

**North-Central Africa Appendix 1:
Chad**

Dobingar Allassembaye

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Working Paper

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About the Author

Dr. Dobingar Allassembaye is a Research Professor in the Department of Geography at the University of N'Djamena.

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 tabulated summary of property taxation in Chad.

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TERMS OF REFERENCE FOR THE STUDY

The Lincoln Institute of Land Policy and the Institut Africain des Impôts (African Tax Institute) (ATI) are involved in a large-scale research project on property taxes on the African continent. The main objectives of this project are the following:

- To structure a general database on the different forms of property tax in Africa, which could be easily maintained and updated,
- To write reports and complete an concise, uniform and standardised analysis of property taxes (and other similar taxes) levied and collected in Africa,
- To write reports on the property tax systems developed legally in African countries,
- To initiate consideration of the property tax systems as they operate in practice in African countries,
- To gauge the importance and extent of annual property taxes as sources of national and/or municipal revenue in Africa,
- To comment on the future role of the property tax system in Africa, and
- To discern general trends in the application of the land tax system throughout Africa

Introduction

When we learned about this research project on property taxes, we were immediately interested because it is an issue that has always attracted our attention within the scope of the urban development works we have dealt with over the last twenty years. Our research proposal took this dimension into account, and our objective was to cover as broad a scope as possible. We had to revise our aims downwards once it was understood that the project fell within the scope of a general comparison of practices in African countries. As the basic questionnaire provides identical analysis elements for all countries, we made every effort to apply it properly.

This report presents the case of Chad in as complete a manner as possible. The basic document we have used is the general tax code of 2006, and all the finance laws of recent years. We have also used other regulatory texts on land, property, urban planning and municipal management. In order to supplement the data and provide concrete elements for comprehension of our analysis, we have inserted a table presenting the entire State budget from 1995 to 2007, and a table of land and property revenue for the same period.

We carried out our research under fairly good conditions, with most of our interviewees, especially state property and tax representatives, having an interest in the results we will achieve. The only difficulty worth mentioning is with regard to the Municipality of N'Djamena, where the superintendent did not want to provide us with the items we requested. We were able to overcome this difficulty by collecting the required data from the General Tax Directorate, and other technical departments of the Municipality.

We deemed it necessary to insert some comments outside of the provided framework in order to emphasise certain points we felt were important in relation to land and property practices in Chad. We were also obliged to present, outside of the framework, some provisions related to the transfer of properties, leases and rentals, as it was difficult for us to manage in accordance with the structure of the table.

Our report is structured in 4 major parts, as well as a preliminary part which provides general information on the country:

1. The first part covers land and property issues. It refers to land and property issues, taxes as a whole, and property taxes on the national and local scales.
2. The second part covers annual property taxes. It notably refers to the relevant legislation, the tax authority and contains additional comments on the issue.
3. The third part examines property transfer taxes, and covers legislation, tax administration and comments.
4. The fourth part focuses on other important property taxes. It notably refers to value added tax, tax on the rental value of properties, and public service tax.

The report is supplemented by a table presenting Chad's general budget from 1995 to 2007, a table of state and property revenue from 1995 to 2007, a bibliography, a list of interviewees and 7 annexes presenting the finance laws of recent years.

PROPERTY TAXES IN CHAD

BACKGROUND DATA

| <i>Basic information on the country</i> | | | |
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| Geographic size Taille géographique | 1,284,000 km ² | Independence | 11 August 1960 |
| Capital city Ville Capitale | N'Djamena | Population | 9,300,000 inhabitants |
| Secondary cities/towns Villes secondaires | Moundou (150,000 inhabitants), Sarh (120,000 inhabitants), Abéché (80,000 inhabitants). | Urbanisation | 21% of the population lives in urban centres |
| System of government Système de Gouvernement | Presidential system. President of the Republic elected for a five-year term through universal suffrage | GDP (per capita) PNB par tête | 380\$/Inhabitant |
| <i>Government Structures Structures Gouvernementales</i> | | | |
| Levels/Tiers of government Niveau du Gouvernement | Government led by a Prime Minister, Head of the Government, appointed by the President of the Republic Parliament elected for a four-year term through universal suffrage | | |
| Traditional authorities or chiefdoms Autorités traditionnelles ou chefferies | The traditional authorities are: - canton chiefs and sultans, elected by the people, or through succession by lineage. Their appointment is ratified by order of the Minister of the Interior or the President of the Republic, - customary chiefs or land chiefs, guarantors of tradition and depositaries of divine-type powers. Their appointment is according to tradition and through specified lineages. | | |

I - LAND ISSUES AND THE PROPERTY MARKET

| 1.1 - Land issues and the property market | |
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| What is the property system in your country? | <p>The property system in Chad is that of individual private ownership, brought about through legislation.</p> <p>The property system has been defined by Law no. 24 of 22 July 1967.</p> <p>Article 1: Land ownership is ratified by a registration procedure This procedure consists of drawing up and registering a title deed called a land title.</p> <p>Article 2: Only corporeal land and buildings require registration.</p> <p>Article 3: Registration is effected by the land registrar, who is also responsible for registering deeds related to registered buildings, registering transfers and certifying duties and charges related to these buildings.</p> <p>However, customary ownership is recognised</p> |
| What ownership documents are in use in your country Land | <p>Property-related documents in use in Chad are:</p> <ul style="list-style-type: none"> - temporary occupation permit or mutually negotiated order (for category B urban lands); - temporary concession order or rental order (for rural lands) - definitive land title issued after a lengthy registration procedure for category A and B lands and |

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| <p>title/</p> <hr/> <p>How is registration carried out?</p> | <p>rural lands.</p> <hr/> <p>The registration procedures were set by Law 23 of 22 July 1967. This law differentiates properties according to three categories: Category A lands, category B lands and rural lands.</p> <p><u>Category A lands</u></p> <p>Article 26: Category A lands are the subject of fee-paying concessions and are allocated through an auction procedure. These concessions come with a book of specifications that demands a certain amount or a certain kind of development, or both, within a certain timeframe.</p> <p>Article 27: When this timeframe lapses, the conformity of the development with the book of specifications is reviewed by a commission presided over by the Prefect, and including representatives from the relevant technical departments.</p> <p>In the event of conformity, the concession is definitively granted, and must be transformed into a title deed through the registration procedure.</p> <p>In the event of non-conformity, forfeiture is declared and the land returns to the state, free of any right.</p> <p>Article 28: Granting of temporary urban concessions can be effected by a Council of Ministers' decree.</p> <p><u>Category B lands</u></p> <p>Article 29: Category B lands are subject to fee-paying occupancy permits, which are awarded by order of the Minister of Finance.</p> <p>A timeframe, which may vary between urban centres, is imposed on the permit holder to undertake construction out of traditional materials, at a minimum, and to use the structure in accordance with the subdivision plan. If this does not happen, the permit will be withdrawn in the same manner in which it was awarded, and without compensation.</p> <p>Article 30: The permit may be transformed into a definitive concession followed by registration, after having requested registration by the same commission as above, of the development of the plot with the use of permanent or semi-permanent materials.</p> <p><u>Rural lands</u></p> <p>Article 33: Rural lands are subject to fee-paying concessions, accompanied by a book of specifications that indicates the timeframes and conditions, which may vary depending on the nature of the activity which the concessionaire intends to carry out on the concession.</p> <p>Article 34: When the timeframe has lapsed, the conformity of the development with the book of specifications is examined by a commission, the composition of which is set by decree.</p> <p>In the event of conformity, the concession is definitively granted, and must be transformed into ownership through the registration procedure.</p> <p>In the event of non-conformity, forfeiture is declared.</p> |
| <p>What are the land leasing procedures?</p> | <p>Land leasing modalities are specified by Decree no. 188-PR of 1 August 1967.</p> <p>Article 12: Permission to occupy public land is granted by order of the Prefect for areas under 1 hectare, by order of the Minister of Finance for areas up to 10 ha and by Decree for areas greater than that. (These provisions were modified by the Finance Law of 1986¹, as follows: "Article 8: The provisions of Article 28 of Decree 188/PR of 1 August 1967 relative to land leasing are applicable as of 1st January 1987. Urban land leases will be granted by Order of the Minister of Finance, on the recommendation of the Commission responsible for objections... Rural land leases are granted by order of the Prefect for areas up to 5 ha, by order of the Minister of Finance and Information Technology for areas of 5 ha to 100 ha, after the opinion of the Ministers of Agriculture, Livestock, Water and Forests and Urban Planning; and by Presidential decree for areas above 100 ha ..." and of 2005)</p> <p>Land leases are the subject of requests submitted to the prefecture and mentioning:</p> <ul style="list-style-type: none"> - the subject of the permission request; - the duration of the requested authorisation; - the full identity, nationality and profession of the applicant, with the number of his identity card or residence permit... <p>The following should also be attached to the request: all the plans and summaries specified in the circular from the Ministry of Finance (land and land registry services), as well as a postal money</p> |

