Property Taxation in Francophone Africa 4:
Case Study of Niger

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Abstract

The Lincoln Institute and the African Tax Institute (ATI), located at the University of Pretoria, South Africa, have formed a joint venture to better understand property-related taxation in Africa. Its goal is to collect data and issue reports on the present status and future prospects of property-related taxes in all 54 African countries, with a primary focus on land and building taxes and real property transfer taxes. Each individual report aims to provide concise, uniform and comparable information on property taxes within a specific country or region, considering both the system as legislated and tax in practice. This paper provides a detailed case study of property taxation in Niger.

The modern property taxation system in Niger is a legacy of the French rule. Since then, the system has experienced various reforms. Currently, property taxation is centred on an annual property tax levied on land and buildings. There are also various other property-related taxes. The property taxation system in Niger is subject to some problems and constraints linked to the structure of the taxes, and the limited management capacity of the fiscal administration. As a consequence, the revenues are marginal and have little impact on the budget of the Central Government and local governments. However, in the context of the decentralisation process underway in the country, property taxation can play a significant role as a source of revenues for the promotion of local development if certain appropriate measures are taken.

About the Author

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1. General background

Niger is a Sahelian country situated in the eastern part of West Africa. It is a vast country which covers an area of 1,267,000 km^2 (490,000 sq. miles) and has a total population estimated at 13 million inhabitants. A large part of the country is desert. The inhabitable area is in the southern band of the country, where agricultural crop land is located. The population density is approximately 8 inhabitants/km^2.

On the economic level, Niger is a member of the Least Developed Countries (LDCs). The gross domestic product (GDP) per inhabitant is US$ 284 (2007 est.). According to the Human Development Report (UNDP), Niger's human development index is one of the lowest in the world. However, in recent years, reforms have been undertaken, notably within the framework of the Strategy for Accelerated Development and Poverty Reduction (*Stratégie de Développement Accéléré et de Réduction de la Pauvreté* - SDRP). The new mining policy implemented by Niger, with the diversification of partners and the signature or uranium and oil mining contracts, means significant economic repercussions can be expected for the country.

A former French colony, and a member of French West Africa (FWA), Niger gained its independence on 3 August 1960. Politically speaking, Niger is a unitary state. Since the country acquired international sovereignty, several political regimes have followed on from each other, along with political upheavals. The constitution of 9 August 1999, which created the IV Republic, established the semi-presidential system. It guarantees basic freedoms and rights, including property rights.

As a result of its historic links with France, Niger, following the example of other previous colonies, maintained the French legal and administrative tradition. The so-called "modern" legal system is strongly inspired by the French system; it coexists with customary law which has continued to prevail in certain areas such as family and land laws. The modern administrative organisation is also inspired by the French system. Property rights in the sense of the French Civil Code are recognised, as is customary tenure, formalised through the Rural Code (1993). Niger recently embarked upon a decentralisation process, which led to the creation of new territorial units, namely regions, departments and communes. The 265 communes (urban and rural) were established following the first local elections in 2004. These are the only units with elected representatives, which show that the decentralisation process is partial, and not yet complete. The traditional chiefdom system is recognised in Niger, and its status is defined by the law. As auxiliaries of the government, traditional chiefs are key players in local governance. They have a significant support role with regard to administration, dispute settlement, and the collection of local taxes.

2. Main characteristics of the property taxation system in Niger

2.1 Historic background

Niger's current tax system is a legacy of colonisation by the French, during which time the colonisers introduced certain taxes, such as property taxes. This system was adopted when the country gained its independence. The few reforms that have been implemented since that time have not really revolutionised the system established during that era. The most recent reform, implemented in 2007, consisted of merging the tax on developed land levied on individuals and the property tax applied to legal entities[1]. At the same time, the fixed tax on land and property rights (*Impôt forfaitaire sur le droit de propriété foncière et immobilière*) was withdrawn.

In addition to taxes on developed and undeveloped land, which have taken many forms over time, there are other taxes related to land and property.

2.2 The main land and property taxes in Niger

The land and property taxes currently imposed in Niger are basically the following:[2]

- property tax
- special tax on capital gains related to property transfer

As well as these taxes, there are other levies on property, namely land registration duties, which coves all the duties payable at the time of registration of property transfers and leases, concessions, changes, title deed establishments, mortgage registrations and releases, as well as stamp duties and the land registrar's fees.

