate) only) 	
<i>Tax Administration</i>		
Tax relief measures	Remit or reduce rate on the basis of poverty or for “any good reason”	
Collection	No data	
Enforcement	<ul style="list-style-type: none"> • Could be recovered as a civil debt • Penalties 	
<i>Additional Comments</i>	Property owners pay either rates (in terms of the Local Government Act, or landowners tax – i.e. if one is payable they are exempt from the other.	

<i>Landowners Tax</i>		
Acts: Landowners Taxation Ordinance, 1957		
	<i>Legislation (LTA, 1957)</i>	<i>Practice</i>
<i>Tax Base & Taxpayer</i>		
Tax base	No data	
Coverage of tax base	No data	
Taxpayer	Owner; in some instances the holder of a <i>ususfruct</i> (i.e. a real right entitling the holder personally to extensive use for the duration of the right).	
<i>Valuation & Assessment</i>		
Valuation	No data	
Responsibility	No data	
Valuation cycle	No data	
Objection & appeal	Review by council Appeal to an administrative officer	
Quality control measures	No data	
Tax rates	No data	
Exemptions	No data	
<i>Tax Administration</i>		
Tax relief measures	No data	
Collection	No data	
Enforcement	<ul style="list-style-type: none"> • 25% penalty • After 1 year parcel could be transferred to council 	
<i>Additional Comments</i>	Property owners pay either rates (in terms of the Local Government Act, or landowners tax (in terms of the Landowners Taxation Ordinance) – i.e. if one is payable they are exempt from the other.	

Appendix 3-7: Malaysia



<i>Basic Country Information</i>			
Geographic size	329,750 km ²	Independence	1957
Capital	Kuala Lumpur	Population	25,720,000
System of government	The Federation of Malaysia is a constitutional elective monarchy	Urbanisation	58%
Sub-national government	13 states and 3 federal territories; 145 local government authorities consisting of 9 city councils, 34 municipal councils and 101 district councils.	GDP (per capita)	\$9,696
<i>Sub-national Government</i>			
Expenditure responsibilities	Local planning, refuse collection and disposal, street lighting, public health, recreation areas and social housing, building control		
Sources of revenue	2002: Licences and fees (25%); grants (approximately 15%); assessed taxes (such as property rates)(60%)		
Importance of property tax	Property rates accounts for some 48% of total council revenue and is thus an important own revenue source.		
<i>Land Issues</i>			
Land tenure	Freehold and leasehold		
Land titling	Land registration of titles		
<i>Taxes</i>			
National	Income tax, VAT, CGT	Sub-national	Property rates
<i>Property-related Taxes</i>			
National	VAT, CGT	Sub-national	Property rates

Local Property Tax		
Acts: Local Government Act 1976 (West Malaysia) Local Government Ordinance 1961 (Sabah) Local Government Ordinance 1948 (Sarawak)		
	Legislation	Practice
Tax Base & Taxpayer		
Tax base	All land and buildings	
Coverage of tax base	100%	70% This is due to the fact that land outside of municipal boundaries is not rated.
Taxpayer	Owner	
Valuation & Assessment		
Valuation	<ul style="list-style-type: none"> • Annual rental value. In some cases the actual selling price (value-added) of the property is adopted. • The state of Johore uses capital improved value. 	
Responsibility	Local authorities can undertake their own rating valuations, however due to the lack of resources the revaluations are done by the centralised government valuation department.	
Valuation cycle	5-yearly cycle	Revaluations are undertaken much less frequently.
Objection & appeal	<ul style="list-style-type: none"> • An objection to the assessed value contained in a new valuation list must be made within 14 days. The objection is heard by a local council committee. • An appeal from the committee can be made to the High Court. 	
Quality control measures	Internal measures by the Valuation department	
Tax rates	<ul style="list-style-type: none"> • Tax rates vary by state and by municipality. Differential rates applied for different categories of property. • Tax rates depend on the age of the valuation list. Some rates are as high as 35% of the ARV. • If the selling price is adopted then the tax rate is 5%. 	
Exemptions	Each state has the power to grant its own exemptions. However, property used for religious, educational and health purposes tend to be exempt.	

<i>Tax Administration</i>		
Tax relief measures	Remission for unused vacant property	
Collection		<ul style="list-style-type: none"> • Significant problems existing in respect of rates collection. • Valuation lists are out-of-date and contribute to the unfairness of the system
Enforcement	<ul style="list-style-type: none"> • Unpaid rates become a registered charge on the property • Property can be seized and sold 	
<i>Additional Comments</i>	Properties located outside (urban) municipal areas do not have the benefit of local services. No rates are paid in respect of properties in these locations.	

Appendix 3-8: Maldives (No Property Tax)



<i>Basic Country Information</i>			
Geographic size	298 km ²	Independence	1982
Capital	Malé	Population	349,000
System of government	Republic	Urbanisation	26%
Sub-national government	20 administrative units (19 atolls and the city of Malé) responsible for local administration in cooperation with national government ministries.	GDP (per capita)	\$3,900
<i>Sub-national Government</i>			
Expenditure responsibilities	Not applicable		
Sources of revenue	Not applicable		
Importance of property tax	Not applicable – no property tax		
<i>Land Issues</i>			
Land tenure	No data		
Land titling	No data		
<i>Taxes</i>			
National	Import duties and tourist taxes No income tax, no VAT, no CGT nor capital transfer taxes	Sub-national	N/A
<i>Property-related Taxes</i>			
National	None	Sub-national	N/A

Appendix 3-9: Nauru (No Property Tax)



<i>Basic Country Information</i>			
Geographic size	21 km ²	Independence	1968
Capital	Yaren (most populated town)	Population	13,000
System of government	Parliamentary system	Urbanisation	100%
Sub-national government	14 administrative districts, but no formal local government.	GDP (per capita)	\$5,000
<i>Sub-national Government</i>			
Expenditure responsibilities	In 1992 the Nauru Local government council was dissolved and replaced by the Nauru Island Council. The latter has limited responsibilities.		
Sources of revenue	No taxation in Nauru. All income is derived from phosphate mining.		
Importance of property tax	N/A		
<i>Land Issues</i>			
Land tenure	No data		
Land titling	No data		
<i>Taxes</i>			
National	None	Sub-national	N/A
<i>Property-related Taxes</i>			
National	None	Sub-national	N/A

