

PROPERTY TAXATION IN NIGERIA: AN APPRAISAL

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Abstract

Taxation of property in Nigeria has a checkered history. Taxes imposed on property in the country are marked with intricate and complicated interaction of both traditional, colonial and modern day circumstances. Property tax, put briefly and to the point, has to do with a tax imposed on property owned by person(s) or other legal entities by the government. It is a vital source of revenue for governments worldwide. The revenue generated from the tax helps the government to finance essential public services, and also improve and maintain public infrastructure. In Nigeria, there are various types of taxes imposed on property in the country, each with its own peculiar or distinguishing features. The taxes, no doubt, play crucial roles in government project financing, although with various challenges. This Article critically examined the gamut of property taxation in Nigeria. The research methodology employed in the study is doctrinal, while data were collated from both primary and secondary sources. Findings revealed that multiplicity of taxes imposed on property, inadequate data of property, poor administrative and collection system, and lack of awareness of the tax, are some of the barriers to property taxation in Nigeria. The study ends with recommendations which if followed would improve the lot of property taxation in Nigeria and enable the government reap more from this form of tax

KEYWORDS: TAXATION, PROPERTY, PROPERTY TAXATION

1.0 Introduction

Property taxation in Nigeria, is a very vital revenue stream for the government. Revenues generated from taxes imposed on properties are used to fund public services such as schools, hospitals, housing, water, roads, etc. Property tax system in Nigeria plays a very important role in local government financing, albeit with various challenges and limitations¹. In section 7(5) of the Constitution², the States of the Federation and Local Government Councils are mandated to perform certain functions some of which include: roads maintenance, markets, gardens, Highways, slaughter houses, *et cetera*. In order to raise money and carry out these mandates, property tax and in deed taxation generally, becomes germane.

Taxes on real properties as stated earlier, are one of the major sources of revenue of government,³ be it tenement rates,⁴ land rents,⁵ capital gains,⁶ stamp duties,⁷ land registration charges,⁸ or land use charges⁹. In Nigeria, property tax is usually based on the value of the property, and it is levied by the authority where the property is located. It may be imposed annually or biannually, or at the time of a real property transaction. The rate of taxes imposed on property and

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¹ M S Muhammad and B Ishiaku, "An Assessment of the Prospects of Property Tax Administration in Nigeria: A Case Study of Baudu State Board of Internal Revenue". (2013) 5 (9) *Elixir International Journal of Social Science*, 15284-15289.

² Particularly Fourth Schedule to the 1999 Constitution of Nigeria (as amended).

³ L Helms, (1980), *The Effect of State and Location Taxes on Economic Growth: A Time Series-Cross Section Approach*. *The Review of Economics and Statistics*, 67(4), 574-582.

⁴ Fourth Schedule to Constitution of Federal Republic of Nigeria (as amended), 1999.

⁵ Land Use Act, Cap L5, Laws of the Federation of Nigeria, 2004.

⁶ Capital Gains Tax Act Cap 354, Law of the Federation of Nigeria, 19990.

⁷ Stamp Duties Act Cap 441 Laws of Federation of Nigeria, 19990.

⁸ Land Registration Law Lagos State, 2015.

⁹ Land Use Charge Law, Lagos State, 2001.

the types of properties taxed, vary by jurisdiction. One, when buying a property, is therefore expected to carefully examine the relevant tax laws so as to know what property is taxable and the rate that is payable. Property tax is an *ad valorem* tax. This means that it is based on the property's estimated market value. The rate of the tax differs by State, and ranges between 0.14% and 3% of the property's assessed value¹⁰. In developing countries, property tax typically contributes between 0.3% to 0.6% of Gross Domestic Product¹¹. The practice of property tax, globally, differs. However, the rates are generally and usually set at affordable levels, and they align with the economic development objectives¹².

2.0 Conceptual Clarification

A. Taxation

The Black's Law Dictionary¹³ defines taxation as "The imposition or assessment of a tax; the means by which the State obtains the revenue required for its activities". It is a financial obligation levied by a government on its citizens or people.

Taxation is a term for when a taxing authority, usually a government, levies or imposes a financial obligation on its citizens or residents¹⁴. It applies to all payments of mandatory levies, including on income, corporate, property, capital gains, sales and inheritance.

