

**Francophone Africa 4 Appendix 1:  
Niger**

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Working Paper**

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# Niger



<b>Basic Country Information</b>			
Geographic size	1,267,000 km <sup>2</sup> (490,000 m <sup>2</sup> )	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
<b>Government Structures</b>			
Levels/Tiers of government	Four levels of government, namely: <ul style="list-style-type: none"> <li>- central government,</li> <li>- regions,</li> <li>- departments,</li> <li>- communes (urban and rural)</li> </ul>		
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.		
<b>Land Issues and the Property Market</b>			
Land tenure	No data		
Land titling/registration	No data		
Land rent	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.		
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.		
<b>Taxes</b>			
National	<ul style="list-style-type: none"> <li>• Property tax (fusion in 2008 of the tax on property belonging to individuals, and the tax on properties belonging to legal entities)</li> <li>• Special tax on capital gains related to property transfer</li> </ul>		
Sub-national	None		
<b>Property-related Taxes: National</b>			

Property Transfer Tax	Transfer duties
Capital Transfer Tax	Succession and donation duties
Capital Gains Tax	Special tax on capital gains related to property transfer
<b><i>Property-related Taxes: Sub-national</i></b>	
	None

<b><i>Annual Property Tax</i></b>		
<b>Relevant Legislation:</b> 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).		
	<b><i>Legislation</i></b>	<b><i>Practice</i></b>
<b><i>Tax Base &amp; Taxpayer</i></b>		
Tax base	<ul style="list-style-type: none"> <li>• For individuals: the rental value of the property</li> <li>• For legal entities: the fixed asset value</li> </ul>	
Coverage of tax base	<ul style="list-style-type: none"> <li>• Developed properties: houses, factories, workshops, stores, warehouses, garages (all permanent or semi-permanent structures in improved or ordinary adobe attached permanently to the ground)</li> <li>• Uncultivated land, used for commercial, industrial or small-scale purposes (buildings sites, merchandise storerooms, etc.)</li> <li>• The floors of all kinds of buildings and land attached to them.</li> </ul>	
Taxpayer	<ul style="list-style-type: none"> <li>• Owner of the property on the 1<sup>st</sup> January (buyer, in the event of transfer, from the date of the transfer)</li> <li>• In the case of usufruct: the usufructuary</li> <li>• In the case of an emphyteutic lease: lessee or emphyteutic lessee</li> <li>• In the case of hire-purchase: transferee, from the commencement date.</li> </ul>	
<b><i>Valuation &amp; Assessment</i></b>		

Valuation	<p>The rental value is determined according to three different procedures:</p> <ul style="list-style-type: none"> <li>• through authentic leases: taking into account the rents set at 1<sup>st</sup> of January of the tax year</li> <li>• comparison with the rental value of reference premises</li> <li>• administrative assessment</li> </ul>	
Responsibility for valuations	<p>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</p> <p>The composition, assignments and operational method of the local commission are set through regulations.</p>	
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 this adoption of this legislation, it is doubtful whether the various valuation and land review commissions have been established.
Objection & appeal	<p>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).</p> <p>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).</p>	
Quality control measures		
<b><i>Rate Setting and Tax Relief</i></b>		
Tax rates	<p><i>Property belonging to individuals</i></p> <ul style="list-style-type: none"> <li>• 10% for commercial, industrial or professional or rented out premises</li> <li>• 5% for premises used for other purposes, notably as residences,</li> </ul>	

	<p>secondary residences or free residences</p> <ul style="list-style-type: none"> <li>•</li> </ul> <p><i>Property belonging to legal entities:</i> 1.5% of the value of the fixed asset</p>	
Exemptions	<p>There are permanent and temporary exemptions.</p> <p><i>Permanent exemptions</i></p> <p>This refers to:</p> <ol style="list-style-type: none"> <li>1. buildings being used for public worship</li> <li>2. school and university buildings</li> <li>3. buildings used for medical assistance or social welfare works</li> <li>4. buildings used for agricultural operations to house animals or to store harvests</li> <li>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</li> <li>6. buildings used as a principal household residence</li> <li>7. ordinary or improved adobe buildings that are not used for income generation</li> <li>8. buildings or structures belonging to the State, territorial units, and public administrative establishments that do not generate income.</li> <li>9. 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.</li> <li>10. works established to distribute drinking water or electricity belonging to the State and territorial units</li> <li>11. buildings belonging to non-profit associations carrying out their activities</li> <li>12. cemeteries</li> <li>13. 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</li> <li>14. buildings belonging to companies,</li> </ol>	

	<p>irrespective of their type, whose exclusive objective is the construction and sale of buildings</p> <p>15. organisations and groupings whose resources are exclusively used for medical and social assistance works.</p> <p><i>Temporary exemptions</i> These refer to new structures, for a period of 2 years.</p>	
Tax relief measures	<p>Tax reductions are possible for legal entities fulfilling certain conditions, and who make the request, at the rate of:</p> <ul style="list-style-type: none"> <li>• 70% reduction for public institutions and industrial, commercial, professional or small-scale statutory companies.</li> <li>• 90% for sporting, cultural and social institutions.</li> </ul>	
<b><i>Tax Administration</i></b>		
Billing	Tax Department (General Tax Directorate)	
Collection	Tax Department (General Tax Directorate)	
Enforcement	Tax Department (General Tax Directorate)	
<b><i>Additional Comments</i></b>		
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.	

<b>Special tax on capital gains related to property transfer</b>		
<b>Relevant Legislation:</b> Finance Law 2001, JORN of 22 December 2000		
	<b><i>Legislation</i></b>	<b><i>Practice</i></b>
<b><i>Tax Base &amp; Taxpayer</i></b>		

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 developed 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: <ul style="list-style-type: none"> <li>• in the event of a transfer for a fee of developed or undeveloped land</li> <li>• in the event of expropriation of developed or undeveloped land</li> </ul>	
Taxpayer	<ul style="list-style-type: none"> <li>• <i>In the event of transfer for a fee:</i> the transferor</li> <li>• <i>In the event of expropriation:</i> the expropriated party who receives the expropriation allowance</li> </ul>	
<b>Valuation &amp; Assessment</b>		
Valuation	No data	
Responsibility for valuations	No data	
Objection & appeal	No data	
<b>Rate Setting and Tax Relief</b>		
Tax rates	15%	
Exemptions	No data	
Tax relief measures	No data	
<b>Tax Administration</b>		

Billing	Accounts Department of the General Tax Directorate (DGI)	
Collection	Accounts Department of the General Tax Directorate (DGI)	
Enforcement		
<i>Additional Comments</i>		