Appendix 3-10: New Zealand



<i>Basic Country Information</i>			
Geographic size	268,680 km ²	Independence	1907
Capital	Wellington	Population	4,092,000
System of government	Parliamentary democracy and constitutional monarchy with Queen Elizabeth II as head of state	Urbanisation	86%
Sub-national government	12 regional council; 74 territorial authorities, consisting of 16 city councils, 57 district councils and the Chatham Islands Council.	GDP (per capita)	\$21,177
<i>Sub-national Government</i>			
Expenditure responsibilities	Local roads, water supply, parks and recreation areas, libraries, refuse collection, sewerage disposal		
Sources of revenue	Property rates, fees, charges. Grants only account for about 11% of revenue for local authorities.		
Importance of property tax	Approximately 65% of total revenue for councils is derived from the rates.		
<i>Land Issues</i>			
Land tenure	Freehold, Maori land, and current land claims by Maori		
Land titling	Torrens system		
<i>Taxes</i>			
National	Income tax, GST (a form of VAT)	Sub-national	Rates
<i>Property-related Taxes</i>			
National	GST, CGT, stamp duty, death & gift duties	Sub-national	Rates

<i>Local Property Tax</i>		
Acts: Rating Powers Act, 1988 (and amendments) Rating Valuations Act, 1998 The Valuation of Land Act, 1951 The Land Valuation Proceedings Act 1948 The Local Government (Rating) Act 2002		
	<i>Legislation</i>	<i>Practice</i>
<i>Tax Base & Taxpayer</i>		
Tax base	All land and buildings	
Coverage of tax base	100%	100%
Taxpayer	Owner and occupier	
<i>Valuation & Assessment</i>		
Valuation	<ul style="list-style-type: none"> • Open market value • annual rental value • site value • capital value 	Auckland is the only council that uses an annual rental value base for rating purposes.
Responsibility	Territorial authority by competitive tendering	Most authorities still use the services of Quotable New Zealand (the government agency).
Valuation cycle	Every 3 years	
Objection & appeal	<ul style="list-style-type: none"> • Objections initially made to the local authority. The Valuer-General can also lodge an objection. • If still aggrieved the objector has 20 days to appeal to the Land Valuation Tribunal. • Further appeals can then be made to the High Court, Court of Appeal and the Privy Council. 	
Quality control measures	Ratio standards as applied by the Valuer-General	
Tax rates	<ul style="list-style-type: none"> • Each territorial authority can set its own differential tax rates according to location and use of the property • General rates and specific rates can also be set • Uniform annual general charges also used extensively by councils 	
Exemptions	<ul style="list-style-type: none"> • Property used for religious, charitable and educational purposes • Crown property • Heritage property • Community land • Marae and burial grounds 	
<i>Tax Administration</i>		
Tax relief measures	<ul style="list-style-type: none"> • A system of rates postponement can be 	

	<p>applied for property used for residential or agricultural purposes with higher values than those based on existing uses</p> <ul style="list-style-type: none"> • Hardship relief available 	
Collection	Rates can now be paid by instalments.	
Enforcement	<ul style="list-style-type: none"> • Unpaid rates are a charge on the subject property • Interest is levied on unpaid debts • Seizure and sale of property is an option 	

Appendix 3-11: Pakistan



<i>Basic Country Information</i>			
Geographic size	803,940 km ²	Independence	1947
Capital	Islamabad	Population	150,700,000
System of government	Federal state and republic	Urbanisation	37%
Sub-national government	4 provinces; 2 territories; 3 tiers of local government: 96 districts (of which 4 are city districts – the 4 provincial capitals), 307 tehsil, 30 city towns and 6,022 unions. There are also 41 cantonments.	GDP (per capita)	\$1,971
<i>Sub-national Government</i>			
Expenditure responsibilities	Districts: primary and secondary school education, primary health, district roads, agriculture. ‘Tehsils’/towns: Water supply and sanitation, sewerage and waste disposal, land use planning, public transport, street lighting, markets, river management and road management. Unions: libraries, local streets, wells and ponds, grazing areas.		
Sources of revenue	Octroi (a type of local tariff or customs duty); property tax; fees, fines, licences, tolls (bridges) and rents for land and buildings. Districts levy a local rate on land, whereas tehsils/towns levy an immovable transfer tax and property tax on land and buildings.		
Importance of property tax	In principle an important source in the large cities; although in practice the yield is low.		
<i>Land Issues</i>			
Land tenure	No data		
Land titling	No data		
<i>Taxes</i>			
National	Income tax. sales tax	Sub-national	Stamp duty, property transfer tax, motor tax
<i>Property-related Taxes</i>			
National		Sub-national	Stamp duty, property tax

<i>Local Property Tax</i>		
Acts: Urban Immovable Property Tax Act, 1958 Cantonments Act, 1924 Local Government Ordinance, 2001 (in each of the 4 provinces)		
	<i>Legislation</i>	<i>Practice</i>
<i>Tax Base & Taxpayer</i>		
Tax base	Annual value - i.e. gross annual rent of land and buildings plus any fixtures (but limited to 10% of the total (capital) value)	
Coverage of tax base	<ul style="list-style-type: none"> Differences in different provinces Many properties in informal settlements excluded as a result of inappropriate definitions in legislation Taxpayers taxed on aggregate property holdings (i.e. all taxable holdings in a rating area) 	Poor in many cities
Taxpayer	Owner; lessee in perpetuity; occupier of 'evacuee property'	
<i>Valuation & Assessment</i>		
Valuation	Assessment by provincial tax officers	Apparently no training for the valuers' profession exists in Pakistan
Responsibility	Provincial departments of Excise and Taxation	
Valuation cycle	<ul style="list-style-type: none"> Generally 5 years By order it could be increased to 8 years, or it could be reduced to 3 years 	Cantonment Boards regularly revalue every 3 years; Lahore adheres to the 5-yearly cycle; however, in the Sindh province no revaluation occurred since 1968 (Keith, 1999).
Objection & appeal	<ul style="list-style-type: none"> No formal system for urban tax An objection and appeal system exists for the Cantonment property tax assessments 	Arbitrary and non-transparent
Quality control measures		
Tax rates	<ul style="list-style-type: none"> Progressive rates, ranging from 20% to 26% of annual value; 15% for owner-occupied residential properties Additional 5% for commercial and 2.5% for industrial properties 	There is some provincial oversight. The impact of rent control legislation is significant.
Exemptions	<ul style="list-style-type: none"> Traditional exemptions (e.g. charitable and religious institutions, hospitals) Residential properties below a specified size 	