¹ Order no. 032/PR/86 on the general budget for 1987

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| | <p>order for the amount needed to cover costs related to investigation of the request, set periodically by financial and fiscal regulations.</p> <p>An annual fee set by the same regulations is levied for any state land occupancy permit.</p> <p>Article 13: Permission for public legal entities to occupy state land is granted in accordance with specific rules. The State may delegate its permission right to these legal entities, with all the related income and expenditure.</p> <p>Article 14: Public state land occupancy contracts go through the Minister of Finance and are approved by a decree of the Council of Ministers.</p> <p>Applicants submit the same documents as for permits, with the addition of a description of the commercial, industrial or other activities that they wish to carry out and a description and valuation of the investments that they intend to make, on the appurtenance of the public land under consideration.</p> |
| How the real estate market works | <p>Procedures for land and property transfers vary depending on the parties to the transactions.</p> <p>SCENARIO 1: Allocations by State departments</p> <p>When State departments are selling lands, the procedure begins with the Urban Areas Land Allocation Commission (Commission d'Attribution des Terrains en Zones Urbaines - CATZU). After allocation, the dossier is sent to the Land Registry which charges the cost of the land and other related expenses, notably boundary marking costs, publication tax and costs related to drafting of plans and preparing the plot plans before sending them to the provinces for collection of the remaining fees. After the provinces, the dossiers are sent to the municipality for publication. After this circuit and return to the provinces, the mutually negotiated order is authorised by the Minister of Finance.</p> <p>For category A lands, the awarding committee needs to meet to carry out the allocations. Unfortunately, the application procedure is not respected because the committee never meets, and there is no bidding for plots put up for sale. Everything takes place as per the simple allocation of category B land, with the awarders already having been enrolled in the land register since the start of the procedure. When the dossier arrives at the municipality, it is simply for the mayor's signature after a ratification opinion from the municipal technical departments.</p> <p>Scenario 2: Sale between individuals</p> <p>In the absence of real estate companies in Chad, property transactions are effected by individuals in more than 90% of cases. Sales may be carried out directly, or through informal brokers who negotiate with the buyers on behalf of the sellers. Generally, contracts are concluded between the parties, and a bill of sale by private agreement is drawn up. In some cases, the bill of sale is submitted to a notary who validates the transaction before transfer steps are embarked upon. In the majority of cases, a notary is not used.</p> <p>Scenario 3: Sale of industrial land</p> <p>Industrial land sales are generally carried out by the State, as is the case for category A lands. The procedure is also one of auctioning but, as in the first case, the procedure is not respected.</p> |
| 1.2 - Taxes | |
| What national property taxes are there? | <p>Property taxes on the national level are:</p> <ul style="list-style-type: none"> - Taxes on approved lands, lands that have been undeveloped or underdeveloped, land to be developed. - Leases and rentals - Rents |
| What local property taxes are there? | <ul style="list-style-type: none"> - Tax on developed properties - Tax on undeveloped properties - Tax on the rental value of professional premises - Occupancy taxes (only for the commune of N'Djamena) |
| 1.3 - Property taxes: national | |
| What taxes are | <ul style="list-style-type: none"> - Registration duties on transfers both in the movable property and real estate registers - Leases and rentals - Taxes on property exchanges |

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| there on transfer of ownership? | <p>- Taxes on fee-paying and free transfers - Transfer following a death, bare ownership and usufruct value</p> <p>In general, the rate of these taxes is 10% for developed properties and 15% for undeveloped properties respectively, and 3% for other transactions.</p> |
| What taxes are there on capital transfers? | There is also a capital transfer tax. This refers to taxes on the transfer of currency within and outside the CFA zone. These taxes are levied by the BEAC ² , the Central Bank and commercial banks, and reserved for the public treasury. The rate of these taxes varies between 0.5% and 0.125% ³ |
| Are there taxes on capital profits? If yes, how are they levied? | No indication given in the Tax Code, nor by the interviewees we met at the General Tax and Property Departments on this subject. |

1.4 - Property taxes: local

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| Are there property transfer taxes? | <p>Article 69:</p> <p>a) Subject to the provisions of Article 22 of the present Code, capital gains from the transfer of fixed asset items for operational reasons or in the case of the partial transfer of a business, and the compensation received in return for the transfer of the professional practice or the transfer of clientele are included in taxable profits for half of their amount. However, if the transfer or cessation takes place more than five years after the establishment or purchase of the business, the office or the clientele, the capital gain is only retained in the taxable profits for a quarter of its amount. The timeframe set in the preceding paragraph is not binding on the surviving spouse, nor on direct line heirs, when the transfer or cessation of the professional practice is a result of the death of the operator.</p> <p>b) Except by derogation from the provisions of paragraph a) of the present article, there is exemption of the stated capital gains realised by taxpayers and taxed in accordance with the flat-rate scheme on condition that the transfer or cessation takes place more than five years after the establishment or purchase of the business, office or clientele. The same will apply for taxpayers subject to the real profit system when the transfer or cessation takes place more than seven years after the cessation or purchase of the business office or clientele.</p> <p>Article 69 bis: The following are subject to personal income tax: capital gains realised by individuals within the framework of management of their private assets, notably on the occasion of sale, exchange, sharing, expropriation or capital investment or the liquidation of a company; personal assets or property and all kinds of rights. The following are classed as immovable property gains: gains realised on the fee-paying transfer of securities or membership rights of companies whose assets are mainly made up of properties or rights on the stated property. When an associate, shareholder, silent partner or holder of rights in the company cedes to a third party, during the company's duration, all or part of the membership rights, the surplus of the transfer price over the acquisition price of these rights is exclusively subject to personal income tax at a rate of 20%. However, taxation of the capital gains thus realised is subject to the following conditions: 1 - that the person concerned or his spouse, ascendants or descendants exercise, or have exercised over the last five years, the functions of an administrator or manager of the company and that the rights of the same persons in the company profits have together exceeded 25% of these profits during the same period; 2 - that the capital gains amount exceeds five hundred thousand (500,000) CFA francs.</p> <p>These provisions are not applicable to general partners and managers of limited partnerships who are taxable every year on the share coming to them as the part of the company profits</p> |
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² BEAC: Bank of Central African States

³ Information provided by the Director General for Taxes

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| | corresponding to their rights in the company. |
| Are there capital transfer taxes? | The regulations are the same as for taxes levied on the national level. |
| Are there taxes on capital profits? | There is no indication in the general Tax Code. |

1.2 - Land problems in Chad

In addition to the information provided under this item, emphasis should be given to deficiencies with regard to implementation. These deficiencies relate to, but are not limited to:

- The confusion that exists between State property and customary property. After having drafted legislation managing estate in land, the legislator did not bother to undertake a public awareness campaign to make the legislation known. This resulted in total ignorance about the modern law, especially in rural areas where communities continue to live and work their lands without seeking to register them. This situation is dangerous for those communities who could at any time be despoiled by informed people, especially those coming from the towns, to whom they generally grant tens of hectares against ridiculously low payments. Today, within a radius of over 100km around the town of N'Djamena km, citizens have acquired thousands of hectares of land from villagers, that they are legalising in their own names. Most of these lands are not developed.
- The complexity of procedures related to the legalisation and registration of urban and rural lands. On this level, the land registry departments represent a bottleneck which discourages users and prevents them from legalising their occupancy, for plots allocated by the State as well as those located in restructured spontaneous districts. Several months, or even years are required to get a dossier out of the land registry, and that only after having bribed several officers. This situation, known and decried by all, including the successive ministers, was not able to be resolved owing to the cumbersome procedures and obscure networks built up by the officials in this department.

After the long, hard road of the land register, users come face to face with the state property department, and then the municipality and then the state property department again before they can consider finalisation of their dossier, whether by mutually agreed transfer or by land title. Initiatives undertaken since 1997 to draft a land code, and all the different propositions to create a single counter for handling of land allocation dossiers, have still not been realised.

- The successive amendments to legislation related to land acquisition prices and the negative consequences on land taxes going towards state revenue. In 1987 and 2005, the Finance Laws (order no. 032/PR/86 and Law no. 03/PR/2005) increased the land price in the urban centres. The objective of these increases was to increase land revenue. However, a contrary effect was achieved, especially in 2005 when the revenue realised by way of land prices (per m²) moved from 1,147,997,111 FCFA to 735,180,005 FCFA. During the same period, leases and rentals moved from 2,549,876,750 FCFA to 341,074,163 FCFA. Since then, the level of revenue collection has continued to go down (see table no. 2).
- Low level of legalisation of occupied lands. Difficulties with bringing urban areas into line with legal provisions have led to a low level of land revenue, with the corollary of the lack of resources for the communes responsible for managing the urban areas.
- Non-compliance with legislation on registration. In accordance with the legislation, a report on the development of the land must be attached to the dossier in order for land to be registered. At present in Chad and especially in N'Djamena, there are land titles issued for raw land, in towns as well as on the outskirts. The clause related to development before any issuance of a land title is disparaged by users and the department heads with whom we spoke. But even though no text abrogates this provision, it is illegal to do so, and what is happening actually resembles corruption or influence peddling of well-placed individuals.

- Abolition of the free allocation of lands. The legislation of 1967 made provision for the free allocation of rural lands to Chadian applicants 10km from the urban outskirts and of an area of 10 ha. This surface area was reduced to 5 ha by the order of 1987, and then abolished by the Finance Law of 2005. The objective of this step was to increase revenue by obliging applicants to lease rural lands. Unfortunately, this strategy did not enable the hoped-for results to be attained because revenue was not increased, but actually decreased.
- Abuse of land leases in the rural areas. Renting out of rural lands is only permitted 10km from the urban outskirts and 25km from the regional outskirts for the town of N'Djamena (10km and 15km for other urban centres). Unfortunately, in N'Djamena, this distance is not respected, and the issuance of rental orders is even done within the urban outskirts. This lack of strictness has consequences on State revenue, and also in the fact that it may result in costs insofar as it is on these lands that future village developments will be carried out, and in the event that these state properties are found to be within the land acquired for public purposes, and they have to be expropriated.

| II - ANNUAL PROPERTY TAX | | |
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| - Significant legislation | | |
| | Legislation | <i>Practice</i> |
| | a) Cost base and taxpayer base | |
| What is the cost base for the property tax? | <p>Article 687: The rental value intended to serve as a base is that of the property at the first of January of the first year of the three-year period. This rental value is determined either through authentic leases or verbal rental declarations, or by comparison with other premises where the rent has been regularly reported or is generally recognised, or through direct valuation. However, the taxable base may be modified over the three-year period if the rental value is subject to a variation of a minimum of approximately 20%. In any case, the rental value can not be less than 8% of the monetary value of the fixed assets.</p> | <p>The procedure is respected for taxpayers who pay their dues.</p> <p>The procedure is respected.</p> |
| What is the tax coverage? | Articles 688 and 702: All properties must be taxed in the communes where they are located. | Apart from N'Djamena, where an effort at addressing properties was made in 1992 and 1992 [sic], no other town has attempted to draw up a list of its properties. This deficiency means that the tax coverage of properties is very low. |

