

**Anglophone East Africa Appendix 5:
Mauritius**

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Mauritius



Basic Country Information			
Geographic size (km ²)	2040 Km ²		Date of Independence: 12 March 1968 12 March 1992 Republic of Mauritius
Capital city	Port-Louis	Population (est)	1.2 Million, Including Rodrigues and other islands
Secondary cities	<ul style="list-style-type: none"> • Beau-Bassin • Vacoas Phoenix • Quatre-Bornes, Curepipe 	Urbanization:	41.8%
System of government	Democratic Westminster Model	GDP	R248,744 Million
Government Structures			
Levels/Tiers of government	2 levels of government namely: Central Government and Local Government (Municipalities and District Councils)		
Land Issues and the Property Market			
Land tenure systems	Government and Private land <ul style="list-style-type: none"> • Freehold • Leasehold – 60 years – 99 years 		
Land titling/registration	Registration of Titles		
Does national government charge land/ground rent	Yes, Annual Land Rent		
Property market (developed, formal/informal)	Active and formal. Developed		
Most Important Taxes and sources of Revenue			
National taxes	Road Tax, Custom and Exercise Duty, VAT, Income Tax, and Transfer Tax on land		
Local authority taxes	General Rate/House Rate		
Property-related Taxes			
National	<ul style="list-style-type: none"> • Property transfer tax • Annual Land Rent • National Residential Property Tax (NRPT) 		
Local Authority	General Rate/House Rate		

Annual Property Tax

General Rate/House Rate		
Ordinances		
<i>Local Government Act 1989</i>		
	Legislation	Practice
Tax Base & Taxpayer		
Tax base	Annual Value of both land and building based on market rentals.	
Tax Coverage (extensive or poor)	Applied to all properties in the urban areas	
Taxpayer (owner or occupier)	Owner of the property	
<i>Valuation & Assessment</i>		
Value based or area based system?	Value based on market rentals	
Valuation (e.g. annual/rental or capital value)	Annual Rental Value	
Responsibility for valuations (central or local government and/or private sector)?	Central government-Valuation Office in the Ministry of Finance and Economic Empowerment	
Valuation cycle	A period of not less than 5 years	
Objection and appeal	Objections may be on the grounds of inclusion in or omission from the valuation list, and on any value ascribed	
External quality control measures	None	
<i>Rate Setting & Tax Relief</i>		
Responsibility (local or central)?	Rates struck set by respective councils	
Tax rates	Different rates are levied depending on the property use.	
Exemptions	The general rate shall not be levied in respect of:	

	<ul style="list-style-type: none"> • any property belonging to the Government • any property belonging to and occupied by any foreign government or any organization or body accorded diplomatic immunity under any enactment • any property owned and occupied by a council and lying within its own rating area • any church, chapel, mosque, temple or similar building used solely as a place of public religious worship • any agricultural building or agricultural land • any property belonging to the Curepipe War Memorial Board or to the Austin Wilson Home <p>Every council may decide that no general rate or that a part only of the General rate shall be levied in any financial year in respect of:</p> <ul style="list-style-type: none"> • any property belonging to and occupied solely by a religious institution • any property used for the purpose of a Government primary school or a primary school in receipt of grant-in-aid from Government funds. • any property use solely as an orphanage, an infirmary, or a crèche • any property or any part thereof: <ul style="list-style-type: none"> i. used for the purposes of training its members for sporting competitions or used for social and cultural activities: and ii. owned by an association registered under the Registration of Associations Act, the main objects of which are the promotion of sport and the training of its members for competitive sports and the promotion of social and cultural activities. 	
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	<p>The Ministry may, by regulations, provide that no general rate or that a part only of the general rate shall be levied in respect of:</p> <ul style="list-style-type: none">• any property used for the purpose of an approved secondary school registered under the Education Act, where the general rate in respect of the property is leviable on the person who is responsible financially for the administration of the school• any property belonging to the Central Electricity Board and used in connection with the generation, transmission and distribution of electricity• any property or any part thereof used solely for the purpose of an industry or hotel in respect of which a development certificate or an EPZ certificate or a hotel and management certificate has been given under any enactment, provided the owner of the property is the company to whom such certificate has been given.• any property, where the Minister considers it expedient. <p>Every council may, subject to the approval of the Minister, remit the whole or part of the general payable by any person on account of his poverty.</p> <ul style="list-style-type: none">• The Minister may require the council to submit a return showing the persons who have obtained a remission, either in whole or in part, or the general rate together with the amount remitted in each case, and stating the reason for such remission, and may, if not satisfied, that any such remission was satisfied, direct that the amount so remitted be collected from the ratepayer. <p>Subject to subsection (10), any exception granted under this section shall be of no</p>	
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	effect if granted more than 12 months after the rate has become due. Where the Minister grants an exception under subsection (7) (d), the exception may be granted at any time within 24 months of the date on which the rate becomes due.	
Tax relief measures	Remission of the whole or part of the general rate on grounds of poverty, properties up to 2,450 Rupees	The Minister in charge of Local Government has to give approval
<i>Tax Administration</i>		
Billing	Claims are sent to tax payers by the respective council	
Collection	Done by local council	To be paid in two (2) installments by 31 st January and 31 st July of every year
Enforcement	Weak enforcement mechanism <ul style="list-style-type: none"> • Sending of reminders to the tax payers • Suing of defaulters in court of law • Attachment of property thereby requiring the tenants to pay rents to the council to recover rates due 	<ul style="list-style-type: none"> • Arrears for Port Luis Council is about 72% • Arrears are due to existence of bad tax payers, and untraceable property owners • There is loss of debts after 5 years
Compliance	Low compliance considering the amount of arrears	
<i>Additional Comments</i>		
Significance of general rate	Forms approximately 14 percent of the total council revenue in the case of Port Louis.	
What is general rate revenue used for?	Revenue is used to provide local services including street lighting, waste management etc to the residents.	
Tax effort		
Possible indirect support systems		
Other relevant issues	For purposes of general rate, the properties are grouped into categories, each band attracting a different rate. Properties whose Net Annual Value are up to 2,450 Rupees are exempted from payment.	