	<ul style="list-style-type: none"> Annual value below a specified amount 	
<i>Tax Administration</i>		
Tax relief measures	Exemption where annual value of a building does not exceed a specified amount and the owner is a widow, orphan or permanently disabled person	
Collection	District governments collect the property tax levied by tehsils and towns and retain a 10% collection charge.	Poor
Enforcement	No data	Little effort to use powers provided by law
<i>Additional Comments</i>	According to Keith (1999) the Cantonment system of property tax functions relatively well, in comparison to the adjacent systems of urban property tax which do not.	

Appendix 3-12: Papua New Guinea



<i>Basic Country Information</i>			
Geographic size	462,840 km ²	Independence	1975
Capital	Port Moresby	Population	5,550,000
System of government	Constitutional democracy with queen Elizabeth II as head of state	Urbanisation	18% (Some sources state it to be as low as 12%.)
Sub-national government	20 provinces, 299 local authorities (comprising of 26 urban and 273 rural councils)	GDP (per capita)	\$2,505
<i>Sub-national Government</i>			
Expenditure responsibilities	There is almost no difference in the responsibilities and functions to be performed by urban and rural councils respectively. Only a few functions are performed at local government level, such as the development of roads and parks, refuse collection and disposal, water supply, primary health and environmental protection, economic development and also tourism.		
Sources of revenue	Taxes and rates, fees and charges, as well as grants.		
Importance of property tax	Relatively important.		
<i>Land Issues</i>			
Land tenure	Land is held as freehold (1%), state-owned (2%) and predominantly customary tenure (97%). Leasing of customary land allowed conditionally under strict state scrutiny. Possible conversion of customary land to limited form of freehold.		
Land titling	Significant boundary disputes, despite limited occasional registration of customary land tenure. Freehold land is registered.		
<i>Taxes</i>			
National	Income tax, VAT, CGT	Sub-national	Land tax (provincial), Rates (local)
<i>Property-related Taxes</i>			
National	VAT, stamp duty	Sub-national	Land tax (provincial), Rates (local)

<i>Rates</i>		
Acts: Valuation Act 1967 Organic Law on Provincial Governments and Local-level Governments, 1998		
	<i>Legislation</i>	<i>Practice</i>
<i>Tax Base & Taxpayer</i>		
Tax base	Unimproved capital value of land – which is defined as ‘in relation to land, means the capital sum that the fee simple of the land might be expected to realize if offered for sale on such reasonable terms and conditions as a bona fide seller would require, assuming that the improvements on the land (if any), other than ground improvements, did not exist at the date to which the valuation relates...’	In the informal squatter settlements adjacent to serviced urban land, councils are allowed to levy property tax on a nominal value of the building, on condition that – <ul style="list-style-type: none"> • The building is registered • Is not occupied by the state or council • Is within the urban area • And the tax cannot be more than it would have been if assessed on unimproved value.
Coverage of tax base	Only urban freehold land	Coverage within an already limited base is poor.
Taxpayer	Owner	
<i>Valuation & Assessment</i>		
Valuation	Unimproved capital value – as defined – needs to be established In certain instances a ‘ground improvement allowance’ may be deducted from the unimproved land value.	
Responsibility	The Minister, by notice in the National Gazette, appoints an Official Valuer. The Valuer General, by notice in the National Gazette, declares areas described in the notice as valuation areas and must cause a valuation roll to be prepared. Valuer General must also cause supplementary valuations to be made.	
Valuation cycle	The revaluation dates vary according to which provincial and rating area is being valued, but in the case of a valuation area within a town shall not be less than 5 years, and in all other cases not less than 7 years.	
Objection & appeal	Objections must be lodged with the Valuation General within 4 months from the date of notice of publication of the valuation roll, or entry into the valuation roll Aggrieved parties may appeal to the District Court within a period of 3	

	months Where the value of the land exceeds K50,000, the appeal is lodged with the National Court	
Quality control measures	In theory the Valuer General has an oversight function.	
Tax rates	Each rating district can set its own tax rates Flat rate applied to all properties	
Exemptions	<ul style="list-style-type: none"> • Government property • Land used for educational and religious purposes • Land used for charitable purposes • Customary land 	
<i>Tax Administration</i>		
Tax relief measures	Hardship relief available	
Collection	A discount of 10% is made for prompt payment	
Enforcement		
<i>Additional Comments</i>	The use of unimproved values as tax base can be traced back to the fact that Australia was responsible for the pre-independence administration of Papua New Guinea (Manning and O’Faircheallaich, 2000).	

<i>Provincial Land Tax</i>		
Acts: National Capital District Commission (Land Tax) Regulation 1991		
	<i>Legislation</i>	<i>Practice</i>
<i>Tax Base & Taxpayer</i>		
Tax base	<ul style="list-style-type: none"> • Unimproved capital value of land; • Flat charge in respect of taxable land; • Area of land or building 	
Coverage of tax base	No data	
Taxpayer	Owner of freehold land; registered lessee of state-owned land held under lease; occupier of land where owner is absent from the country, died, insolvent, unknown.	
<i>Valuation & Assessment</i>		
Valuation	Unimproved capital value	
Responsibility	Valuer-General	
Valuation cycle		The revaluation dates vary according to which provincial and rating area is being valued. Depends on the gazette date.
Objection & appeal	Lodged in terms of the provisions of the Valuation Act of 1967.	
Quality control measures	None	
Tax rates	No data	Normally charges at fairly low nominal rates.
Exemptions	<ul style="list-style-type: none"> • Government property • Specified leasehold land • Customary land <p>A fee shall be charged on the above properties exempted, on condition that it may not exceed the amount of land tax that would have been payable if it were taxable.</p> <ul style="list-style-type: none"> • Land used for educational and religious purposes • Land used for any other purpose if approved by the Commission 	Presumably the fee is an amount payable in lieu of taxes.
<i>Tax Administration</i>		
Tax relief measures	Hardship relief available	
Collection	Tax notice must be issued and served on the taxpayer, but non-receipt does not excuse a taxpayer from tax liability. Discount for early payment.	A discount of 10% is made for prompt payment
Enforcement	<ul style="list-style-type: none"> • Arrears to be recovered as a civil debt • Penalty for wilful non-payment 	