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| Was it possible to identify taxpayers of this tax? | No. To date, all taxpayers who pay property taxes have not been identified. For the whole country, only 3,413 land titles could be counted at 31 December 2007. | The majority of occupants of properties in the urban centres, including the Capital, and especially for category B lands, pay no tax. They limit themselves to demarcation costs. For those who make the effort to organise official documents, the procedure stops with the issuance of the mutually agreed transfer order. In districts occupied spontaneously, even if they are afterwards restructured, the occupants are not identified because very few have had their plots demarcated. |
| | b) Assessment and tax base | |
| How are annual property taxes assessed? | Article 686: Assessment of the rental value is effected for a three-year period by the Tax Department | Assessment is freely carried out by the taxpayer who then submits it to the General Tax Directorate |
| Who is responsible for this assessment? | The Tax Department and the General Tax Directorate | The General Tax Directorate |
| What is the assessment cycle? | Every three years for developed properties and every five years for undeveloped properties (Article 698) | Since 2001, there has been no assessment of this tax, according to General Tax Directorate. |
| What is the process for objections and appeals? | Article 1013 : - Any taxpayer who believes he has been wrongly taxed or overtaxed may present a written demand as an original application. Article 1014 : - The complaint should be addressed to the Tax Department. Only the date of receipt by this Department is binding on the taxpayer and the authorities. (...) Article 1020 : - The Tax Department registers complaints, prepares instruction sheets and sends them for comment | In practice, taxpayers negotiate with General Tax Directorate officials to come to a suitable arrangement. According to the information we received, there has been no recourse to the |

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| | <p>to the officials who have set the taxes. The latter need to return them to the Department within a period of three months.</p> <p>Article 1022 : - Requests for exemptions or reductions are received, after investigation, by the Director General for Taxes who makes a ruling within a period of not more than six months from the date of presentation, by deciding whether to reject or partially accept the request.</p> <p>Article 1023: - The applicant, the official in charge of collection and the official who set the taxation are all notified of the decision by the Director General for Taxes.</p> <p>Article 1024 : - When the decision is not completely satisfactory for the taxpayer, the applicant may, within a period of three months from the day that he received notification of the decision, take the dispute before the Appeals Court which will make a definitive ruling.</p> <p>Any complainant who has not received a ruling within a period of six months from the date of presentation of his request may take the dispute before the Appeals Court.</p> | <p>Appeals Court at any recent date known by our interviewees.</p> |
| <p>What are the quality control measures?</p> | <p>According to our information, when periodic inspections are to be effected, an inspection commission is established, made up of municipal, tax department and state property department officials, whose task it is to effect periodic or one-off inspections.</p> | <p>This procedure does not seem to be the subject of concern within the General Tax Directorate's current situation. The Directorate contents itself with information provided by the land registry, and does not go out into the field to ensure the accuracy of the information provided by this department, which depends on another Ministry.</p> |
| | <p>c) Setting of rates and tax relief</p> | |
| <p>What are the tax rates?</p> | <p>Tax rates for developed properties are 12% for N'Djamena and 11% for other communes. For undeveloped properties, the rates are 21% for N'Djamena and 20% for other communes.</p> | <p>Legislation would be respected in this case.</p> |
| <p>How does exemption work?</p> | <p>1 - For developed properties</p> <p>Article 680: The law makes provision for several hypothetical cases for the two exemption types: permanent exemptions and temporary exemptions.</p> <p>A—Permanent exemptions: The following are exempt from tax on developed properties:</p> <ol style="list-style-type: none"> 1 - Properties belonging to the State, communes, international organisations or inter-states; 2 - Facilities on riverways that are subject to public utility concessions awarded by the State to the Chamber of Commerce or to municipalities, and which are operated under conditions set by a book of specifications; 3 - Structures established for the distribution of drinking water or electricity, belonging to the communes; | <p>Only the Director General of Taxes is authorised to review requests for reductions or exemptions. The decision is up to his discretion.</p> |

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| | <p>4 - Buildings allocated for public worship;</p> <p>5 - Buildings used for schooling, sporting, humanitarian or social purposes, belonging to missions or regularly authorised groups;</p> <p>6 - Buildings used for rural operations, such as farms, stables, granaries, cellars, storerooms, presses and other buildings intended to house animals or store crops;</p> <p>7 - Houses made from traditional materials are exempt if they are occupied by their owners as principal residences, or rented under a civil or commercial lease. Houses made from permanent materials which are occupied as principal residences by their owners are also covered by this exemption;</p> <p>8 - Properties belonging to foreign or diplomatic missions and occupied by their ambassadors and diplomatic staff or their administrative departments;</p> <p>9 - Properties belonging to the Chamber of Commerce.</p> <p>B - Temporary exemptions: The following are temporarily exempt: Article 681: New structures, or add-on structures built after the first of January 1968, are exempt from taxes on developed properties, under the following conditions: - 5-year exemption: for all structures - 10-year exemption: for all new structures or add-on structures intended for residential purposes. Excluded are: new and add-on structures intended for use as holiday resorts, amenity areas or for furnished rentals. In the event of reconstruction, property owners may enjoy the following temporary exemptions: - For structures intended for residential use, ❖ if the villa is inhabited by the owner: 5 years ❖ if the villa is rented out: 2 years - For reconstruction for commercial and industrial purposes: 5 years If, for properties or parts of properties that are rented out, the amount of the rent at the first of January of the tax year is above 15% of the actual value of the property or part of property rented out on this date, the exemption does not apply, or no longer applies. In any case, the rental value can not be less than 8% of the monetary value of the fixed assets. Article 682: Temporary exemptions are granted in light of the provisions of Article 208. In addition, every quarter, mayors must provide the Tax Department with all relevant information to identify properties for which a construction permit has been issued. Article 683: The provisions of Article 681 and 682 do not apply or no longer apply to properties or parts of properties that are rented out, with the amount of the rent at the first of January of the tax year being above 40% of the actual value of the property or part of property rented out on this date, with previous deadlines being definitive. . This loss of exemption is definitive for the year under consideration and following years, irrespective of the later rents and the date of completion of construction.</p> <p>2 - For undeveloped properties Article 693: The following are exempt from tax on undeveloped properties: 1. Properties belonging to the State, CEMAC and communes.</p> | <p>This provision is recent (2006) and aims at making taxes bearable for taxpayers. However, taxpayers are not aware of it, and it is hardly likely that they will be able to make reference to it in order to obtain tax reductions.</p> |
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| | <p>2. The floors of all kinds of buildings, and a fraction of the land surrounding the structures. This exempt fraction is determined as follows:</p> <ul style="list-style-type: none"> ▪ Within the perimeter of the urban centre, as set by the urban plan, the exempt fraction is equal to four times the developed surface area of the structures. However, this exemption is only granted if the land is completely surrounded by a permanent enclosure, or living hedges maintained in accordance with the prescriptions of health regulations and allocations within the urban centres. ▪ Outside of the perimeter referred to in the preceding paragraph, the exempt fraction is equal to five times the developed surface area of the structures. <p>3. Lands used for schooling, sporting, humanitarian or social purposes, belonging to missions or regularly authorised groups.</p> <p>4. Land surrounding the buildings referred to in paragraphs 7 and 8 of Article 680 above.</p> <p>5. The surface area of quarries and mines.</p> <p>6. Yards and storerooms.</p> <p>Article 694: Land situated outside of urban centres, and recently used to breed heavy livestock, or as cleared or sown lands, will enjoy temporary exemption from property taxes, subject to the following reservations:</p> <p>The exemption period will start from the first of January of the year following the year during which the lands were newly allocated to planting or heavy livestock breeding. It will apply to:</p> <ul style="list-style-type: none"> ▪ Lands used to breed heavy livestock: 6 years; ▪ Lands planted with fruit trees: 8 years ▪ Other crops or plantations: 3 years. <p>Article 695: In order to enjoy the temporary exemption specified in the preceding Article, the owner must send a written declaration to the Tax Department listing all the undeveloped rural properties permanently belonging to him and indicating the designation of the plot which he plans to use to breed heavy livestock or to clear or sow. The same declaration should also specify, if necessary, the kind of crops that will be grown.</p> <p>The six-year exemption only applies to lands used to breed heavy livestock under the conditions set by the Ministry of Livestock, and it will only be granted after the Minister of Agriculture has given his opinion.</p> <p>The eight-year exemption will only apply to lands planted with selected crops, and it will only be granted after the Minister of Agriculture has given his opinion.</p> <p>Declarations should be received on an annual basis for the following year before the first of October. They do not have to be duplicated every year, but any fact likely to lead to modification must be the subject of corrective declarations presented before the first of October of the year during which they take place.</p> <p>In the event that no declaration is submitted, or the declaration is late, with the lack of response to a request or information being taken as a lack of declaration, taxation will be validly established for the entire capacity of the operation according to the tariffs relevant to livestock breeding or crops, including the highest rate.</p> <p>Article 696: Rural lands recently used to breed heavy livestock, or lands that are planted or sown, irrespective of whether they are declared or undeclared after the expiration of the deadline set by the preceding article, are subject</p> | <p>No information was provided by the municipalities to the General Tax Directorate with regard to the issuance of construction permits.</p> <p>It should be noted that most towns have no urban plan, and construction permits are only issued for the main towns and structures completed under tender.</p> |
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| | <p>to the tax as of the first of January following their use for breeding livestock, planting or sowing. The granted exemption may be withdrawn on the recommendation of the Minister of Livestock or the Minister of Agriculture, each in the area of his own jurisdiction, when the livestock breeding, cultivation or farming is not in compliance with the indications of the declaration, or have not been undertaken rationally.</p> <p>Article 697: When a rural concession is granted on a temporary basis, subject to development, the concessionaire may enjoy the temporary exemption stipulated in Article 694 above, for the time remaining from the first of January of the year following the year in the which the definitive title deed was issued and up to the expiration of the exemption period, with that being considered to have started on the first of January of the year following that during which the temporary concession was granted.</p> <p>In order to enjoy this temporary exemption the taxpayer must, within four months of being granted the provisional title, send a written declaration to the Tax Department of Tax indicating the designation of the plot he plans to develop as well as the kind of cultivation that will be undertaken, or the intended purpose of this land.</p> <p>If no such declaration is forthcoming within the period of time indicated in the preceding paragraph, the tax is due from the first of January of the year following that when the definitive concession was awarded.</p> <p>Temporary exemption is granted and may be withdrawn on the recommendation of the relevant Ministers, as stated in Articles 695 and 696 above.</p> | |
| What tax relief measures are there? | Legal texts make no provision for tax relief. Concern may be noted in the fact that the monetary value of properties which was 11% was reduced to 8%. This refers to a general reduction measure that can not be linked to any appeal by taxpayers. | Persons liable for tax negotiate with the tax officials responsible for collection to make them lower their taxes, despite the risk of being flushed out through audits as prescriptions are only for four years. |
| | 2.2 - Fiscal administration | |
| How is liquidation effected? | The General Tax Directorate issues tax rolls which it sends to the municipality, which handles collection using its officials. | The procedure is respected. |
| How is collection effected? | Collection is carried out by municipal departments, on the basis of the tax rolls issues by the Tax Department. Notices are sent to taxpayers each year asking them to pay their dues. | A mixed municipality/Tax Department commission, together with the police force, chases down bad payers district by district, to force them to pay their dues. During this exercise, |