2.3 Property Tax (taxe immobilière - TI)

Property tax is the main land tax in Niger, and was instituted by the Finance Law of 2008. It is a fusion of the two pre-existing property taxes, namely the property tax levied on individuals and the property tax that applied to legal entities.

2.3.1 Taxable property

The following properties are taxable:

- Developed land: houses, factories, workshops, shops, warehouses, garages. Included in this scope are structures that are permanent, semi-permanent, improved or ordinary adobe, and permanently attached to the ground. It may be noted that the indication of the type of structures subject to tax, which covers "modern" structures as well as traditional dwellings, seems to show the lawmakers' commitment to expanding their scope.

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[1] 2008 Finance Law, JORN

[2] This tax was only in existence for a short time: instituted in 2006, it was abolished by the 2008 Finance Law. This decision seems to have been dictated by the low returns on this tax and its very high management cost.

- Uncultivated commercial, industrial or small-scale lands: this essentially refers to building sites, storerooms and other similar properties, and notably excludes cultivated land: fields, gardens, orchards. The policy option to exclude these types of property appears to be dictated by the specific situation of the country, which is based on agriculture, with small farming operations, especially in the rural areas. The taxation of such operations would hinder the development of agriculture, which already faces many difficulties, and would be a serious obstacle to the attainment of food self-sufficiency, a national priority in Niger.

- The floors of all kinds of buildings and land attached to them.

2.3.2 Tax base

A distinction is made according to whether the taxed property belongs to individuals or legal entities:

- the tax is based on the rental value for land belonging to individuals

- the tax is based on the fixed asset value for land belonging to legal entities

2.3.3 Taxable individuals

Persons subject to property tax are:

- Building owners: the owner of a building from 1 January of the tax year: in the event of a transfer, the purchaser pays the tax, starting from the transfer date.
- Usufructuaries (in the event of usufruct)
- Lessees (or emphyteutic lessees in the case of emphyteutic leases)
- Transferees (in the event of hire-purchase and from the commencement date)

However, it should be emphasised that the property tax system is not the same system for individuals as for legal entities.

2.3.4 Tax rate

The tax rate is not the same for properties belonging to individuals and legal entities.

Property belonging to individuals:

- 10% for commercial, industrial, professional or rented out premises
- 5% for premises used for other purposes, notably as residences, secondary residences or free residences

Property belonging to legal entities:

- 1.5% of the value of the fixed asset

2.3.5 Exemptions

There are permanent and temporary exemptions.

Permanent exemptions

The following are permanently exempt from property taxes:

1. buildings being used for public worship
2. school and university buildings
3. buildings used for medical assistance or social welfare works
4. buildings used for agricultural operations to house animals or store crops
5. buildings belonging to foreign governments, allocated to the chancellery and the official residences of their diplomatic and consular missions accredited by the Government of Niger, subject to reciprocity
6. buildings used as a principal household residence
7. ordinary or improved adobe buildings that are not used for income generation purposes
8. buildings or structures belonging to the State, territorial units, and public administrative institutions that do no generate income.
9. facilities that, in river ports or airports or domestic waterways are subject to public utilities concessions granted by the Government to chambers of commerce or municipalities, and are operated under conditions set by a book of specifications.
10. works established to distribute drinking water or electricity belonging to the State and territorial units
11. buildings belonging to non-profit associations carrying out their activities
12. cemeteries
13. buildings belonging to individuals or legal entities whose exclusive objective is the purchase and sale of buildings, except those buildings which they use or which they do not intend to sell
14. buildings belonging to companies, irrespective of their type, whose exclusive objective is the construction and sale of buildings
15. organisations and groupings whose resources are exclusively used for medical and social assistance works.

Temporary exemptions

Such exemptions refer to new structures, for a period of 2 years. In order to benefit from this exemption, the owner must make a declaration to the tax authority.

At this level, it may be noted that there are an excessive number of exemptions: they are too numerous and exclude from taxation many kinds of property that could generate income. The result is a drastic erosion of the potential tax base.