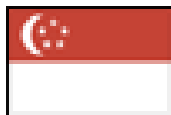
	<ul style="list-style-type: none"> • Discontinuance of or refusal to render any service by the Commission to land for which the tax is unpaid • 15% interest per annum after 3 months • A priority charge on the land ranking equally with other statutory charges – except against a bona fide purchaser who made due enquiry 	
<i>Additional Comments</i>	Land tax is levied in only about half of the provinces.	

Appendix 3-13: Samoa (No Property Tax)



<i>Basic Country Information</i>			
Geographic size	2,944 km ²	Independence	1970
Capital	Apia	Population	176,000
System of government	Parliamentary democracy with a unicameral legislature.	Urbanisation	22%
Sub-national government	The Ministry of Internal Affairs is responsible for local government which is divided into rural village fono and urban authorities.	GDP (per capita)	\$5,742
<i>Sub-national Government</i>			
Expenditure responsibilities	Pre-school services, and co-responsible for education, welfare, civil protection, water and sanitation, cemeteries, sports and leisure, slaughter-houses, religious facilities, agriculture, tourism and economic development.		
Sources of revenue	Grants and transfers, fees and charges.		
Importance of property tax	No property tax is levied.		
<i>Land Issues</i>			
Land tenure	At least 80% of land held under customary tenure; limited freehold land; some state-owned land. Leasing of customary land allowed conditionally under strict state scrutiny.		
Land titling	Some boundary disputes in respect of customary land; leasehold interests cannot be mortgaged.		
<i>Taxes</i>			
National	Income tax, consumption tax (at 13%)	Sub-national	Fees and charges
<i>Property-related Taxes</i>			
National	Stamp duty	Sub-national	N/A

Appendix 3-14: Singapore



<i>Basic Country Information</i>			
Geographic size	693 km ²	Independence	1965
Capital	Singapore	Population	4,426,000
System of government	Republic with a Westminster style parliament	Urbanisation	100%
Sub-national government	N/A	GDP (per capita)	\$24,480
<i>Sub-national Government</i>			
Expenditure responsibilities	N/A		
Sources of revenue	N/A		
Importance of property tax	N/A		
<i>Land Issues</i>			
Land tenure	Leasehold		
Land titling	Land registration of deeds		
<i>Taxes</i>			
National	Income tax, general sales tax (at 5%), property tax	Sub-national	N/A
<i>Property-related Taxes</i>			
National	Stamp duty between 1-3% on purchase price	Sub-national	N/A
	Property tax (see next table)		

<i>Property Tax</i>		
Act: The Property Tax Act, Chapter 254, 1985		
	<i>Legislation</i>	<i>Practice</i>
<i>Tax Base & Taxpayer</i>		
Tax base	Land and Buildings	
Coverage of tax base	100%	100%
Taxpayer	Occupier	
<i>Valuation & Assessment</i>		
Valuation	Annual rental value	
Responsibility	Centralised government department: Property Valuation and Assessment Division.	
Valuation cycle	Annually	
Objection & appeal	Written objections to assessed values are made to the Chief Assessor or Comptroller who decide on the matter A further appeal can be made to the Valuation Review Board Further appeals can be made to the High Court, Court of Appeal and if necessary the Privy Council	
Quality control measures	Internal statistical quality measures.	
Tax rates	<ul style="list-style-type: none"> • 10% of the ARV for rented properties • 4% of ARV for owner-occupied properties 	
Exemptions	<ul style="list-style-type: none"> • Places of public religious worship • Public schools • Property used for charitable purposes • Property used for social development purposes 	
<i>Tax Administration</i>		
Tax relief measures	Property tax rebates granted to promote real estate development	
Collection	Approximately 100% achieved.	
Enforcement	<ul style="list-style-type: none"> • Property tax is a first charge • Unpaid tax is subject to a penalty of 5% on the outstanding tax • Movable property belonging to the taxpayer can be seized and sold • In extreme cases the real property can be sold by auction 	

Appendix 3-15: Solomon Islands



<i>Basic Country Information</i>			
Geographic size	28,370 km ²	Independence	1978
Capital	Honiara	Population	463,000
System of government	Unitary state and parliamentary democracy. Constitutional monarchy with Queen Elizabeth II as head of state	Urbanisation	21%
Sub-national government	9 provinces; 1 city council for Honiara and one town council for Noro	GDP (per capita)	\$1,639
<i>Sub-national Government</i>			
Expenditure responsibilities	Provinces and councils (Honiara and Noro) have almost similar functions and responsibilities, including education, health, transport and roads, and infrastructure. The Department of Home Affairs provides comprehensive oversight. Honiara is also responsible for traffic, river waters and town planning. Limited governance beyond provincial centres.		
Sources of revenue	Property tax, head tax, business tax, vehicle tax, gaming tax, liquor tax and fees for services. Land rent is also charged.		
Importance of property tax	Important in principle – and is bound to become more so in the context of rapid urbanisation.		
<i>Land Issues</i>			
Land tenure	Predominantly traditional customary tenure (88%); registered (12%). Conversion of customary land to limited freehold is possible. Leasing of customary land strictly controlled, mortgaging of leasehold rights is possible.		
Land titling	Land registry in Honiara for freehold land. Boundary disputes abound in respect of customary land. Compulsory registration of customary land has been introduced.		
<i>Taxes</i>			
National	Income tax, sales tax	Sub-national	Property tax, head tax, business tax, vehicle tax
<i>Property-related Taxes</i>			
National	Stamp duty	Sub-national	Property tax