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| | | there could be closures and buildings being placed under seals. |
| How does the tax work? | <p>Taxation is distinguished according to whether it is levied on developed or undeveloped properties.</p> <p>1 - For developed properties Article 685: Tax on developed properties exclusively used for operational purposes for fixed assets recorded as balance sheet assets is calculated on the basis of 80% of the monetary value, with a deduction of an allowance of 50% in consideration of wear and tear and maintenance and repair costs.</p> <p>2 - For undeveloped properties Article 698: Tax on undeveloped properties is regulated by the taxable income of these properties. Taxable income is set for a period of five years; it is equal to fourth fifths of the rental value, itself obtained by the application of a coefficient of 10% of the monetary value.</p> | Taxation is only effected for registered buildings. For the great majority of properties, no tax is levied with the exception of N'Djamena whose municipality instituted an occupancy tax. The low rate of this tax is not able to compensate for the deficiency in getting property taxes for developed and undeveloped properties. |
| | 2.3 - Additional comments | |
| What is the property tax amount in your country? | <p>It is very low. The overall amount of revenue oscillates between 200,000,000 and 800,000,000 F CFA a year for "normal" years.</p> <p>2007 : 386,736,446 and 65,735,544 FCFA, for a total of : 452,472,041 FCFA 2002 : 734,303,036 and 68,587,728 FCFA, for a total of : 802,890,764 FCFA 1998 : 777,870,247 and 37,414,206 FCFA, for a total of : 815,284,453 FCFA 1995 : 252,246,728 and 7,942,745 FCFA, for a total of : 260,189,472 FCFA</p> <p>We noted in the budget that in 2004, 2005 and 2006 the amount for property taxes was ridiculously low.</p> <p>2006 : 8,157,853 and 327,595 FCFA, for a total of : 8,465,448 FCFA 2005 : 11,472,400 and 11,843,654 FCFA, for a total of : 23,316,054 FCFA 2004 : 50,300,892 FCFA for CFPB and 0 FCFA for CFPNB</p> | Astronomic fluctuations in the amounts of these taxes in the budget prove irregularity in the operation of the Tax Department. This proves that the Tax Department is capable of better as well as worse, and that work quality depends on the allocated personnel. Numerous changes in positions within these departments may be at the root of these fluctuations which show that, if an effort is made towards collection, property taxes could contribute heartily towards the revenue of local communities. |
| What is the role of | These taxes are theoretically allocated to the construction of urban infrastructures and communal operations. | They contribute towards the |

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| property tax in your country? | | operations of the communities or are paid to the State budget for districts with no communes. |
| What effort is made towards the collection of property taxes in your country? | On an annual basis, the General Tax Directorate makes material and human resources available to the communes to handle collection. | Municipalities do not have the resources to independently ensure optimal tax collection. |
| Other issues related to property taxes | <p>There are several reasons for the low number of taxpayers in this area, notably:</p> <ul style="list-style-type: none"> - no census was done to identify them in order to expand the tax base, - populations do not understand the importance of paying these taxes, - procedures for obtaining state property documents are lengthy and highly complex, - populations do not want to register their properties because they do not want to pay property taxes. | |

III. PROPERTY TRANSFER TAXES

Give details of all the actual taxes specific to property transfers in accordance with the following aspects:

- Indicate the amount of the property transfer tax
- Tax authorities as provided for by the legislation and used in practice
- Exclusions
- Assessment practices and procedures
- Objections and appeal procedures
- Tax rate
- Exemption and other tax reduction mechanisms
- Collection procedures and practices
- Implementation procedures and practices
- Other important items

| 3.1 - PROPERTY TRANSFER TAX (Important Legislation) | | |
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| | 3.1.1 - Legislation | Practices |
| | a) Tax authorities and taxpayers | |
| What is the cost base for property transfer taxes? | There are no taxes except for the Land Registrar's fees, which represent 4%0 [sic] of the value of the transaction. | |
| What is the tax coverage of this tax? | Legislation does not specify taxes beyond the registrar's fee, and it is not easy to legally define the coverage of this type of tax. | In practice, tax coverage is very low with regard to property transfers because transfer declarations depend on the goodwill of the persons transferring or acquiring the land. In addition, it is when these persons present themselves at the State Property Department to concretise transfers that the registrar is able to tax the transaction. These declarations only make up a tiny part of transactions, especially in districts which are not serviced and not entered in the land register. |
| Have you identified the taxpayers of this tax? | No. It is impossible to identify all the taxpayers from the time when property transactions are done, as in most cases transactions are effected between individuals. | Nothing is done to identify taxpayers. |
| | b) Assessment and inspection | |
| How is this tax assessed? | The Finance Law defines modalities for assessment. | In practice, there is no assessment |
| Who is responsible for assessing this tax? | The General Tax Directorate | |
| What is the assessment cycle? | Legislation currently in force gives no indication | Nothing is said on this subject |

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| What is the process for objections and appeals? | Nothing is stipulated in the Tax Code. The same procedure as for other taxes is therefore applied. | Taxpayers do not know the procedure. |
| What are the quality control measures? | Nothing is stipulated by prevailing legislation | Nothing is done |
| | c) Setting of rates and tax relief | |
| What is the rate for this tax? | 4%0 [sic] (four per thousandth) of the value of the transaction which represents the land registrar's fee. | Taxpayers negotiate with the officials in the State property Department to get better rates. |
| How do exemptions work? | Nothing is stipulated in the Tax Code for this hypothetical case | |
| What tax relief measures are there in your country? | No tax relief measures are provided for with regard to this tax. The common procedure for all taxes is therefore applied. | |
| | 3.1.2 Fiscal administration | |
| How does taxation work? | The taxation procedure is the same as for other taxes. | |
| What are the modalities for collection of this tax? | During registration procedures, collection is done by the state property and land registration departments. | |
| Implementation | This comes under the state property and land registration departments. | |
| | 3.1.3 - Additional comments | |
| What is the amount of the property transfer tax ⁴ in your country? | Low (1995: 45,555,545 FCFA; 1996 : 32.340.065; 2005: 36,291,924) over the last two years (2006 and 2007) when the amounts were respectively 113 million and 194 million FCFA. | |
| What is the role of the property transfer tax in your country? | These taxes are paid to the State budget. | |

⁴ Land registration, estate duties and donation duties.

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| <p>What is the tax effort in this area in your country?</p> | <p>The tax effort is low for this tax even if over the last two years the collection level has progressed to a great extent. In fact, there was a decrease from 45,555,545 in 1996 to 36,291,924 in 2005, and an increase again to 194,474,521 in 2007. This development shows the potential that may exist to substantially increase this tax if the necessary resources and efforts are deployed to this effect.</p> | |
| <p>Other questions</p> | | |

IV - SIMULTANEOUS TRANSFERS OF PERSONAL ASSETS AND PROPERTY: SINGLE PRICE

Article 244: When a deed of transfer or usufruct includes personal assets and property, the registration fee is charged on the full price at the rate stipulated for property, unless a specific price was stipulated for the personal assets or they were named and valued item by item in the contract.

V - PROOF OF TRANSFER

Article 245: Transfer of real property through ownership or usufruct is adequately established with regard to the request and pursuit of registration fees and fines, either through registration of the name of the new property holder in the tax roll, and payment made by him in accordance with this roll, or through leases effected by him, or through transactions or other deeds stating his ownership or usufruct.

Article 246: Transfer of ownership of a business or clientele is adequately established with regard to the request and pursuit of registration fees and fines, through deeds or records which show the existence of the transfer or which are intended to be made public, as well as by registration in the tax roll of the name of the new owner and payments made according to this roll, without proof to the contrary.

Article 247: Possession through farming out, renting, or mortgaging of a property is also adequately established with regard to the request and pursuit of payment of lease duties or unregistered mortgages, and the additional tax to which they are subject, and through the documents that make the possession known, or through the payment of taxes to which farmers, tenants and temporary holders are subject.

Section II - Securities on which progressive and degressive ad valorem taxes are levied

Article 248: The value of the property and the possession of assets of any kind, or the amounts serving as the tax base are determined, for settlement and payment of the progressive or regressive ad valorem tax, as stated in the articles hereunder.

I - LEASES and RENTALS

Article 249:

1 - For limited period leases, subleases and leases of personal assets, business and fixed assets, the value used as a tax base is determined by the annual price expressed, adding to that the charges levied on the taker.

2 - If the price of the lease or rental is stipulated to be paid in kind or on the basis of the price of certain products, the ad valorem tax is paid according to the value of the products on the day of the contract, determined by an estimative declaration by the parties.

3 - If the tax amount is fractionated, as provided for in Article 882 hereunder, this estimation will only be valid for the first period. For each of the later periods, the parties are obligated to submit, within the timeframe set by § 4 of Article 882, a new declaration estimating the value of the products, on the commencement date of the period which will be used as a basis for the payment of taxes.

Taxes relative to periods which started after entry into force of the present Code will be paid in accordance with the preceding regulations, irrespective of the date of the lease to which they are connected.

4 - The provisions of § 2 and 3 above are applicable to [translator's note: no translation available for "baux a portion de fruits"], for the share coming back to the lessor, whose quota will be declared in advance.

Article 250: For open-ended leases, the value is determined by a capital made up of twenty times the rent or cost of annual charges, also adding other capital input factors and registration costs if so stipulated.

Natural objects are valued as specified in the previous article.