2.3.6 Valuation

The rules for valuation and estimation of property values differ depending on whether the property belongs to individuals or legal entities. With regard to property belonging to legal entities, the taxable base is the value of the fixed asset, in other words, the value of the building as it appears on the balance sheet. The system is defined by accounting law. The system for valuing the property of legal entities is more complex, in that there are different valuation procedures provided for by law:

- through authentic leases: taking into account the rents set at 1st of January of the tax year
- comparison with the rental value of reference premises
- administrative estimates

In practice, estimation of the value of taxed properties is difficult, particularly those belonging to legal entities. In fact, noting that the property rental market is very under-developed, it is rare for buildings to be rented out between individuals who hold authentic leases. Most leases are agreed to verbally. As a result, authentic leases can only be used as references in rare cases. The same difficulty arises when a comparison needs to be made with reference premises. The third valuation procedure consists of administrative estimates. This method of estimation, at the discretion of the tax authority, appears to be subjective, and opens the door to certain illegal practices.

2.3.7 Administration

Administration of the Property Tax, following the example of previous property taxes, is essentially carried out at central level. In fact, the General Tax Directorate (*Direction Générale des Impôts - DGI*), through is decentralised services, is responsible for the settlement and collection of the tax. In principle, a function is established every year, with collection being handled by tax officers. Property taxes, which are entirely managed at the central level with regard to setting the rates of the tax base as well as collection, therefore appear to be a State tax. A fraction of the revenue is transferred to the communities, in accordance with a formula defined by the Finance Law. This marks an essential difference from countries where land and building taxes are conceived of as local taxes.

Note should also be made of the low level of collection of property taxes. There are several explanations for this situation:

- The low level of identification of taxable properties: few titles deeds are drawn up, including in the urban areas, as most ownerships are established on provisional deeds, namely transfer deeds issued by municipalities, which are often not even the subject of transfer during subsequent transfers.

- The inadequacy of tax administration methods and the lack of motivation of tax officers in collecting taxes which structurally have a low return[3].

- Lack of public spirit related to taxation, exacerbated by the absence of coercive measures. In reality, individual property owners generally avoid tax because they run practically no risk by abstaining from settling their obligations and, anyway, they are difficult to identify, unlike legal entities.

2.4 Importance and role of land and property taxes in Niger

Income generated by land and property taxes in Niger is very low. It represents less than 2% of total revenue from taxes and approximately 0.1% of GDP (see table).

It should be specified that revenue from land and property taxes is shared out between the State and the communities. Before the overhaul carried out in 2007, the scale was 60% for the State and 40% for the communities, with regard to tax on developed land belonging to individuals as well as tax on property belonging to legal entities. The new scale for the single property tax is 80% for the State and 20% for the communities.

Despite the low level, income from property taxes amounts to a large proportion of the revenue of the territorial units which have a serious problem with mobilisation of resources. Retroceded revenue counts for approximately 40% of the revenue of the Niamey I Commune, one of the five communes of the capital, Niamey[4], for example.

[3] It was reported to us the that tax departments prefer to concentrate their efforts on high-yield taxes, such as the Single Wage Tax (Impôt unique sur les traitements et salaires – IUTS), Value Added Tax (VAT) and Corporate Income Tax (IS), rather than pursuing the collection of property tax, which is a low-return tax, with all its incumbent constraints.

[4] Source: Niamey Commune I Municipality.

Table: Revenue from land and property taxes (millions of F CFA)

LAND AND PROPERTY TAXES[a]	**2004**	**2005**	**2006**	**2007**
Tax on property belonging to legal entities	1,154.5	1,149.7	1,252.4	1,227.7
Tax on developed land belonging to individuals[b]	261.5	440.1	687.6	734.9
Special tax on capital gains related to property transfer	39.8	50.8	37.4	27.6
Fixed tax on land and property rights[c]	0.0	0.0	9.6	40.8
Total	1,455.8	1,640.6	1,987.0	2,031.0
Land and property tax as a % of revenue from taxes[d]	**1.8** (79,146)	**1.9** (84,554)	**1.9** (104,630)	**1.5** (130,433)
Land and property tax as a % of GDP[e]	**0.1** (1,468,393)	**0.1** (1,777,043)	**0.1** (1,906,837)	**0.1** (2,035,386)

Source: National Institute of Statistics (Institut National de la Statistique - INS), the General Tax Directorate (Direction Générale des Impôts - DGI), and the author's calculations.

[a] This refers to the main direct land and property taxes, with the exclusion of other levies related to real estate (registration and land registry duties, etc).

[b] The Finance Law for the year 2008 instituted a single property tax, which is a fusion of the property tax for legal entities and the tax on properties belonging to individuals. The two taxes indicated separately here will be replaced as of 2008 by a single property tax.