<i>Local Property Tax</i>		
Act: Provincial Government Act 1997		
Honiara City Council Act 1999		
Local Government (Rating of Land) Regulations		
	<i>Legislation</i>	<i>Practice</i>
<i>Tax Base & Taxpayer</i>		
Tax base	Unimproved value	
Coverage of tax base	Limited to freehold land	Extension to customary land problematic in the context of tenure insecurity, boundary disputes, lack of capacity, etc.
Taxpayer	Owner	
<i>Valuation & Assessment</i>		
Valuation	Unimproved value must be established for the following categories of property in Honiara: <ul style="list-style-type: none"> • Residential • Commercial • Industrial – light • Industrial - heavy 	
Responsibility	No data	
Valuation cycle	No data	
Objection & appeal	No data	
Quality control measures	No data	
Tax rates	No data	
Exemptions	No data	
<i>Tax Administration</i>		
Tax relief measures	No data	
Collection	No data	Poor collection rates, estimated to be between 20 – 50% only (Cox & Morrison, 2004); on aggregate it is about 25%.
Enforcement	No data	
<i>Additional Comments</i>	Urbanisation is putting pressure on the administration of the property tax in the case of Honiara.	

Appendix 3-16: Sri Lanka



<i>Basic Country Information</i>			
Geographic size	65,610 km ²	Independence	1948
Capital	Colombo	Population	19,610,000
System of government	Republic with president as head of state	Urbanisation	24%
Sub-national government	9 provinces, sub-divided into 25 districts and 256 divisional secretariats. 3 types of local authorities exist: In urban areas there are 18 municipal councils (including Colombo) and 37 urban councils and in rural areas there are 256 pradeshiya sabhas.	GDP (per capita)	\$3,776
<i>Sub-national Government</i>			
Expenditure responsibilities	Environmental management including provision and upkeep of local roads, sanitation, public health, welfare, water supply, and waste management.		
Sources of revenue	Property rates; local taxes (entertainment, business and trade taxes); rents; licences; fees and fines; as well as national government and provincial grants.		
Importance of property tax	15-25% of total revenue is raised from rates		
<i>Land Issues</i>			
Land tenure	Freehold, state-owned and customary tenure.		
Land titling	Deeds office		
<i>Taxes</i>			
National	Income tax, VAT, stamp duty	Sub-national	Rates, turnover tax, entertainment tax
<i>Property-related Taxes</i>			
National	VAT, property transfer tax	Sub-national	Rates

<i>Rates</i>		
Act: Urban Councils Ordinance 1939 Rating and Valuation Ordinance 1946 Municipal Council Ordinance 1947 Pradeshiya Sabhas Act 1987 Municipal Council Ordinance and Amendment Act, 1987		
	<i>Legislation</i>	<i>Practice</i>
<i>Tax Base & Taxpayer</i>		
Tax base	Annual value of land and buildings <ul style="list-style-type: none"> • ‘Annual value’ means the annual rent a tenant might reasonably be expected to pay for the rateable property, where the tenant is responsible for all public rates and taxes, and the landlord responsible for the repairs and proper maintenance of the premises • ‘Rateable property’ is defined as ‘any land or any portion of land which is separately owned, let or occupied, together with any house, building, tenement, hut or any other roofed enclosure, or wall, hoarding or any other structure thereon...’ and extends to rights of way and other servitudes 	
Coverage of tax base	<ul style="list-style-type: none"> • Includes state-owned property let out, but excludes rural areas in respect of village councils • Includes public utilities such as tramways, pipelines, transmission masts, etc. 	
Taxpayer	Owner or occupier (e.g. in respect of leased state-owned property)	
<i>Valuation & Assessment</i>		
Valuation	<ul style="list-style-type: none"> • Annual value to be recorded annually • Rating area may be divided into divisions (maximum 5) for purposes of preparation of valuation lists • In certain cases, the annual value of land may be determined with reference to the capital value of the site (i.e. site value only) • Where annual value of any rateable premises has to be determined with reference to accounts, receipts, and profits of any undertaking conducted therein, plant and machinery must be considered in the same manner as 	

	would be the case under English law and jurisprudence	
Responsibility	<ul style="list-style-type: none"> Local councils have primary responsibility for valuations and revaluations and must keep a so-called 'Assessment Book'. A council (except a municipality) must appoint a 'Local Government Valuer'. The centralised government valuation department has the power to undertake revaluations on behalf of councils. 	
Valuation cycle	Every 5 years, or as directed by the Minister.	Much less frequently
Objection & appeal	<ul style="list-style-type: none"> Objection to be lodged with council and recorded in the 'Book of Objections'. First appeal to decision to be lodged within 30 days and to be heard in Primary Court. Further appeal to Court of Appeal. Rates remain payable despite objection or appeal 	
Quality control measures	No data	
Tax rates	<ul style="list-style-type: none"> Rates are set locally and determined annually, but Minister may determine maximum rates Differential rates are allowed on the basis of area and service standards 	
Exemptions	<ul style="list-style-type: none"> School buildings (excluding hostels or dormitories, but including sports fields) Crematoria and cemeteries Public libraries Building wholly or mainly used for religious or charitable purposes Building in charge of military sentries 	
<i>Tax Administration</i>		
Tax relief measures	<ul style="list-style-type: none"> Remission of rates if property is and remains untenanted Discounts for prompt payment 	
Collection	<ul style="list-style-type: none"> Collection is done locally Councils must issue quarterly demand notes Payment of rates by way of 4 quarterly instalments 	<p>Collection and compliance varies significantly across the country. Compliance rates are between 20-90%.</p> <p>In the case of Colombo Municipal Council, payments can be made at Town Hall or at</p>

		the Bank of Ceylon or Peoples' Bank.
Enforcement	<ul style="list-style-type: none"> • Surcharge for late payment • Seizure and sale of movables or immovable property and recovery of concomitant costs • Deduction from rents if property is let • State property (movable and immovable) may not be seized or sold for the recovery of rates in arrears 	15% surcharge for late payment in the case of residential property in Colombo Municipal Council and 20% for business property.
<i>Additional Comments</i>	<ul style="list-style-type: none"> • Rates is the most important own source of revenue – amounting to between 15% and 25% in the 2 largest cities, Colombo and Kandy. • A 2001 Asian Development Bank study indicated significant political interference and non-compliance with statutory periods (e.g. in respect of valuation cycles). 	