Article 251: For leases for life, without distinction between those established on one or more heads, the value is determined by a capital made up of ten times the price and annual charges, also adding the sum of registration and other charges, if they are expressed.

Natural objects are valued in the same way as specified in Article 249 above.

III - PROPERTY EXCHANGES

Article 253 : With regard to the assessment and payment of tax on exchanges, properties, irrespective of their nature, are estimated according to the real monetary value at the date of transfer, in accordance with the estimative declaration of the parties.

Nevertheless if, within the three years preceding or following the exchange, the transferred properties were subject to sale by auction, either by the court authorities, or voluntarily, with the admission of foreigners, payable taxes can only be calculated on an amount lower than the auction amount, adding all the capital input factors, unless it is justified that the substance of the properties has undergone transformations likely to change the value in the interim.

IV - OTHER IMPORTANT PROPERTY TAXES

Give a brief overview of all taxes related to property, for example taxes according to which a fixed asset is an important taxable item.

- Value Added Tax (VAT)
- Estate duty
- Taxes on donations and bequests

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| 4.1 - VAT (Value Added Tax): | | |
| Legislation | VAT was introduced in Chad in 2000 by Law no. 024/PR/99 relating to the General State Budget for 2000 | <i>Practice</i> |
| | <i>Tax authorities and taxpayers</i> | |

What is the tax base?

The VAT tax base is made up of all amounts, securities, goods or services received in consideration for transactions, including subsidies as well as all expenses, taxes or duties of any relevant nature, with the exclusion of the VAT itself and the estimate of tax on income assessed by individuals or legal entities... (In VAT, tax and accounting guide, p. 47). More precisely, the legislation states:

Art 3.10 amended by LF 2002 and 2003: The tax base is made up of:

1 - For imports: the value of the merchandise as defined by the CEMAC customs code increased by customs duties and excise taxes, with the exception of VAT itself and the 4% deduction at source provided for in Article 106 of the CGI.

2 - For deliveries and other deadlines for assets effected in Chad: the sale price requested from the customer through all amounts, values, goods and services received or to be received in consideration.

3 - for real estate works: the amount of the bills, contracts, invoices or deposits, including works assigned to subcontractors.

4- For service provisions: the price of the services or all amounts, securities, goods or services received or to be received in consideration.

5 - For leasing transactions or financial leases: the amount of rentals invoiced by the lease companies and at the end of the contract, through the transfer price agreed to in the contract when the purchase option is taken up by the taker or through the transfer price in the event of sale to a third party.

6 - For self deliveries, the tax base is made up of:

- The purchase price excluding VAT of the goods bought and used within the country;
- The production cost of the assets mined, manufactured or processed, or services, including a share of the creation and head office costs.

7 - For contracts financed either through the State Budget or through loans, subsidies or donations, irrespective of their origin, the VAT base and, if relevant, the excise duty, is made up of the amount of all taxes, duties and levies of all kinds inclusively, with the exclusion of VAT and deposits paid by individuals and legal entities.

8- The modalities for charging VAT and, if relevant, excise duties related to the contracts referred to by the provisions of Article 2 of the order 004/PR/97 relating to the Management Finance Law of 1997.

9 - Sale prices excluding tax with regard to the trade of second-hand goods. If the VAT paying seller has acquired the goods from another person liable to VAT, he may deduct the VAT which he was invoiced. In such a case, the resale tax base is the total price excluding taxes. If not, in other words, if the VAT paying reseller has acquired the goods from a person not liable to pay VAT, or if he has decided not to deduct the VAT invoiced by his taxpaying supplier, then the tax base is made up of the purchase price increased by the margin exclusive of tax.

The tax bases defined above mean all expenses and taxes included, with the exception of VAT itself, and the deduction at source paid by individuals and legal entities. In order to calculate the VAT or excise duty, the tax base is rounded down to the closest thousand francs.

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| Tax coverage | <p>Art 3.1 : The following are subject to Value Added Tax (VAT): transactions effected in Chad by individuals or legal entities, resulting from an economic activity.</p> <p>Article 3.2: “Economic activities” means industrial, commercial, agricultural, mining, small-scale or non-commercial activities (...).</p> | |
| Taxpayer | <p>Art 3.3 : The following are subject to Value Added Tax: individuals and legal entities, including public institutions and public organisations who, regularly or occasionally, and independently, effect taxable transactions within the field of coverage of the tax, and within the framework of fee-paying economic activity.</p> <p>The persons defined above are subject to value added tax irrespective of their legal status and their status with regard to other taxes, or the form or nature of their interventions.</p> <p>However, public legal entities are not subject to VAT with regard to their administrative, educational, social, cultural and sporting services when their non-taxability does not lead to a distortion in competitive conditions.</p> <p>Article 3.4: Amended/LF 2003</p> <p>1 - The following are by right subject to VAT according to the actual profit system: individuals or legal entities who realise an annual turnover of above 100 million FCFA excluding VAT with regard to in-country sales, or 60 million excluding VAT with regard to service provision (including non-trading profits).</p> <p>Notwithstanding the preceding provisions and irrespective of the turnover realised, public officers (notaries, bailiffs, advocates..) as well as those in the liberal professions (accounting firms, legal and tax advisers, cargo inspectors...), come under the current system.</p> <p>The following are by right subject to VAT according to the simplified tax system: individuals or legal entities who realise an annual in-country turnover excluding tax of 30 to 100 million inclusively, or 20 to 60 million inclusively with regard to service provision.</p> <p>They may opt for the real profit system: the option is irrevocable and also means the same option will be applied with regard to the direct tax system. They should inform the Tax Department of their choice before the first of February of the tax year.</p> <p>3 - The following are liable for tax in accordance with the general final tax system (IGL): individuals who realise an annual turnover excluding taxes of 30 million FCFA for in-country sales, and 20 million FCFA for service provision (including professional profits).</p> <p>They may opt for the simplified taxation system: the option is irrevocable and also means the same option will be applied with regard to the direct tax system. They should notify the Tax Department of their choice before the first of February of the tax year.</p> <p>4 - Only taxpayers subject to the real profit tax system and the simplified tax system are authorised to patently invoice VAT.</p> | |
| Assessment and Inspection | | |

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| Assessment | <p>Article 3.33 : Tax officials have the authority to inspect the tax base of all the taxes they are responsible for inspecting. However, on-site auditing of accounting can only be effected by an official with the minimum grade of inspector, whose jurisdiction extends to all duties and taxes throughout Chad.</p> <p>Article 3.34 : With regard to VAT and excise duties, the inspectors authorised to note and correct all infractions related to the said taxes, irrespective of the nature of the transactions concerned. They may be assisted by officials with the grade of controller.</p> <p>Article 3.35 : In order to research the deficiencies in invoicing procedures of those subject to VAT, tax officials with the minimum grade of controller may request the presentation of invoices, the accounting substance as well as the various accounting books, records and professional documents which may have a connection with the transactions that gave rise to or will give rise to invoicing, and go on to material observation of the physical elements of the operation. To this end, during business hours, tax officials may access the professional premises of the VAT taxpayer, as well as the land and warehouses. They may request to be given copies of documents relating to transactions that should have given rise to invoicing. They may gather information or supporting documents either on-site or by means of written requests. Such hearings give rise to the preparation of hearing reports. Under the same conditions, tax officials are authorised to materially verify the taxes paid on products likely to be subject to VAT. (...) After the enquiry, the tax officials draw up minutes recording the deficiencies spotted, or the lack of such deficiencies, as well as the list of documents of which copies were handed over.</p> | |
| Responsibility for assessment | The General Tax Directorate | |
| Assessment cycle | No indication in legal texts referring to this tax | There has been no assessment since 2000 |
| Objection and appeal | Recourse is the same as for other taxes. | Most taxpayers are now aware of the procedures and prefer to negotiate with the officials responsible for collection, instead of appealing to the courts to recover judgement. |

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| Quality control measures | <p>Article 89:</p> <ul style="list-style-type: none"> - The tax authorities may exercise the right to check declarations submitted by taxpayers. The latter may be requested to provide clarifications and supporting documents related to their income. - They may also be requested to provide supporting documents when there is a collection of items that allow for the conclusion that the taxpayer may have more substantial revenue than that mentioned in his declaration. <p>All taxpayers subject to personal income tax may be the subject of an audit of their overall personal tax situation. On the occasion of such an audit, the authorities may verify the consistency between declared revenue on the one hand and the assets, cash position and/or lifestyle elements of the members of the tax household. Lifestyle elements are those stipulated in Article 93 hereunder. Any conflict noted by the tax department could lead to an increase in the income category which the sums in question come under. In particular, if the taxpayer alleges the possession of bonds or securities whose interests or arrears are excluded from the calculation of taxable income by virtue of Article 68 above, the tax authorities may demand proof of possession of these bonds or securities, and proof of the date on which they became part of the assets of the concerned party</p> | No quality control is effectively carried out in the field. |
| Rate Setting and Tax Relief | Setting of rates and tax relief | |
| What is the tax rate? | The VAT rate is 18%. | |
| What are the exemptions? | <p>Article 3.3, paragraph 3: However, public corporations are not subject to VAT with regard to their administrative, educational, social, cultural and sporting services when their non-taxability does not lead to a distortion in competitive conditions.</p> <p>SECTION 3. - 3.5 amended /LF 2005. Exemptions. The following are exempt from value added tax:</p> <ol style="list-style-type: none"> 1) Sales made directly to consumers by farmers, livestock breeders or fishermen of products that are not processed subsequent to their cultivation, breeding or fishing; 2. The following transactions, since they are subject to specific taxation exclusive of any taxation on turnover: <ul style="list-style-type: none"> - Transactions related to insurance and reinsurance contracts concluded by insurance and reinsurance companies within the normal framework of their business, and provision of services related to these transactions concluded by brokers and other insurance intermediaries; - Transactions aimed at transferring fixed and intangible personal assets liable to registration duties, with the exclusion of transactions of the same nature effected by sellers of goods or leases; 3) Transactions related to postal stamps, tax stamps and stamped paper issued by the State and local authorities; 4. Transactions related to the importation and sale of newspapers and periodicals with the exclusion | |