[c] Tax abolished in 2008: was only collected in 2006 and 2007.

[d] The total revenue from taxes per reference year is indicated in brackets (in millions of F CFA).

[e] Gross Domestic Product (GDP) is indicated in brackets for each reference year (in millions of F CFA).

3. Problems and constraints

The property tax system in Niger is subject to different types of problems and constraints. This explains the low level of revenue from land and property taxes and their limited impact on development funding, on the national as well as local level.

The factors that could explain this situation are related to the actual taxation structure, the identification of property, the collection, allocation and use of revenue.

3.1 Structural problems with land and property taxation

3.1.1 High property tax rate

Before the 2007 reform, rates were, according to their purpose, 7%, 12% and 20% of the rental value for properties belonging to individuals, and 2.5% of the property value or the prime cost of the property. The 2008 Finance Law, which instituted the single Property Tax, reduced these rates to 5 and 10% respectively of the rental value (property belonging to individuals) and 1.5% of the fixed asset value (property belonging to legal entities). Nevertheless, the property tax rate is still high in the different hypothetical cases.

This high rate, together with the narrowness of the taxable base, could lead to a lack of public spirit with regard to taxes, and no efficient mechanism was set up in order to force taxpayers meet their obligations. The result is that the amount levied on properties belonging to legal entities, that are easier to identify and pressurise, is clearly more substantial than that on properties belonging to individuals. This notably explains the discontent of business leaders who complain about the high property tax rate, which is perceived as taxation on the capital.

3.1.2 Superposition of different taxes, and inconsistency of the land and property tax system

Several types of taxes apply to land and property, a system which is not well received by taxpayers. This situation has resulting in the legislative body abolishing the fixed tax on land and property rights, in an attempt at rationalisation. This tax, which was instituted for the 2006 tax year, was only in existence for a short time (2 years). The argument officially put forward regarding the abolishment of this tax was its low level of profitability. In fact, being set on provisional deeds (property transfer deeds), its management cost was seen to be very high in relation to the income generated.

In addition, through the establishment of a single property tax, the impression was given of a reform aimed at improved consistency within the land and property tax system. In reality, it is nothing of the sort. One of the major changes brought about relates to the reduction of the tax rate. The taxable base has hardly been adjusted, with the admission of numerous exemptions. The result can only be logically translated by a decrease in revenue resulting from land and property taxes. The implementation of the new single property tax over the years to come will enable verification of this assertion.

3.1.3 Concentration of property taxation in the urban areas

Taking its structure into account, the property tax system in Niger mainly affects certain properties located in the urban areas, and most properties (residences, fields, gardens, orchards, etc) are exempt from taxation. The result is the concentration of taxation in the urban areas, particularly in the industrial areas, where factories and business are set up (example of the capital, Niamey). In other words, as taxation is not fairly distributed, there is inefficiency and the issue of equity.

3.2 Difficulties related to the identification of taxable properties and taxpayers

One of the main problems of the land and property tax system in Niger is that of property identification, which has a negative impact on the collection of land taxes. There is a land registry system for tax purposes, but it does not cover the country as a whole. In addition, a system of land registration has been in force since the colonial period, but this system is not effective. A large part of the land, especially in rural areas, is governed by customary law, with uncertainties related to the nature of the real rights that apply. This poses the problem of land security. The Rural Code adopted in 1993 attempts to clarify customary land rights by formalising them. From that time, a simplified procedure in rural areas has allowed for the allocation of "rural land deeds" which have the value of real property deeds. However, this new system has been slow to establish itself. Taking into account the complexity and cost of the procedure of drawing up land deeds, definitive deeds conferring full legal ownership, the public authorities initiated a new system of "simplified land deeds" from 2006. This should promote the generalised establishment of title deeds, enabling land ownership to be more secure and easier to identify.

3.3 Difficulties related to collection

Difficulties related to the collection of land and property taxes are closely linked to problems in identifying taxable properties and taxpayers. Collection seems to be the real Achilles heel of the land tax system in Niger. In fact, the collection rate is particularly low with regard to properties belonging to individuals, that is 15 to 20%, although it would be around 95% for properties belonging to legal entities[5].