Appendix 3-17: Tonga (No Property Tax)



<i>Basic Country Information</i>			
Geographic size	748 km ²	Independence	1970
Capital	Nuku'alofa	Population	103,000
System of government	Monarchy	Urbanisation	33%
Sub-national government	Local administration is the responsibility of the governors of Ha'apai and Vava'u and a elected officials from towns and districts.	GDP (per capita)	6,971
<i>Sub-national Government</i>			
Expenditure responsibilities	N/A		
Sources of revenue	N/A		
Importance of property tax	N/A		
<i>Land Issues</i>			
Land tenure	All land nominally belongs to the crown (i.e. King of Tonga); limited areas where customary tenure does not apply and where hereditary estates and allotments can be awarded which is akin to a limited freehold. The crown <i>de facto</i> owns significant areas of land.		
Land titling	No data		
<i>Taxes</i>			
National	Income tax, sales tax, room tax	Sub-national	N/A
<i>Property-related Taxes</i>			
National	Stamp duty	Sub-national	N/A

Appendix 3-18: Tuvalu



<i>Basic Country Information</i>			
Geographic size	26 km ²	Independence	1978
Capital	Funafuti	Population	11,500
System of government	Parliamentary democracy and constitutional monarchy with Queen Elizabeth as head of state	Urbanisation	100%
Sub-national government	'Falekaupule' (i.e. traditional assembly) for each of 7 islands, 1 town council on Funafuti.	GDP (per capita)	1,100
<i>Sub-national Government</i>			
Expenditure responsibilities	In accordance with the functions performed by Falekaupule – a limited range of functions.		
Sources of revenue	Falekaupule may levy rates – either by way of poll tax or property tax, or both; permits; dues; charges and fees; land tax collected under the Landowners Taxation Act on customary land.		
Importance of property tax	No data		
<i>Land Issues</i>			
Land tenure	Predominantly customary tenure		
Land titling	Compulsory systematic registration in a state of disrepair		
<i>Taxes</i>			
National	Income tax, sales tax, room tax	Sub-national	Community development tax (i.e. poll tax) and/or property tax
<i>Property-related Taxes</i>			
National	Stamp duty	Sub-national	Rates or land tax

<i>Local Property Tax</i>		
Acts: Falekaupule Act 1997 Landowners Taxation Act		
	<i>Legislation</i>	<i>Practice</i>
<i>Tax Base & Taxpayer</i>		
Tax base	Assessed value	
Coverage of tax base	Immovable property within a Falekaupule area; in principal extends to customary land too.	Limited coverage
Taxpayer	Owner	When property tax is payable, no landowners tax may be collected – i.e. double tax specifically prohibited
<i>Valuation & Assessment</i>		
Valuation	To be regulated	
Responsibility	Assessment committee	
Valuation cycle	To be regulated	
Objection & appeal	To be regulated	
Quality control measures	No data	
Tax rates	Uniform rate	
Exemptions	<ul style="list-style-type: none"> • Churches, charities, educational institutions, cemeteries; parcels exempted at discretion of Minister • A Kaupule (i.e. council) may exempt any person by resolution 	
<i>Tax Administration</i>		
Tax relief measures	Remit or reduce payment of any rate due to inability to pay or for any other good reason	
Collection	<ul style="list-style-type: none"> • Rate collector, but if no rate collector has been appointed payment must be made to the Kaupule treasurer • Rate must be claimed within 3 years 	
Enforcement	<ul style="list-style-type: none"> • Civil debt • Penalties for non- or late payment 	

Appendix 3-19: Vanuatu



<i>Basic Country Information</i>			
Geographic size	12,200 km ²	Independence	1980
Capital	Port Vila	Population	207,000
System of government	Republic with a unicameral parliament	Urbanisation	20%
Sub-national government	6 provincial governments replaced the 11 local councils in 1994. There are 2 municipalities to govern the only 2 urban centres.	GDP (per capita)	\$2,924
<i>Sub-national Government</i>			
Expenditure responsibilities	The provinces and the 2 municipalities perform the same functions, namely pre-school and primary education, primary healthcare, roads, regional planning, refuse collection and disposal, cemeteries, parks and open spaces, tourism.		
Sources of revenue	Government grants (54%); business licences (26%); other taxes (14%); user charges for vehicles, etc. (6%)		
Importance of property tax	Not important.		
<i>Land Issues</i>			
Land tenure	Predominantly customary tenure; limited freehold; some state-owned land. Leasing of customary land allowed conditionally under strict state scrutiny.		
Land titling	Boundary disputes in respect of customary land are common. The law prescribes occasional registration of customary land. Leaseholds are also registered.		
<i>Taxes</i>			
National	Income tax, VAT No CGT or estate duties	Sub-national	Business licences, rates
<i>Property-related Taxes</i>			
National	VAT	Sub-national	Rates

Local Property Tax		
Acts: Decentralization and Local Government Regions Act 1994		
Valuation of Land Act 22 of 2002		
	Legislation	Practice
Tax Base & Taxpayer		
Tax base	Land and buildings	
Coverage of tax base	50%	40-50%
Taxpayer	Owner and occupier	
Valuation & Assessment		
Valuation	Annual rental value (ARV) and site value (SV); improvements valued separately.	
Responsibility	The “Principal Valuation Officer” an officer within the Ministry of Lands. Also each city can undertake valuations.	
Valuation cycle	At least once every 5 years, with a possible extension of a further 2 years.	Approximately every 15 years
Objection & appeal	<ul style="list-style-type: none"> • In the first instance the objection is lodged with the Valuer General within 90 days. • On a point of fact the decision of the Valuer General is final. • If the taxpayer is still aggrieved on a point of law, then the matter is heard by the Supreme Court. 	
Quality control measures	The Valuer General has a duty to ensure the integrity of valuations made under the Valuation of Land Act.	
Tax rates	Variable tax rates depending on location of property. Also depends on whether ARV or SV is being used. Buildings - 5.5% in Port Vila Buildings - 6% in Luganville Land at 2% of unimproved market value	
Exemptions	<ul style="list-style-type: none"> • Property used for religious, educational and government purposes • Foreign government-owned property • Sports grounds and public utilities 	
Tax Administration		
Tax relief measures	<ul style="list-style-type: none"> • Hardship relief • Poverty relief 	
Collection	Property tax can be paid by way of two equal instalments.	
Enforcement	<ul style="list-style-type: none"> • Property tax is a first charge on the property • Can be deducted from rentals on 	