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| | <p>of advertising revenue;</p> <p>5) Services or transactions related to social welfare, health, education, sport, culture, philanthropy or religion rendered by non-profit organisations, whose management is voluntary and impartial, and when these transactions are directly connected with the collective protection of the moral or material interests of their members. However, transactions effected by these organisations are taxable when they occur within a competitive sector;</p> <p>6) The amounts paid to the central bank responsible for issuance, as well as the revenue from the transactions of this bank that generates the issuance of banknotes [translator's note: "billet" has many meaning, but banknote seemed the most logical here];</p> <p>7) Transactions relative to rentals of undeveloped lands and raw lands;</p> <p>8) Services related to the legal exercise of medical or paramedical professions, with the exception of board and lodging costs;</p> <p>9) Educational establishments operating within the framework of authorisation issued by the Ministry of National Education, and with authorised charges;</p> <p>10) Importation of goods exempted within the framework of Article 241 of the CACEU Customs Code, supplemented by Act 2/92 UDEAC 556 CE - SE1 and the subsequent specified amending texts, with regard to equipment for exploration for oil, gas and minerals, through paragraph 17;</p> <p>11) Sales made by painters, sculptors, engravers, basket makers, when they do not relate to revenue from their art, and on condition that the amount of their annual turnover does not exceed 20 million FCFA;</p> <p>12) Fuelling of aircraft with foreign destinations;</p> <p>13) Sales, transfers or services effected by the State, local authorities and public institutions which are not industrial or commercial in nature;</p> <p>14) Essential products which are exempt from sales tax in accordance with the provisions of Article 5 of Law no. 003/PR/99 relating to the 1999 State Budget are exempt from VAT and are supplemented according to the CEMAC list (...)</p> <p>15 - Equipment and goods specifically and singly destined for oil, gas and mineral exploration, subject to an order from the Ministry of Finance.</p> <p>16) - Interest paying for foreign loans;</p> <p>17) Interest on deposits in credit establishments or financial establishments by non-professionals;</p> <p>18) Examinations, consultations, treatment, hospitalisation, analysis and medical biology work and the supply of prostheses by health establishments;</p> <p>19) Inputs for livestock breeding and fishing products used by the producers;</p> <p>20) Rentals of base buildings for residential use;</p> <p>21) Expendable equipment for fishing, machines and agricultural equipment.</p> <p>22) Hardware, equipment and services necessary for the production and exportation of cotton fibre.</p> | |
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| | Page 511 of 587. A Ministry of Finance order will set the practical modalities for the application of this provision. | |
| What tax relief measures are there? | No indication is given in legal texts. | |
| | Fiscal administration | |
| How is assessment effected? (Invoicing) | <p>On the basis of the declarations made by taxpayers liable for this tax.</p> <p>SECTION I : Assessment</p> <p>3.2.7 VAT is a declarative tax, the collection of which is normally handled when the declaration is submitted (assessment).</p> <p>The VAT declaration, in accordance with the sample provided by the authorities, is to be submitted in two copies, signed and dated by the taxpayer or his authorised representative. One of these declarations should be submitted to the Sub-Department of Large Enterprises, and the second should remain with the taxpayer.</p> <p>The declaration should be accompanied by payment of the VAT, which is thus automatically paid. If, during one month, no taxable transaction was effected, a declaration containing the comment “nil” must be submitted to the Department for Large Enterprises.</p> <p>3.28 The declaration referred to in the preceding point must be submitted within the following periods of time:</p> <ul style="list-style-type: none"> - Within ten days of the month following the realisation of the taxable transactions for enterprises realising an annual turnover, excluding tax, of over 500 million FCFA; - Within fifteen days of the month following the effecting of the taxable transactions for other taxpayers. <p>3.29 VAT on imports is assessed by the customs authority and its collection is handled under the same conditions as the other customs duties and taxes. VAT on the import of oil and gas products is assessed and collected as for the oil and gas tax system by the oil tax office.</p> | |
| How is collection effected? | <p>Article 3.30: The General Tax Directorate is responsible for VAT collection and inspection .</p> <p>VAT is paid to the collection department of the Department for Large Enterprises.</p> <p>VAT is a tax that is automatically declared and paid by those liable and may not as such be subject to enrolment by the Treasury.</p> | |
| How is this implemented? | <p>Collection is effected through voluntary declarations by taxpayers.</p> <p>Article 3.31 : VAT reminders work through a collection notice (AMR) which constitutes an order to pay.</p> <p>This AMR can not be sent before the five days following dispatch of a notice to pay. Reminders, for principal as well as interest and penalties associated with the tax, are subject to assumption of liability and not enrolment.</p> | |

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| | <p>The AMR timeframe for payability is 8 days. Beyond this timeframe, the penalties provided for in point 3.42 apply.</p> <p>3.3.2 When the amount of tax deductible for one month is higher than that of the payable tax, the surplus constitutes a tax credit assignable to the tax payable the following month. The carrying forward of credit may not exceed a period of twelve months from the time the credit is initiated. The tax credit may not be subject to refund to the VAT taxpayer.</p> <p>On an exceptional basis, industrial enterprises that would make investments of an amount above or equal to 100 million FCFA over the course of a period of twelve consecutive months have the right to request a refund for their tax credit. These enterprises may request a refund of their VAT credit within the limit of the tax on amortisable assets and investments acquired new during each calendar quarter, on condition that the investment threshold is reached.</p> <p>In the same way, taxpayers effecting export operations may request a refund of their VAT credit within the limit of the amount of VAT fictitiously calculated by application of the prevailing rates to the amount of exports effected over the course of the month.</p> <p>The VAT credit for which a refund is requested may not give rise to allocation to the following month's declaration. This credit is automatically cancelled when the refund has been rejected by the tax authority because it is unjustified. A refund is refused if there is a delay, at the time of the request, in the payment of any other duties and taxes owing by the enterprise, and the VAT itself.</p> <p>Refund requests by export companies are addressed to the Director of Taxes:</p> <ol style="list-style-type: none"> 1. within the month following the monthly declaration which shows a refundable credit of an amount above 250,000 FCFA. 2. prior to the refund, the tax department has the right to request the following documents from the taxpayer: <ul style="list-style-type: none"> - copies of supplier invoices; - declarations of clearance for home use for imports; - receipts for payment of the VAT giving the right to refund; - export declaration. Requests that are acknowledged to be justified after investigation by the Tax Department lead to a refund through the VAT collector's account. | |
| | <i>Additional comments</i> | |
| VAT amount | <p>Before the oil field developments, VAT was a tax with an enormous impact on the general state budget. At the time of its introduction in 1995, it represented 18.76%, in 2002 26% and in 2005 33.5% of the budget. In 2007, although the overall sum exceeded 39 thousand million, it only represented 5.99% of the budget, owing to the revenue from oil which led to the sudden increase in this budget. VAT thus comes far after corporate tax, but in second position before all other taxes. It is therefore a tax which should receive major attention because it is a sustainable source of income for the State.</p> | |
| | VAT contributes towards the general State budget. | |

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| VAT role | | |
| Tax effort | Since the introduction of VAT in 1995, and despite the abnormal fluctuations, the increase in the level of VAT collection is exceptionally high. From approximately four thousand three million in 1995, it increased to 39 thousand seven hundred million in 2007, which is an increase of almost 1000%. | |
| Other issues | | |

| 4.2 - Tax on Property Rental Values (Taxe sur la Valeur Locative des Propriétés - TVLP) | | |
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| | Legislation | <i>Practice</i> |
| | a) Tax authorities and taxpayers | |
| What is the tax base? | Article 766. The tax is calculated on the rental value of premises listed in Article 764 above, subject to a deduction of 50% in consideration of maintenance and repair costs. This deduction is exclusively reserved for enterprises that own their own premises. This rental value is assessed every year by the Tax Department; it is determined either through authentic leases or verbal rental declarations, or through comparison with other areas where the rent has been regularly noted or is well known, or through direct valuations. | Everything depends on the General Tax Directorate officials in charge of collection. |

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| Tax coverage | Article 764: The following are subject to this tax: shops, boutiques, factories, workshops, hangars, sheds, yards and other premises being used for the exercise of professions subject to occupational taxes, including facilities of all kinds that are liable to taxes on developed land, whether these premises or facilities are rented or freely conceded. | In reality, it is very low, with premises being used by the informal sector not being registered. |
| Taxpayer | Article 767 : z) The tax is established in the name of the occupant of the taxable premises; the rules determining the tax base stipulated with regard to occupational taxes are applicable "mutatis mutandis" to the present tax. The provisions of Article 713 to 742 of the present Code are notably applicable to the tax on the rental value of professional premises. | |
| | b) Assessment and inspection | |
| Assessment | Article 686 (2006 Finance Law, supplementary budget estimate): assessment of the rental value is effected for a period of three years by the Tax Department | |
| Responsibility for assessment | The Tax Department | |
| Assessment cycle | Every three years | Almost no communes follow this procedure; they are all reliant on the State department, which dictates their fiscal policies. |
| Objection and appeal | <p>1 - Preliminary review before the fiscal administration</p> <p>Art R 115: Complaints related to taxes and penalties established by the General Tax Directorate come under contentious jurisdiction when the intention is to obtain either reparation for errors made in the tax base or in the calculation of taxes, or the benefit of a tax resulting from a legislative or regulatory provision.</p> <p>Art R 116: Any taxpayer who believes he has been wrongfully taxed or overtaxed may make a complaint to the Director General of Taxes in writing before expiry of the second year following the receipt of the collection notice or payment notice in the event of an automatic payment.</p> <p>2. Procedure in civil courts</p> <p>Art R 123: With regard to direct taxes and value added taxes or similar taxes, decisions made by the authority on contentious claims, and which are not completely satisfactory to the interested parties, may be attacked in</p> | |