This situation can be explained by the greater ease in taxing legal entities as they are easier to identify than individual owners, the majority of whom balk at paying property taxes, owing to their amount, which is considered to be relatively high, or simply because of a lack of civic spirit. Another explanation lies in the fact that the tax authority, in the face of numerous difficulties, prefers to concentrate its efforts on more profitable taxes such as the Single Wage Tax (Impôt unique sur les traitements et salaires - IUTS), Value Added Tax (VAT) and Corporate Income Tax (IS).

The reality is that tax administration methods are limited: insufficient personnel and equipment, logistical problems, etc. Legislation has made provision for methods of pressurising recalcitrant taxpayers; however, such penalties are rarely implemented. The lack of political commitment, the low level of the tax authority's capacity, the

[5] Estimation provided by a senior Tax Authority employee during an interview in January 2009.

lack of public spirit on the part of the citizens, and even the corruption of the tax officers constitute as many obstacles to the collection of property taxes.

3.4 Problems related to the allocation and use of revenue

In Niger, differently from other countries, property tax is not really a local tax. In fact, this tax is entirely centrally managed, through the General Tax Directorate (DGI) and its decentralised departments, with regard to all operations related to tax bases, payments and collection. The territorial units, particularly the communes, have no jurisdiction in this regard, and a part of the revenue is simply retroceded to them. In fact, the collected revenue is shared between the State and the territorial units, according to a scale determined by law. Currently, the scale is the following[6] :

- 80% for the State
- 20% for territorial units.

The conclusion that can be drawn from this situation is the low level of decentralisation of the tax system. The consequences are, notably, the lack of visibility of land and property taxes on the local scale, and their low level of impact on local development as a funding source.

4. Perspectives

The land and property tax system could constitute a significant source of income, particularly for a developing country like Niger, and it could also play a major accompanying role in the ongoing decentralisation process. It is an instrument which, if used efficiently and effectively, could make a significant contribution towards achieving the objective of grassroots development. However, because of various problems and constraints, the current land taxation system in Niger does not seem to meet these goals. What should be done? What could be done to make the land and property taxation system meet these expectations? The most credible solution seems to lie within rationalisation of this specific tax system. In-depth and well considered reform would no doubt be essential. Although the land tax system is generally considered to be complex, certain measures could contribute towards its optimisation. In this regard, the following recommendations could notably be made:

- Optimisation of the property tax system through revision of the taxable base and applied rates, taking into account aspects related to both income generation and equity. The system of exemptions (too numerous) is a handicap to the property tax system in Niger, and should be reviewed.

- Improvement in the collection procedure, which would presuppose major efforts towards clarifying land and property ownership and the implementation of updated cadastral registration. More generally, improvement in the management of land and property taxes.

[6] Up until 2005, the scale for the distribution of land and property tax revenue (Land Tax, Property Tax and the Fixed Tax on Land and Property Rights) was 60% for the State and 40% for the territorial units. Law no. 2005-26 of 15 November 2006 (2006 Finance Law) amended this rate to 80% for the State and 20% for the territorial units.

- The progressive implementation of decentralisation, giving a greater role to local communities (notably communes) in managing land and property taxes, while allowing them to get more of the generated revenue for the promotion of local development. The system of retroceding State revenue to territorial units must be progressively abandoned, because it is unbalanced, to the detriment of the territorial units. Land and property taxes are a potential source of significant revenue for local communities.

- The main property taxes in Niger appear to be capital taxes. This is notably the case with the capital gains tax on capital disposal and the tax on properties belonging to legal entities which is based on the value of the capital assets. On the contrary, the tax on properties belonging to individuals, which is based on the rental value of the property, features as a tax on rental revenues. The question may be asked as to whether a move should be made towards a system of revenue taxation rather than capital taxation.

- Raising public awareness with a view towards developing civic spirit, particularly with relation to the land and property tax system. There is no relevant tradition in Niger: the public authorities should thus guide citizens towards understanding the challenges related to the local tax system, and supporting it. Collaboration by the traditional authorities should be made use of to this effect. In addition, the tax system should be simplified, in order to make it accessible to the population, the majority of which is illiterate.

- Generally speaking, in terms of the decentralisation process underway in Niger, comprehensive discussions should be embarked upon with regard to the mobilisation of local resources. This should lead towards rationalisation of the local tax system in general, and an integrated approach towards the various local taxes, including land and property taxes.

The proposed focal points for reform should evidently not be envisaged hastily. The process should mature over time, as in this way, suitable solutions can be obtained.