To Richard¹⁵, taxation is a proportion of the produce of the land and labour of a country placed at the disposal of the government and always ultimately paid either from capital or from the revenue of the country. It is a fact well known that no nation can survive for long without one form of tax or the other. This is so because statehood imposes a lot of responsibilities on the government, and government cannot carry out these mandates or responsibilities without revenue. It is therefore through taxation that governments generate and garner revenue to defray cost of governance and provide public services to the citizens.

Taxation procedures vary across sovereign structures and periods. Every country in the world has a tax system in place in order to provide public and common societal or agreed national needs. Some charge taxes on incomes of individuals and corporate incomes. Others, however, impose taxes on goods and services as well as on property.

B. Property

Property, according to Okany¹⁶, has various meanings depending on the context in which it is used. Sometimes, it may be the thing (*res*) over which ownership may be exercised. It could also mean ownership itself; finally, it may mean interest in a thing less than ownership.

Property refers to any external thing over which the rights of possession, use and enjoyment are exercised¹⁷. It is a system of rights that gives people legal control of valuable things¹⁸, and also refers to the valuable things themselves. A property owner has the absolute right to share, rent, consume, alter, gift, mortgage, transfer, and sell, or even destroy the property, depending on the nature of it.

¹⁰ Propsult: 'Property tax in Nigeria' (2022) <<https://propsult.com/blog/property-tax-in-Nigeria/>> Accessed 12/01/2022.

¹¹ R Robert, 'Property Tax Assessment' (2022) <<https://www.findlaw.com/realestate/owing-a-home/property-tax-assessment.html>> Accessed 12 January, 2024

¹² Sow Professional: 'Property Taxation in Real Estate' (2021) <<https://sowprofessional.com/property-taxation-in-real-estate/>> Accessed 12 January, 2024

¹³ B. A Garner, *Black's Law Dictionary* (USA: West Publishing Co. 2004) P. 1500.

¹⁴ J Kagan, 'Taxation Defined, With Justifications and Types of Taxes', Available at www.investopedia.com/terms/t/taxation. Accessed 12 January, 2024.

¹⁵ D Richardo, *The Principles of Politics Economy and Taxation*. 3rd Edition (London: John Murray Albmarle-Street 1821).

¹⁶ M C Okany, 'Law of Property' (Fourth Dimension Publishers, 1986) P. 1

¹⁷ B A Garner, *Black's Law Dictionary*. (USA: West Publishing Co. 2004) p. 1252.

¹⁸ R R Powell (2009) in M A World (ed.), Powell on Real Property (New Providence, NJ,

Property, *moreso*, means any land, building or structure, and it also include any machinery, plants, fixtures or other thing attached to or used in the land. This may also include any easement, right or privilege in, over or derived from the land¹⁹. For John Salmond²⁰,

“In its wildest sense, property includes all a person’s legal rights, of whatever description. A man’s property is all that is his in law...”

The definition of property can also be gleaned from some of the Nigerian legislative enactment like the Companies and Allied Matters Act²¹ which defines property as any right or interest in land, whether freehold or leasehold, and it also include personal property. Writing on the effects of property on inequality, Adam Smith²² had this to say:

“Wherever there is a great property, there is great inequality... Civil government, so far as it is instituted for the security of property, is in reality instituted for the defense of the rich against the poor, or of those who have some property against those who have none at all”.

Property can be Real Property (which includes land or things attached to land such as buildings, trees, and plants. It can be personal property (which may be tangible and intangible things). Property, *moreso*, can be Intellectual Property (which consists of rights in inventions or creations such as artworks, writings and designs that are used in business etc).

C. Property Tax

Property tax is a tax levied on the owner of property (especially real property), usually based on the property’s value²³. It is the type of tax which is assessed on the value of a property by the governing authority where the property is located, and paid by the owner. The governing authority can be a Local Government, a State or the Federal Government.

According to food and Agriculture Organizat²⁴,

“Property tax is an annual tax on real property. It is usually, but not always, a local tax. It is most commonly founded on the concept of market value. The tax base may be the land only, the land and building, or various permutations of these factors. For the purpose of this guide, property tax is restricted to annual taxes and excluded one-off taxes on transfers, on released capital gains or betterment, or on annual wealth taxes”.

A property tax is a tax levied on “Real Property” (land and buildings, both residential and commercial) or “personal property” (business equipment, inventories, and non-commercial motor vehicles)²⁵. It refers to taxes that are imposed primarily on lands and buildings i.e; on real property (as distinguished from personal property). It covers terms like tenements, hereditaments: or that

¹⁹ Section 2(1) of the Land Use Act, 1978.