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| | <p>front of the administrative and financial chamber of the court of appeal, in accordance with Law no. 004/PR/98 of 13 November 1997 relating to organisation of the judiciary.</p> <p>(...)</p> <p>Art R 124: Original applications must respect the conditions of form and the timeframes set by order no. 26/67/PR/MJ of 21 March 1967 and the Civil Procedure Code.</p> <p>Original applications must be submitted to the clerk of the court. They may be sent by registered mail with acknowledgement of receipt.</p> <p>They are registered in order of their submission in a special register and are marked, as are the attached documents, with a stamp indicating the date of their submission.</p> <p>On the interested party's request, an acknowledgement of receipt may be issued by the clerk,</p> <p>(...)</p> | |
| Quality control measures | No indication is given in the General Tax Code. | |
| | c) Setting of rates and tax relief | |
| What is the tax rate? | Article 768 : aa) The rate of the tax, which may not exceed 15% of the rental value of the taxable premises, is set every year by deliberation of the Commune Management Committee, duly approved by the supervisory authority. If no deliberation was held before the first of January of the tax year, the previously adopted tax is kept in effect. | |
| What are the exemptions? | Article 765 : The following are exempt from the tax: premises in which professions temporarily exempt from occupational taxes are practised, in implementation of the provisions of Article 707 - 19 of the present Code, as well as professions in the 8 th and 9 th classes of Table A of the occupational schedule or Table B when the set tax is lower than or equal to the main tax relating to the 8 th class of Table A. | |
| What tax relief measures are there? | They are the same for all taxes, there are no specific features determined in the General Tax Code. | |
| | d) Fiscal administration | |
| How is taxation effected? | The General Tax Directorate is in charge of taxation. | |
| How is collection effected? | It is effected on the basis of tax rolls issued by the General Tax Directorate and sent to the communes | |
| How is this implemented? | The communes handle implementation using the tax rolls issued by the General Tax Directorate. | |
| | e) Additional comments | |
| | In Chad, there is a distinction between the TVLP collected for the State and the TVLP reserved for the | |

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| TVLP amount | communes. Although for the State the TVLP provides a negligible contribution (0.01% in 1995, 0.025% in 1997, 0.16% in 2002, 0.21% in 2005, 0.052% in 2007), for the communes, it is one of the three most important sources of revenue. In 1995, it represented 26.37%, in 1998, 34.41%, in 2002 ? 41.63%, in 2005, 50.67% and 2007 [sic], 26,02%. | |
| TVLP role | TVLP is a part of the general State budget and it also serves to fund the communes and their infrastructures. | |
| Tax effort | A previously unexplained fluctuation can be noted in the collection of TVLP, which should have increased. | |
| Other issues | | |

| 4.3 - Public Service Taxes (Taxe de services publics - TSP) | | |
|--|--|------------------|
| | Legislation | Practices |
| | a) Tax authorities and taxpayers | |
| What is the tax base? | Nothing is stipulated in the general Tax Code. | |
| Tax coverage | Article 769 : Public service tax is due for any property used for residential or business purposes occupied on the first of January of the tax year. Occupied is taken to mean any premises at the disposal of the owner, the tenant or any other occupant whether or not these premises are furnished. | |
| Taxpayer | Article 770 : (...) The tax is payable by property owners. It may be recovered from the tenant when the rent is charged. | |
| | b) Assessment and inspection | |
| Assessment | Commune management committees with the approval of the supervisory ministry (Land Administration Ministry in Chad) | |
| Responsibility for assessment | Commune management committees | |
| Assessment cycle | Every year | |
| Objection and appeal | Nothing is specified. | |
| Quality control measures | Nothing is specified. | |
| | d) Setting of rates and tax relief | |
| | Article 772 : gg) The tax rate is set by deliberation of the Commune Management Committees and duly approved by the supervisory authority. It may not exceed the following maxima: per lodging: | |

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| What is the tax rate? | 3,200 Francs; per commercial or industrial establishment: individuals: 10,00 Francs, companies: 25,000 Francs. Special tariffs may be established per area according to the services carried out there, by order of the Minister of Finance. | |
| What are the exemptions? | Nothing is specified. | |
| What tax relief measures are there? | Nothing is specified. | |
| | d) Fiscal administration | |
| How is invoicing effected? | Article 773 : (...) The tax is set through the tax roll, with regard to the lodgings referred to in 771 above. Withholding will be regularised, as per the personal income tax. | |
| How is collection effected? | It is done on the basis of tax rolls issued by the General Tax Directorate and sent to the communes | |
| How is this implemented? | The communes handle implementation using the tax rolls issued by the General Tax Directorate. | |
| | e) Additional comments | |
| TSP amount | TSP is a tax with a low level of contribution towards communal revenue, except for the years 2004 and 2006 when it was 49.57% and 11.86% of the revenue respectively. Apart from these two exceptional years, the revenue shares from this tax varied between 0.84% and 3.12%. | |
| TSP role | TSP goes towards the budgets of the communes. It is intended to cover expenses related to the public services: household refuse removal, public lighting, health,.. | |
| Tax effort | As seen by the figures, the tax effort is very low, even nil in some years (0.84% in 1998). The record achieved in 2006 shows that this is a tax that could contribute a great extent towards communal budgets. | |
| Other issues | | |

TABLE 1 - CHAD GENERAL BUDGET FROM 1995 TO 2007

CHAD GENERAL BUDGET FROM 1995 TO 2007

| Cat/Tax/year | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 |
|-----------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Corp. tax | 2 459 448 309 | 11 051 733 722 | 7 584 787 538 | 7 857 493 511 | 5 074 482 728 | 4 618 782 606 | 2 886 991 260 | 7 769 211 527 | 9 992 767 621 | 25 458 073 520 |
| IMF | 2 376 239 070 | 2 689 310 125 | 3 810 919 856 | 3 653 538 465 | 3 806 805 176 | 3 587 345 798 | 4 296 527 860 | 6 179 448 706 | 7 250 526 757 | 6 852 479 499 |
| Pers. Income Tax/sal (IRPP) | 5 634 454 368 | 6 154 818 332 | 6 331 587 983 | 6 599 586 611 | 7 087 439 131 | 7 965 315 395 | 9 295 338 250 | 19 114 981 497 | 25 501 832 153 | 18 676 010 616 |
| IRPP/BIC | 843 139 445 | 676 688 686 | 1 186 219 077 | 431 743 139 | 137 655 671 | 76 129 569 | 265 942 504 | 56 191 969 | 50 494 528 | 273 120 445 |
| IRPP/BNC | 445 203 538 | 113 893 461 | 315 730 927 | 484 854 462 | 595 271 678 | 937 738 381 | 291 623 508 | 327 564 160 | 2 441 573 049 | 1 882 705 310 |
| IRPP/RCM | 899 833 258 | 1 062 085 857 | 453 994 624 | 770 882 983 | 771 977 804 | 906 073 949 | 1 051 528 554 | 1 009 666 973 | 1 247 252 973 | 1 806 978 116 |
| IRPP/RF | 566 338 362 | 208 512 844 | 191 914 622 | 230 975 573 | 173 514 870 | 151 000 132 | 189 856 516 | 271 164 964 | 361 789 244 | 316 948 583 |
| IRPP 4% | 916 293 238 | 744 570 488 | 1 038 635 013 | 1 887 033 480 | 5 186 553 297 | 5 938 227 606 | 4 031 152 172 | 3 091 914 487 | 2 617 033 222 | 1 497 326 807 |
| VAT | 4 343 671 640 | 7 050 825 266 | 12 937 876 149 | 10 901 938 312 | 13 399 168 433 | 12 607 931 937 | 13 083 227 506 | 16 019 787 428 | 18 597 169 568 | 21 340 723 699 |
| Excise duties | 0 | 1 610 487 149 | 1 999 951 729 | 1 587 600 637 | 1 713 791 377 | 1 791 033 256 | 1 424 357 321 | 1 617 651 750 | 1 780 218 857 | 1 782 518 128 |
| Apprenticeship tax | 157 328 374 | 160 502 143 | 137 202 246 | 136 963 189 | 108 658 180 | 134 827 022 | 118 413 985 | 215 000 188 | 288 253 816 | 788 472 807 |
| Fixed rate tax | 1 150 226 881 | 1 253 938 985 | 1 323 055 691 | 1 698 449 909 | 1 704 979 956 | 1 982 689 370 | 1 698 964 125 | 1 790 420 021 | 2 037 253 797 | 2 121 612 765 |
| Other income | - | - | - | - | - | - | - | 120 328 612 | 26 363 929 | 112 328 667 |
| TVLP | 4 615 857 | 7 624 148 | 10 757 995 | 4 181 451 | 5 819 500 | 16 088 218 | 78 480 108 | 101 305 525 | 209 592 685 | 196 390 310 |
| TVS | 18 521 990 | 23 608 700 | 14 776 000 | 6 901 105 | 9 600 000 | 42 611 630 | 38 652 002 | 4 386 427 | 9 316 310 | 216 836 247 |
| Pat-Licence | 52 159 935 | 60 023 734 | 109 030 281 | 125 689 405 | 6 793 024 | 5 529 630 | 15 101 701 | 200 866 849 | 171 889 035 | 167 552 020 |
| Civil tax | 1 400 000 000 | 503 421 728 | 249 668 460 | 281 539 520 | 273 075 915 | 225 895 917 | 209 723 005 | 563 400 530 | 515 086 148 | 538 979 538 |
| Livestock sale tax | 606 000 000 | 214 205 970 | 249 907 248 | 556 240 236 | 682 165 050 | 528 170 503 | 585 465 948 | - | - | - |
| IGL | 315 325 453 | 0 | 0 | 1 391 381 412 | 975 409 128 | 1 083 161 134 | 902 918 358 | 1 133 899 173 | 1 352 675 894 | 1 465 035 899 |
| Penalties | 162 148 435 | 496 918 634 | 1 271 902 583 | 980 160 487 | 1 456 295 352 | 1 737 916 118 | 1 487 646 703 | 764 271 636 | 428 674 961 | 3 016 900 752 |
| STATE BUDGET | 22 350 948 153 | 34 083 169 972 | 39 217 898 022 | 39 587 153 887 | 43 169 456 280 | 44 336 469 336 | 41 951 920 486 | 60 351 462 422 | 74 879 734 547 | 88 510 993 728 |
| Pat-Licence | 268 963 560 | 282 806 784 | 330 667 211 | 181 987 104 | 171 555 191 | 173 833 307 | 153 205 732 | 188 582 232 | 194 389 584 | 180 506 329 |
| TVLP | 192 080 359 | 301 223 860 | 171 298 933 | 530 061 118 | 401 478 168 | 724 092 166 | 611 595 251 | 717 886 995 | 371 433 674 | 351 813 816 |
| CFPB | 252 246 728 | 433 079 694 | 233 015 449 | 777 870 247 | 434 057 778 | 433 314 699 | 342 951 068 | 734 303 036 | 217 103 488 | 50 300 892 |
| CFPNB | 7 942 745 | 9 187 661 | 9 701 921 | 37 414 206 | 63 816 374 | 60 988 808 | 42 650 646 | 68 587 728 | 45 126 917 | - |
| TSP | 7 110 800 | 10 828 200 | 24 482 200 | 13 425 058 | 10 106 110 | 11 286 400 | 10 285 400 | 13 114 475 | 8 256 390 | 289 040 |
| TSS | - | - | 231 380 | 39 440 | - | - | - | - | 323 295 363 | 421 000 |
| COMM BUDGET | 728 344 192 | 1 037 126 199 | 769 397 094 | 1 540 797 171 | 1 081 013 621 | 1 403 515 380 | 1 160 688 097 | 1 722 474 466 | 1 159 605 416 | 583 331 077 |