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Appendix I

Country: Niger

Basic Country Information			
Geographic size	1,267,000 km^2 (490,000 mi^2)	Independence	August 3, 1960 (from France)
Capital city	Niamey	Population	13 million (2008 est.)
Secondary cities/towns	Agadez, Diffa, Dosso, Maradi, Tahoua, Tillabéry, Zinder	Urbanisation	16,3%
System of government	Semi-presidential	GDP (per capita)	US$ 284
Government Structures			
Levels/Tiers of government	Four levels of government, namely: - central government, - regions, - departments, - communes (urban and rural)		
Traditional authorities or chiefdoms	Traditional chiefs are recognised, and their status is sanctioned by law. As auxiliaries of the government, traditional chiefs are key players in local governance because of their multiform role: administration, taking part in the compilation of development plans, settling disputes, tax collection, etc.		
Land Issues and the Property Market			
Land tenure	No data		
Land titling/registration	No data		
Land rent	No data		
Property Market	The property market is poorly developed, mainly because of the predominance of the customary possession of land. Customary owners balk at using property experts or estate agents for their transactions. However, there are currently some estate agents in the capital. Niamey, which is not the case in other towns within the country. Their activities are not formally regulated by law. Most developers have no formal training in the real estate world. There are trained on the job (self—trained), and rely on a network of informal intermediaries. The rental market is also very poorly developed. Leases are generally agreed to verbally between the lessor and the lessee. Rental amounts are determined by mutual agreement. However, there are a few scarce estate agents involved with rentals. Their services are especially aimed at a wealthy clientele, notably international officials and expatriates.		
Taxes			
National	• Property tax (fusion in 2008 of the tax on property belonging to individuals, and the tax on properties belonging to legal entities) • Special tax on capital gains related to property transfer		
Sub-national	None		
Property-related Taxes: National			
Property Transfer Tax	Transfer duties		
Capital Transfer Tax	Succession and donation duties		
Capital Gains Tax	Special tax on capital gains related to property transfer		
Property-related Taxes: Sub-national			
	None		

Annual Property Tax

Annual Property Tax		
Relevant Legislation: Law no. 2007-36 of 10 December 2007 relating to the Finance Law for the 2008 budgetary year (Special JORN no. 17 of 31 December 2007), amended by Law no. 2008-48 of 24 November 2008 relating to the Finance Law for the 2009 budget year (special JORN no. 15 of 31 December 2008).		
	Legislation	***Practice***
Tax Base & Taxpayer		
Tax base	• For individuals: the rental value of the property • For legal entities: the fixed asset value	
Coverage of tax base	• Developed properties: houses, factories, workshops, stores, warehouses, garages (all permanent or semi-permanent structures in improved or ordinary adobe attached permanently to the ground) • Uncultivated land, used for commercial, industrial or small-scale purposes (buildings sites, merchandise storerooms, etc.) • The floors of all kinds of buildings and land attached to them.	
Taxpayer	• Owner of the property on the 1st January (buyer, in the event of transfer, from the date of the transfer) • In the case of usufruct: the usufructuary • In the case of an emphyteutic lease: lessee or emphyteutic lessee • In the case of hire-purchase: transferee, from the commencement date.	
Valuation & Assessment		
Valuation	The rental value is determined according to three different procedures: • through authentic leases: taking into account the rents set at 1st of January of the tax year • comparison with the rental value of reference premises • administrative assessment	
Responsibility for valuations	The practical modalities for valuing properties developed for residential, industrial, commercial, professional or small-scale purposes are studied and decided upon by a local commission, as	

	are the rental value reviews The composition, assignments and operational method of the local commission are set through regulations.	
Valuation cycle	5 years (Article 3, paragraph 3 of Decree no. 98-064/PRN/MF/RE/P of 19 March 1998 relating to implementation of Article 16 of Law no. 97-45 of 15 December 1997 relating to the Finance Law for the year 2008 on land and property taxes)	Since the adoption of this legislation, it is doubtable whether the various valuation and land review commissions have been established.
Objection & appeal	Requests for exemptions or reductions, aimed at ensuring correction of errors made in the taxable base or the calculation of taxes, or benefiting from a legislative or regulatory provision are sent by taxpayers to the Ministry of Finance or his appointee (Article 70, 1998 Decree). In the event of a dispute over the cadastral value given to the property, the taxpayer can send a complaint to the Head of the Tax Centre, indicating the subject of the dispute. In the event the dispute is well-founded, the Minister of Finance will right the matter (Article 76, 1998 Decree).	
Quality control measures		
Rate Setting and Tax Relief		
Tax rates	*Property belonging to individuals* • 10% for commercial, industrial or professional or rented out premises • 5% for premises used for other purposes, notably as residences, secondary residences or free residences • *Property belonging to legal entities:* 1.5% of the value of the fixed asset	
Exemptions	There are permanent and temporary exemptions. *Permanent exemptions* This refers to: 16. buildings being used for public worship 17. school and university buildings 18. buildings used for medical assistance or social welfare works 19. buildings used for agricultural operations to house animals or to store harvests 20. buildings belonging to foreign	