	property.	
<i>Additional Comments</i>	<p>In terms of the Urban Lands Act of 1993, which was repealed by the Urban Lands (Repeal) Act of 2003 with effect from 22 March 2004, two taxes were levied and collected, namely a “land tax” and a “dweller’s tax”.</p> <p>Land tax: Payable by all leaseholders (in essence a land rent, rather than a land tax) to be collected by the Collector of Rates and Taxes.</p> <p>Dweller’s tax: A poll tax paid by all inhabitants of urban communities.</p>	

Zone 4: Commonwealth Countries in Europe and North America

Appendix 4-1: Canada



<i>Basic Country Information</i>			
Geographic size	9,984,670 km ²	Independence	1867
Capital	Ottawa	Population	32.8 million
System of government	Confederation with parliamentary democracy	Urbanisation	79%
Sub-national government	10 provinces and 3 territories, numerous local authorities (4,000)	GDP (per capita)	\$31,500
<i>Sub-national Government</i>			
Expenditure responsibilities	Education is an important responsibility in addition to the more traditional functions funded by local government		
Sources of revenue	Property tax, user fees, other local taxes, grants		
Importance of property tax	Approximately 50% of local budgets on average		
<i>Land Issues</i>			
Land tenure	Freehold and leasehold, native title		
Land titling	Land registration		
<i>Taxes</i>			
National	Income tax, VAT, CGT	Sub-national	Stamp duty (provinces), property tax (local)
<i>Property-related Taxes</i>			
National	CGT, inheritance tax	Sub-national	Stamp duty (provinces), property tax (local)

<i>Local Property Tax</i>		
Acts: Each province has its own property tax legislation		
	<i>Legislation</i>	<i>Practice</i>
<i>Tax Base & Taxpayer</i>		
Tax base	All land and buildings	
Coverage of tax base	100%	95-100%
Taxpayer	Owner	
<i>Valuation & Assessment</i>		
Valuation	Capital improved value	
Responsibility	State valuation departments; city departments	
Valuation cycle	Variable across the states. British Columbia has annual revaluations	
Objection & appeal	The initial objection is submitted in writing to the valuation department responsible for the valuation.	
Quality control measures	In-house quality controls	
Tax rates	Differential rates according to property use are applied in many jurisdictions	
Exemptions	The main exemptions include: <ul style="list-style-type: none"> • Churches • Cemeteries • Indian lands • Public hospitals • Educational establishments • Government property 	In respect of government-owned properties payments in lieu of rates are made to local authorities.
<i>Tax Administration</i>		
Tax relief measures	<ul style="list-style-type: none"> • Tax deferrals • Property tax credits • Grants and subsidies 	
Collection	Lump sum and periodic instalments	
Enforcement	<ul style="list-style-type: none"> • Fines and interest on unpaid debts • Attachment of earnings • Rental from tenanted property • Seizure of goods • Sale of property – generally after 3 years 	These measures are all utilized in practice – making the system extremely effective.

Appendix 4-2: Cyprus

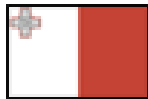


<i>Basic Country Information</i>			
Geographic size	9,250 km ²	Independence	1960
Capital	Nicosia	Population	780,000
System of government	Republic	Urbanisation	71%
Sub-national government	6 districts	GDP (per capita)	\$20,300
<i>Sub-national Government</i>			
Expenditure responsibilities	Local development, water and sewerage systems, local roads, street lighting, education.		
Sources of revenue	Primarily local towns tax and property tax, user charges, fees, fines and grants.		
Importance of property tax	Very important to local budgets.		
<i>Land Issues</i>			
Land tenure	Freehold and leasehold		
Land titling	Land registration		
<i>Taxes</i>			
National	Income tax, VAT, CGT	Sub-national	Various property taxes
<i>Property-related Taxes</i>			
National	VAT, CGT	Sub-national	Property taxes

<i>Local Property Tax</i>		
Acts: The Immovable Property Tax, 1980 The Town Rate, 1964 The Immovable Property (Towns) Tax, 1962		
	<i>Legislation</i>	<i>Practice</i>
<i>Tax Base & Taxpayer</i>		
Tax base	All land and buildings	
Coverage of tax base	100%	85%
Taxpayer	Owner	
<i>Valuation & Assessment</i>		
Valuation	Capital improved value: <ul style="list-style-type: none"> • Immovable Property (Towns) Tax based on 1909 valuations • Immovable Property Tax based on 1980 valuations. 	
Responsibility	Centralised valuation department (Lands and Survey Department); however, towns can also prepare assessments	
Valuation cycle	Not specified in the legislation. Whenever required by the Minister.	Out-of-date valuation rolls
Objection & appeal	The first objection stage is to write to the Department of Lands and Survey. If the taxpayer remains aggrieved by the decision of the department the matter can be referred to the District Court and from there to the High Court.	
Quality control measures	None	
Tax rates	Immovable Property Tax (progressive tax structure) First £100,000 - 0% £100,000 - £250,000 - 2% £250,000 - £500,000 - 3% > £500,000 - 3.5%	
Exemptions	<ul style="list-style-type: none"> • Property owned by the State, municipality or community; • Places of public religious worship; • Non-profit making organisations; • Diplomatic properties. • Historical properties; • Hospitals; • Sports grounds; • Agricultural land 	
<i>Tax Administration</i>		

Tax relief measures	First £100,000 is tax exempt	
Collection	Lump sum and instalments	
Enforcement	<ul style="list-style-type: none">• A penalty of 9% applies for late payments• Property can be seized and sold• Additional fines and imprisonment	