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|----------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| CCC | 23 036 310 | 24 110 013 | 29 489 120 | 9 907 467 | 11 460 640 | 13 235 882 | 11 091 155 | 12 525 900 | 12 631 850 | 19 753 314 |
| CNPS | 32 758 428 | 34 050 716 | 37 129 622 | 10 830 497 | 16 733 604 | 15 166 119 | 15 742 829 | 17 518 218 | 15 870 481 | 13 830 705 |
| FIR | 14 100 012 | 24 905 872 | 25 375 546 | 22 653 777 | 20 508 071 | 26 869 066 | 16 408 433 | 14 354 218 | 18 568 270 | 10 007 598 |
| COMMUNAL BUDGET | 69 892 750 | 83 066 601 | 91 994 546 | 43 391 741 | 48 702 315 | 55 271 067 | 43 242 417 | 44 398 917 | 47 120 601 | 43 591 617 |
| GRAND TOTAL | 23.149.185.095 | 35 203 362 772 | 40 079 289 662 | 41 171 342 799 | 44 250 469 938 | 45 795 255 783 | 43 155 851 000 | 62 118 335 805 | 76 086 460 564 | 89 137 919 422 |

TABLE 2 - REVENUE FROM STATE PROPERTY AND LAND FROM 1995 TO 2007

| REVENUE FROM STATE PROPERTY AND LAND FROM 1995 TO 2007 | | | | | | | | | | |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|---------------------|
| Revenue type | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 |
| Registration duties excl. contracts | 291 285 843 | 354 289 699 | 524 683 911 | 512 848 694 | 497 085 437 | 743 802 196 | 894 695 995 | 1 011 116 991 | 1 187 380 550 | 1 079 327 5 |
| Registration duties on contracts | 452 884 945 | 517 435 604 | 633 020 306 | 926 431 969 | 1 437 026 597 | 1 493 719 899 | 1 600 029 961 | 3 661 307 206 | 1 291 415 751 | 5 533 432 5 |
| Land registration | 40 562 545 | 12 540 065 | 41 575 839 | 28 730 229 | 27 101 364 | 20 864 780 | 20 564 937 | 37 142 949 | 34 541 169 | 35 541 1 |
| Estate duties | 4 777 000 | 10 600 000 | - | 18 000 | 340 145 | 464 235 | 123 875 | 1 172 515 | - | 160 0 |
| Donation duties | 216 000 | 9 200 000 | 1 156 700 | 387 620 | 73 400 | 566 640 | 195 000 | 823 460 | 1 204 810 | 590 8 |
| Insurance convention taxes | 152 237 129 | 296 985 798 | 143 865 845 | 477 619 056 | 354 343 952 | 314 118 533 | 572 616 849 | 462 927 997 | 633 280 609 | 589 099 8 |
| Motor vehicle tax/embarkation tax | 266 832 093 | 280 166 969 | 329 470 380 | 320 749 375 | 294 003 101 | 317 175 096 | 385 043 919 | 502 245 268 | 469 338 135 | 483 660 5 |
| Mining taxes | 2 209 465 | 36 000 | 19 750 805 | - | - | - | - | - | - | - |
| Tax stamps | 383 955 800 | 276 301 800 | 617 544 100 | 595 770 600 | 648 477 400 | 480 175 800 | 674 920 900 | 469 066 900 | 431 131 200 | 384 677 5 |
| PMU tickets stamp duties | - | 12 565 680 | - | - | - | - | - | - | - | - |
| Other revenue from fixed assets | 399 172 102 | 406 022 408 | 625 362 014 | 1 058 979 623 | 545 294 941 | 581 635 902 | 664 908 920 | 741 830 827 | 969 355 560 | 1 147 997 1 |
| Ind. and resid. land sale by auction | 34 691 010 | 11 853 906 | 13 403 780 | - | - | - | - | - | - | - |
| Other fixed asset income | 5 733 170 | 89 856 123 | 87 323 610 | 71 415 237 | 1 314 422 541 | 1 388 808 262 | 250 107 600 | 247 698 295 | 279 700 580 | 2 549 876 7 |
| Sale of written off equipment | 5 609 530 | 33 368 500 | 37 200 700 | 7 542 770 | 5 696 340 | 2 334 325 | 5 199 845 | 27 091 823 | 3 000 525 | 20 174 7 |
| Demarcation taxes | 67 109 854 | 68 195 460 | 103 104 115 | 180 340 430 | 110 727 200 | 121 778 830 | 144 308 785 | 133 696 800 | 148 430 300 | 130 255 5 |
| Land registry services revenue | 3 065 215 | 3 480 025 | 6 878 760 | 9 357 895 | 6 684 520 | 7 469 990 | 7 430 710 | 6 637 145 | 7 596 515 | 6 725 8 |
| Official journal | 19 445 000 | 20 615 000 | 30 762 760 | 57 910 000 | 33 743 500 | 34 310 700 | 39 468 050 | 37 633 880 | 42 951 412 | 43 626 3 |
| TOTAL | 2 129 786 692 | 2 403 513 028 | 3 215 103 580 | 4 248 101 498 | 5 275 020 438 | 5 507 225 188 | 5 259 615 346 | 5 499 164 897 | 5 499 164 897 | 12 005 146 1 |

CONCLUSION

Chad, like all African countries, has land and state property legislation that allows it to levy the relevant taxes. Although the legal texts on the subject are very old (the last land laws date back to 1967), the legislative authority has been able to adapt the taxation to the current situation through finance laws which allow annual definition of the levels and rates to be applied to these taxes.

Despite these attempts at adjustment, the collection level of land and property taxes remains very low. The successive increases in the rate of these taxes that we have seen over the 1990s reduced the collection level instead of increasing it. This situation translates the fact that this country has not given the necessary importance to revenue from property, and that it has also not made it into a resource for the development of local government.

In order to remedy the situation and allow property taxes to become the basis for the development of local authorities, mainly communes, there needs to be political commitment, and an overall study also needs to be carried out to determine, as objectively as possible, the collection rates in relation with social categories as well as the ways and means for optimal collection. For this strategy to succeed, truly democratic local governments need to be put in place. Unfortunately, in Chad decentralisation is taking a long time as, without decentralisation, it is difficult to maximise property taxes.

We believe that to make property taxes into resources for the development of local authorities, legislation and practices have to be reviewed and municipalities have to be reorganised so that they become real local governments and not mere appendages of the central government

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Orders

1. Order no. 235/M/SG/2007 of 3 December 2007 on the administrative organisation of the N'Djamena municipality
2. Order no. 047/M/SG/2008 of 29 February 2008 relating to amendment of Order no. 235/M/SG/2007 on the administrative organisation of the N'Djamena municipality
3. Interministerial Order no. __MIS/STCL/07 __/MFI/SG/07 on the creation of a joint commission responsible for expanding and updating the local tax base.

Decree

4. Decree 284/PR/2008 on restructuring of the land allocation committee for the town of N'Djamena
5. Decree no. 260 of 8 October 1975 on the creation and organisation of the N'Djamena Commune General Secretariat
6. Decree no. 261/PR/CSM of 8 October 1975 on the organisation of the municipal technical departments of the commune of N'Djamena
7. Implementing Decree no. 188 of 1 August 1967 on implementation of the law referring to the status of state property.
8. Implementing decree no. 186-PR of 1 August 1967 on the property regime and customary laws.
9. Implementing decree no. 187 of 1 August 1967 on the limitation of land rights.

Law

10. Law no. 23 of 22 July 1967 on the status of state property.
11. Law no. 24 of 22 July 1967 on the property system and customary laws.
12. Law no. 25 of 22 July 1967 on the limitation of land rights.
13. Law no. 09/PR/2005 of 15 July 2005 on the special status of the town of N'Djamena

Order

14. Order no. 22 of 22 September 1975 on the reorganisation of the administrative structures of the town of N'Djamena
15. Order no. 23 of 22 September 1975. Status of the commune of N'Djamena
16. Order n. 10/P.CSM. INT. SEC of 12 March 1976 defining the financial and accounting system of the Commune of N'Djamena.
17. Order no. 032/PR/86 on the general budget for 1987.

LIST OF INTERVIEWEES

1. N'DOIALLAH KEMIGO, Executive Assistant, State Property, Registration and Stamps
2. ZOUKALNE PATEDJORE, Head of the Lands Department
3. DAKOU MAHAMAT, Head of the Accounting Department
4. NOKOUR CHOUGUY, Director of the Land Registry
5. TAHIR HAMIT NGUILIN, Director General for Taxes
6. MAHAMAT KOULBOU, Head of the Property Taxation System Division, General Tax Directorate
7. NOUDJALBAYE AKINGAR Célestin, Head of the Statistical Department, General Tax Directorate
8. LEYABE PASSANG, Risk Director, Commercial Bank Chad
9. DJIMTIBAYE LAPIA NELDITA, General Secretary of the Municipality of N'Djamena
10. AZARI, Municipal Management Controller
11. OUMAR SARAMADJI, Director of the Municipal Technical Department, Municipality of N'Djamena
12. MALLAH ADOUM SALEH, Head of the Property Tax Department, Municipality of N'Djamena