	governments, allocated to the chancellery and the official residences of their diplomatic and consular missions accredited by the Government of Niger, subject to reciprocity 21. buildings used as a principal household residence 22. ordinary or improved adobe buildings that are not used for income generation 23. buildings or structures belonging to the State, territorial units, and public administrative establishments that do no generate income. 24. facilities that, in river ports or airports or domestic waterways will be subject to public utilities concessions granted by the Government to chambers of commerce or municipalities, and operated under conditions set by a book of specifications. 25. works established to distribute drinking water or electricity belonging to the State and territorial units 26. buildings belonging to non-profit associations carrying out their activities 27. cemeteries 28. buildings belonging to individuals or legal entities whose exclusive objective is the purchase and sale of buildings, except with regard to those buildings that they use or that they do not intend to sell 29. buildings belonging to companies, irrespective of their type, whose exclusive objective is the construction and sale of buildings 30. organisations and groupings whose resources are exclusively used for medical and social assistance works. *Temporary exemptions* These refer to new structures, for a period of 2 years.	
Tax relief measures	Tax reductions are possible for legal entities fulfilling certain conditions, and who make the request, at the rate of: • 70% reduction for public institutions and industrial, commercial, professional or small-scale statutory companies. • 90% for sporting, cultural and social institutions.	
Tax Administration		
Billing	Tax Department (General Tax Directorate)	

Collection	Tax Department (General Tax Directorate)	
Enforcement	Tax Department (General Tax Directorate)	
Additional Comments		
Importance of property tax	The level of income from land and property taxes is very low, representing less than 1% of total revenue from taxes, and around 0.1% of GDP	
Role of the property tax	Taking into account the low level of revenue, the property tax system plays a marginal role in funding local development. A major part of the revenue (80%) is retained by the State, which only retrocedes 20% to territorial units.	

Property Transfer Tax

Special tax on capital gains related to property transfer		
Relevant Legislation: Finance Law 2001, JORN of 22 December 2000		
	Legislation	***Practice***
Tax Base & Taxpayer		
Tax base	Difference between the transfer price or expropriation allowance and the acquisition price by the transferor or the market value of the property on the date of the free transfer.	In practice, property transfer prices between individuals are concealed or played down. In this regard, a practice has development consisting of the parties drawing up an "affidavit of sale" with no indication of the transfer price. In some cases, the property sale deeds drawn up by notaries contain an indication of price together with a comment that "the price was paid outside of the Notary's accounting system". The main effect of this formula is to release the relevant notary from liability, when the parties agree to play down the transfer price in order to reduce the capital gains tax amount. Revenue continues to be very low, although property speculation does exist, particularly in the capital, Niamey. The Tax Authority is aware of illegal practices (playing down the transfer price) but is powerless: it has no available funds and is in no position to exercise its pre-emption which would have allowed the taxes to be maintained.
Coverage of tax base	Special tax on capital gains related to property transfer applies: • in the event of a transfer for a fee of developed or undeveloped land • in the event of expropriation of developed or undeveloped land	
Taxpayer	• *In the event of transfer for a fee:* the transferor • *In the event of expropriation:* the expropriated party who receives the expropriation allowance	
Valuation & Assessment		
Valuation	No data	
Responsibility for valuations	No data	
Objection & appeal	No data	
Rate Setting and Tax Relief		
Tax rates	15%	

Exemptions	No data	
Tax relief measures	No data	
Tax Administration		
Billing	Accounts Department of the General Tax Directorate (DGI)	
Collection	Accounts Department of the General Tax Directorate (DGI)	
Enforcement	No data	
Additional Comments		