Appendix 4-3: Malta (No Property Tax)



<i>Basic Country Information</i>			
Geographic size	316 km ²	Independence	1964
Capital	Valetta	Population	399,000
System of government	Malta is a republic. Malta recently joined the European Union.	Urbanisation	92%
Sub-national government	Local authorities	GDP (per capita)	\$18,200
<i>Sub-national Government</i>			
Expenditure responsibilities	No data		
Sources of revenue	No data		
Importance of property tax	N/A		
<i>Land Issues</i>			
Land tenure	Freehold and leasehold.		
Land titling	Registration of titles and deeds.		
<i>Taxes</i>			
National	Income tax, VAT, CGT, estate tax	Sub-national	N/A
<i>Property-related Taxes</i>			
National	<ul style="list-style-type: none"> Duties on documents and transfers are levied on property transfers. An additional tax is payable by non-residents acquiring property in Malta under the Immovable Property (Acquisition of Property by Non-residents) Act, Chap 246. 	Sub-national	N/A

Appendix 4-4: United Kingdom



<i>Basic Country Information</i>			
Geographic size	244,820 km ²	Independence	10 th century
Capital	London	Population	60.4 million
System of government	Parliamentary democracy and monarchy	Urbanisation	90%
Sub-national government	47 boroughs, 36 counties, 29 London boroughs, 12 cities and boroughs, 10 districts, 12 cities, 3 royal boroughs	GDP (per capita)	\$29,600
<i>Sub-national Government</i>			
Expenditure responsibilities	Extremely wide and cover schools, hospitals, water supply, refuse disposal, street cleansing, sewerage treatment, community and social projects		
Sources of revenue	Property rates (residential and commercial), charges, fees, grants		
Importance of property tax	Approximately 40% of local budgets		
<i>Land Issues</i>			
Land tenure	Fee simple (freehold and leasehold)		
Land titling	Title and deed registration		
<i>Taxes</i>			
National	Income tax, VAT, CGT, uniform business rates	Sub-national	Council tax
<i>Property-related Taxes</i>			
National	VAT, CGT, stamp duty, uniform business rates	Sub-national	Council tax

Council Tax(local) and Uniform Business Rate (national)		
Act: Local Government Finance Act 1988		
	Legislation	Practice
Tax Base & Taxpayer		
Tax base	Land and buildings: <ul style="list-style-type: none"> • Council tax (residential) • Uniform business rates (commercial) 	
Coverage of tax base	100%	100%
Taxpayer	<ul style="list-style-type: none"> • Owner (in respect of the council tax) • Occupier (in respect of the uniform business rates) 	
Valuation & Assessment		
Valuation	<ul style="list-style-type: none"> • Capital improved value (residential) • Annual rental value (commercial) 	In both instances the choice of base is dictated by availability of reliable evidence.
Responsibility	Rating valuations are undertaken by centralised government valuation departments: <ul style="list-style-type: none"> • England and Wales: Valuation Office Agency • Northern Ireland: Valuation and Lands Agency • Scotland: Scottish Assessors Department 	
Valuation cycle	<ul style="list-style-type: none"> • Council tax: normally every 10 years • Uniform business rate: every 5 years 	A major revaluation of all residential properties in England, Wales and Scotland (approximately 22 million) is currently underway.
Objection & appeal	Initial objection is made to the Valuation department. After consideration a decision is communicated to the objector, who, if still aggrieved can appeal to the Local Valuation Tribunal. From there an appeal can be made to the Lands Tribunal and then to the Court of Appeal and House of Lords.	
Quality control measures	In-house quality checks	
Tax rates	<ul style="list-style-type: none"> • Uniform business rate (UBR) for commercial property is set by central government and is uniform across England. Wales and Scotland have different UBRs. • The council tax is set by each local government. 	2003/2004: 44.4p 2004/2005: 45.6p These tax rates are essentially 45.6% (for 2004/2005) based on the rental value of the property.
Exemptions	<ul style="list-style-type: none"> • Agricultural land and buildings • Places of public religious worship 	Government pays an amount in lieu of rates.

	<ul style="list-style-type: none"> • Properties occupied by charitable organisations • Sporting organisations • Diplomatic premises 	
<i>Tax Administration</i>		
Tax relief measures	<ul style="list-style-type: none"> • Various relief measures for proven cases of hardship • Discounts for prompt payment. 	
Collection	Lump sum and instalments	
Enforcement	<ul style="list-style-type: none"> • Penalty fines and interest for non-payment and late payments • Seizure of goods and property • Charge on property • Sale of property 	

Appendix 5-1: Overview of Property Tax Bases Utilized in the Commonwealth

Country	Land value	Capital value	Land and Improvements	Improvements only	Annual value	Area	Flat rate
Australia	X	X			X		
Antigua & Barbuda					X		
Bahamas	X	X					
Bangladesh					X		
Barbados	X	X					
Belize	X				X		
Botswana		X					
Brunei Darussalam					X	X	
Cameroon						X	
Canada		X					
Cyprus		X					
Dominica						X	
Fiji	X						
The Gambia					X		
Ghana				X			
Grenada			X				
Guyana		X			X		
India					X	X	
Jamaica	X						
Kenya	X						
Kiribati					X		
Lesotho		X					
Malawi		X					X
Malaysia		X			X		
Maldives	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Malta	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mauritius		X			X		
Montserrat	X		X	X			
Mozambique				X			
Namibia			X			X	
Nauru	N/A	N/A	N/A	N/A	N/A	N/A	N/A
New Zealand	X	X			X		
Nigeria		X			X	X	X
Pakistan					X		
PNG	X						
Samoa	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Seychelles	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Sierra Leone				X			
Singapore					X		
Solomon Is	X						
South Africa	X	X	X				
Sri Lanka					X		
St Kitts & Nevis					X	X	
St Lucia		X			X	X	
St Vincent & Grenadines					X	X	
Swaziland			X				
Tanzania				X			X
Trinidad & Tobago					X	X	
Tonga	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Tuvalu					X		
Uganda					X		
United Kingdom		X			X		
Vanuatu	X				X		
Zambia		X					X
Zimbabwe		X	X			X	