Land Transfer Tax		
Relevant Legislation: Land (Duties and Taxes) Act of 1984, Registrar General Act		
	Legislation	Practice
Tax Base & Taxpayers		
Tax base	Market value of the immovable property	
Coverage of tax	All properties	
Taxpayers (e.g. buyer, seller, or both)	Transferor (seller)	
Valuation & assessment		
Valuation	Value Based	
Responsibility for valuations	Government Valuer, Ministry of Finance and Economic Empowerment.	
Objection & appeal		
Rate Setting and Tax Relief		
Responsibility to set rates	Ministry of Finance and Economic Empowerment	
Tax Rates	10 percent where the transfer is made after a period not exceeding 5 years of the date of acquisition of the property. 5 percent where the transfer is made after a period exceeding 5 years of the date of acquisition of the property.	
Exemptions	No tax shall be leviable on a transfer: <ul style="list-style-type: none"> • by a company holding a Housing Development Certificate under section 34B of the Income Tax Act • of the right to construct a building on top of an existing building (droit de surelevation) together with a fraction of the ownership of the ground, where the conditions specified in section 45A(2) have been fulfilled; or • where the transferor has acquired the property to be transferred through inheritance from his spouse, an ascendant, a descendant, a brother or a sister • where the transfer is made between spouses. 	

Tax relief measures		
Tax Administration		
Billing	Registrar General	
Collection	Mauritius Revenue Authority (MRA)	
Enforcement	No transfer before payment is effected	
Compliance	Generally satisfactory	
Additional Comments		
Importance Land Transfer Tax		
Tax revenues		
Other issues		

Annual Land Rent		
Relevant Legislation: Land Registration Act 1988		
	Legislation	Practice
Tax Base & Taxpayers		
Tax base	All holders of government leaseholds	
Coverage of tax base		
Taxpayer (e.g. buyer, seller, or both)	Leasehold or Tenant	
Valuation & assessment		
Valuation Assessment value based or area based system.	Value-based	
Responsibility for valuations	Central Government – Ministry of Housing and Land Development	
Objection & appeal	No data	
Rate Setting and Tax Relief		
Responsibility to set rates	Ministry of Housing and Land Development	
Tax rates		
Exemptions	None	
Tax relief measures	None	
Tax Administration		
Billing	Ministry of Housing and Land Development.	
Collection	Registry of Mortgage, Ministry of Finance and Economic Empowerment.	
Enforcement		
Compliance	Satisfactory	
Additional Comments		
Importance of Annual Rent	Significant	Approximately Rs, 900Million every year.
Tax revenue		
Other issues		

National Residential Property Tax (NRPT)		
Relevant Legislation: The Income Tax Act, 1995		
	Legislation	Practice
Tax Base & Taxpayers		
Tax base	<ul style="list-style-type: none"> Floor area in case of apartment, flat or tenement Surface area of land in case of any other residential property 	
Coverage of tax base	All residential properties in urban areas	
Taxpayer	Owner of residential property with annual income exceeding Rupees 400,000, a company, a societe or non-resident individual	
Valuation & assessment		
Valuation	No Valuation	
Responsibility for assessment	Mauritius Revenue Authority	
Objection & appeal	No data	
Rate Setting and Tax Relief		
Responsibility to set rates	Ministry of Finance and Economic Empowerment	
Tax Rates	<ul style="list-style-type: none"> Rs 30 per square metre of floor area in case of a apartment, flat and tenement Rs 10 per square metre of surface area of land in case of any other residential property 	An individual resident in Mauritius is liable to NRPT to an amount not exceeding 5% of the total income
Exemptions	A body of persons e.g. a charitable institution which is exempted from payment of income tax	
Tax relief measures		
Tax Administration		
Billing	Ministry of Finance and Economic Empowerment	
Collection	Mauritius Revenue Authority- payable by individual as they pay income tax	
Enforcement	Satisfactory. Mechanism for collection enforcement includes deduction from salary, prosecution and inscription on property.	
Compliance	High	