



IMMOVABLE PROPERTY TAX

Who is liable to property tax?

The immovable property tax is assessed and paid by the owner, the usufructuary or any other person considered to be the owner.

What is the tax base?

- ✓ The immovable property tax is levied on:
 - Market value of a building and its improvements
 - Surface of a plot of land.
- ✓ The tax on the building and its improvements is based on the market value
- ✓ If the immovable property consists of a plot of land that is not built, the tax on immovable property is calculated on each square meter of the whole surface of the plot of land.

What is the tax year?

The tax period is counted from 1st January to 31st December which is the taxable year.

What is the date of declaration and payment?

The property tax is declared and paid not later than 31st December of the same taxable year.

e.g. Property tax for year 2019 is due by 31st December 2019

What is the Period of immovable property valuation?

Valuation date is 1st January of the first taxable year.

- ✓ The value of immovable property:
 - Determined for a cyclical period of five (5) years
 - Includes the market value of the building

The market value remains the same for 5 years unless there is major change about +/- 20%; in this case, the new value obtained is considered as new market value.

What are Methodologies of Valuation of immovable property?

The market value is determined as follows:



- ✓ The acquisition value for buildings bought on open markets;
- ✓ The value determined by the Certified Valuer;
- ✓ The value determined by the Computerised System (CAMA)

The immovable property tax is made of both the Building and Land Tax

The Building Tax Rate is as follows:

Type of the Building	2019 (Y1)	2020 (Y2)	2021 (Y3)	From 2022
Residential buildings	0.25%	0.50%	0.75%	1%
Commercial buildings	0.20%	0.30%	0.40%	0.50%
Industrial buildings	0.10%	0.10%	0.10%	0.10%
All other buildings	0.10%	0.10%	0.10%	0.10%

The Land Tax Rate is as follows:

- ✓ District Council sets the tax rates between **0 and 300 Frw per sqm;**
- ✓ **50%** higher rate on land above ‘standard’ plot size
- ✓ The vacant plot for construction will attract additional **100%** tax rate
- ✓ The Ministerial Order will set criteria for the Council to set land tax rates (e.g. location, type of the city, availability of infrastructures, etc.);

Exemptions on Immovable property tax

- ✓ One house used for residence by the Owner and his/her family;
- ✓ Properties belong to Government institutions if not used for profit making activities
- ✓ Properties donated by the Government or Local Administration to vulnerable groups;
- ✓ Immovable properties belonging to foreign diplomatic missions if their countries do not apply it on our properties in their countries;
- ✓ Land used for agriculture and livestock activities not exceeding 2 ha;
- ✓ Land reserved for construction of houses in rural areas but where no basic infrastructure has been erected.

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