²⁰ J Salmond, *Jurisprudence* 423-24 (Granville ed; 10th ed. 1947).

²¹ See Companies and Allied Matters Act, 1990.

²² A Smith, *An Inquiry into the Nature and Sause of Wealth of Nations* (Hackett Publishing Company, 1993) P. 177.

²³ B A Garner, *The Black’s Law Dictionary* (USA: West Publishing Co. 2004) P. 1498.

²⁴ Available at www.fao.org/3/44313E/y4313e05/htm. Accessed 12 January, 2024.

²⁵ Available at www.urban.org>policy-centres>projects. Accessed 12 January, 2024

which is incidental or appurtenant to land²⁶. In the United States of America, Property taxes, according to the Tax Foundation, are the single largest source of State and Local Revenue, and help fund schools, roads, police, and other services²⁷. Property tax is an *ad valorem* tax, and this means that it is imposed proportionally on the value of the property rather than on its quantity or some other measures. The tax conforms clearly to the Benefit Received Theory of tax which states that taxes a person pays should basically relate to the benefits he received from such payment of taxes. The revenues generated or garnered from property taxes are used for public services such as roads, schools, hospitals, maintaining public facilities, and so on and so forth.

Property tax is categorized as a direct tax, and it is so because the person who pays the tax is the same as the person who remits the tax to the authorities. Not only that the taxpayer is notified of the tax, he is actually clearly aware that he is paying it. Taxes on property are usually based on the market value, the size or the location of the property, and can apply to residential (be it owned by an individual or a company) or commercial property. Property tax is easy to administer and very difficult to evade.

3.0 Taxation of Property in Nigeria

Taxation of property in Nigeria has been described by a tax law expert as “an untapped gold mine...²⁸. Of all the ways local government currently generate revenue in Nigeria, property taxes present the best opportunity to improve their finances, while simultaneously resolving many of the challenges related to equity and economic distortions²⁹. In Nigeria, the government imposes a property tax on both commercial and residential properties. It is usually imposed annually or biannually by the authorities with varying rates, depending on the location of the property. The two popular and major property taxes in Nigeria are the Governor’s Consent Fee and the Land Registration Fees, and the levies which are payable to the State Government only, amount to a total of 3% of the fair value of the land. Additionally, Right of Occupancy Fee and Tenement Rates are chargeable by State Government and Local Government councils respectively³⁰.

In Nigeria, more so, property tax is imposed on immovable property, that is, land and structures that are permanently attached to the ground such as house, building or land³¹. Property tax, therefore, is applicable to land owners and owners of other kinds of real property in Nigeria. These owners of land and other kinds of real property are expected to pay the amount levied on their property to the governing authority which might be the Local Government, the State or the Federal Government in this case within the location or jurisdiction of the property. As pointed out earlier, depending on the location of the property, the owners must pay the property tax on their property annually or biannually, and the amount owed must be paid by a specific date to avoid the risk of fines and penalties³².

Property taxation in Nigeria may be traced to the colonial era. Nigeria inherited a property tax system from Britain when it became independent in 1960. The property tax system then was actually based on an outdated rating system which did not take into consideration the changing and harsh economic and social realities of the country. This system, however, soon became unfortunately and increasingly ineffectual and difficult to manage. It was in the 1970s that the

²⁶ A I Paye, *Property Taxation and Revenue Generation in Nigeria* (Tax Practice Series) no. 27, P. 1.

²⁷ See <[tax foundation.org/taxedu/glossary/property-tax/](https://taxfoundation.org/taxedu/glossary/property-tax/)>

²⁸ I Ilobinso, Taxation of Property in Lagos State: An Appraisal, *Obafemi Awolowo University Law Journal*, vol 2 No. 1, 2018.

²⁹ Moore, *et al Taxing Africa: Coexcion, Reform, and Development: African Argument*. (London: zed Books, 2018) <ICTD-Literature-Review-Property-Tax, pdf> Accessed 12 January, 2024

³⁰ Nigeria Corporate-Other taxes<Nigeria-Corporate-Other taxes (Pwc-com)> Accessed 12 January, 2024

³¹ Property Tax in Nigeria <property Tax in Nigeria (Propult.com)> Accessed 12 January, 2024

³² *Ibid*.

government started to explore alternatives to the existing property tax system. The Nigeria Government in 1978 enacted the Land Use Act which, among other things, introduced a new approach to property taxation in Nigeria.

3.1 Scope of Imposition of Property Tax in Nigeria

In Nigeria, once property tax is due, the owners of the property are liable for tax on the property in line with the provision of the relevant property tax laws. Properties that are liable to property tax include: land, buildings, and other structures such as fences, gates on the property, etc. Property tax can also be imposed on property transactions such as contracts, leases, mortgages etc. The tax can also be imposed on any mineral rights associated with property and any fixtures or equipment affixed to property. It can as well be imposed on other tangible properties such as vehicles, boats, aero planes etc.

3.2 Properties Exempt from Property Tax in Nigeria

There are certain properties that are ordinarily liable to property tax but are under the law exempt from the tax. The exemptions, however, may vary depending on the State where the property is located. Such properties include: properties owned and occupied by a religious body and used exclusively for religious purposes, real property owned by any person and used as a non-profit making cemetery or burying ground, but where such property is not immediately required for interment of the dead, it shall not be exempt. The rationale for this is to prevent land owners from taking the wrong advantage of that provision³³. Other properties exempt from property tax include properties designated and used for public purposes including public institution of learning, or for official or residential purposes by diplomats, places of recognized traditional rulers, property owned and used for social welfare services by Non-Governmental Organizations³⁴.

3.3 Property Tax Rate, Assessment and Valuation Processes in Nigeria

In Nigeria, property tax rates for each jurisdiction are calculated separately then all the levies are added together in order to find out the total tax so as to arrive at the total tax rate for the entire region. State by State property tax policy rates range between 0.14 percent and 3 percent of the property's assessed value. The taxable value of a property is usually determined by its location. The purport of this, therefore, is that properties in urban areas are subject to higher tax rates than those in rural areas. Additionally, certain properties such as homes, may qualify for exemptions at reduced rates³⁵.

Property tax rates in Nigeria also varies with the kind of property being taxed. The rate at which property tax is payable annually in Nigeria is 0.3% for recreational property, 0.4% for residential property, 0.6% for commercial property, and 0.7% for others. Under the Land Use Charge Law of Lagos State³⁶, the applicable rates area:

- Owner occupied residential property = 0.076%
- Owner occupied pensioner property = Exempted
- Industrial property of manufacturing concerns = 0.256%
- Residential property (owner/3rd party) = 0.256%
- Residential property without owner = 0.76%
- Vacant property/open land = 0.76%

³³ Propsult: 'Property Tax in Nigeria' (2022) <<https://propsult.com/blog/property-tax-in-Nigeria/>> Accessed 12 January, 2024

³⁴ *Ibid.*

³⁵ Property Tax in Nigeria < Property Tax in Nigeria (Propsult.com)> Accessed 12 January, 2024.

³⁶ Lagos State Land Use Charge Law, 2018.

For the purpose of property tax, properties are assessed based on the physical appearance, aesthetic features and age and usage, and also status of occupation. The assessment and valuation of property for tax purposes in Nigeria vary depending on the specific property tax being considered. In Land Use Charge Law, valuation is based on the market value of the property³⁷. However, the means or methods for determining this value may differ between states and local governments. In *Adeyemi v. Lagos Internal Revenue Service*³⁸, the issue in the case revolved around the fairness and accuracy of the property tax assessment conducted by the Lagos State Internal Revenue Service. The plaintiff questioned whether the assessment process by the Lagos State Internal Revenue Service was conducted in accordance with the applicable laws and regulations. The Lagos State Tax Appeals Tribunal ruled in favour of Adeyemi, ordering the Lagos State Internal Revenue Service to conduct a re-evaluation of his property's value. The decision emphasized the importance of fair and consistent property tax assessments across similar properties within the state.

More so, in *Ogunmola v. Lagos State Government*³⁹, Mr. Ogunmola owned a parcel of land located in Lagos which he used as residential property. In 2017, the Lagos State Government enacted the Land Use Charge Law to replace the old tenement rates system. Pursuant to the new law, the Lagos State Property Protection Agency issued an assessment demanding that Mr. Ogunmola should pay N2.5 million as Land Use Charge for the years 2018-2020. Mr. Ogunmola objected to the assessment. He argued that the Land Use Charge demanded was arbitrary, excessive and did not take into account the actual use and value of the property. The Court of Appeal allowed Mr. Ogunmola's appeal. The Court held that while the Land Use Charge Law was validly enacted, the assessment against the appellant's property was arbitrary and unreasonable.

Furthermore, the Appeal Court noted the Property Protection Agency had failed to conduct proper inspection and valuation of the property before issuing the demand notice. The assessment also did not reflect the residential nature and actual value of the property. The Court therefore set aside the assessment as invalid. It affirmed that while the Government has powers of taxation, any assessment must be reasonably connected to the actual use and worth of the property in question. Valuation for stamp duty on property transactions is typically conducted by certified valuers who assess the transaction's value, ensuring that the appropriate stamp duty rate is applied.

3.4 Property Tax Administration, Collection and Enforcement Mechanisms

Administration of tax in Nigeria is carried out by government agencies known as the Federal Inland Revenue Service (FIRS) for the Federal State of Internal Revenue Service (SIRS) for the States. The FIRS collects property taxes from owners of properties in the Federal Capital Territory Abuja, while the State Internal Revenue Service collects from owners of properties within the State. The Local Government Revenue Committee (LGRC), on the other hand, collects property tax from owners of properties within the Local Government Area. The LGRC accounts for all the revenues collected to the Chairman of the Local Government Area⁴⁰.

The collection and enforcement of property taxes in Nigeria are carried out by various government agencies at different levels. Property owners are required to make tax payments to the relevant tax authorities within their jurisdiction. The mechanisms for enforcing payment include legal actions, penalties, or asset seizures for defaulters. Moreover, in some states, the use of digital platforms for tax collection is becoming increasingly common, making the process more efficient

³⁷ Land Use Charge Law of Lagos State, 2018.

³⁸ (2012) 18 NWLR (Pt. 798) 456.

³⁹ (2018) 8 LPELR pt 45837.

⁴⁰ M N Umenweke and F N Asomadu, An Appraisal of Local Government Property Tax Collection in Nigeria: Echoes from some other Jurisdictions (*IJOCLLEP*) 2022, p. 9.

and transparent⁴¹. In Nigeria, tax authorities utilize both administrative and legal means to collect property taxes. The administrative methods include sending demand notices to property owners, often accompanied by penalties and interests for late payment. Legal actions, such as obtaining court orders to seal or confiscate properties, may be initiated in the case of persistent defaulters⁴².

4.0 Types/Form of Property Taxation in Nigeria

Nigeria's property tax system encompasses various types of taxes, each with its own unique characteristics:

- i. **Land Use Charge:** The Land Use Charge, no doubt is one of the prominent property taxes in Nigeria, which is primarily administered at the state and local government levels. The tax is assessed annually based on the market value of real property and is payable by property owners.
- ii. **Tenement Rate:** The Tenement Rate is another type of property tax and it is intended for local government financing. Moreover, in practice, it is less commonly enforced across the country. It typically targets property occupied by people, and is assessed based on factors like property size, location, and type.
- iii. **Stamp Duty:** Stamp duty is a type tax imposed on various legal documents, including property-related transactions like property conveyances, leases, and mortgages. It is administered both at the federal and state levels, with rates varying depending on the transaction's value.
- iv. **Capital Gains Tax:** Capital Gains Tax refers to is a tax on the profit when you sell (or 'dispose of') something (an 'asset') that's increased in value. It's the gain you make that's taxed, not the amount of money you receive. Some assets are tax-free. You also do not have to pay Capital Gains Tax if all your gains in a year are under your tax-free allowance.⁴³
- v. **Withholding Tax:** withholding tax has to do with an advance income tax payment which is intended to bring taxpayers such as consultants, contractors, suppliers, landlords, and shareholders into the tax net.⁴⁴
 - WHT is deducted at varying rates ranging from 5% to 10% depending on the transaction.
 - The due date for filing WHT returns is 21st day of every succeeding month.
 - Penalty for late filing of returns is N25,000 for the first month it occurs and N5,000 for each subsequent month the failure continues⁴⁵
- vi. **Governor Consent Fees:** This is a non-refundable fee payable to the State Governor for obtaining his consent to the transfer of ownership of land. It's calculated as a percentage of the consideration paid for the land.⁴⁶

⁴¹ M S Muhammad & B Ishiaku. 'An Assessment of the Prospects of Property Tax Administration in Nigeria: A Case Study of Bauchi State Board of Internal Revenue.' (2013) 5(9) *Elixir International Journal of Social Science* p. 15284-15289.

⁴² *Ibid*.

⁴³ Capital Gains Tax 'Meaning Rates, and Calculation? <https://www.google.com/url?sa=t&source=web&rct=j&opi=89978449&url=https://www.gov.uk/capital-gains-tax>>accessed on 31st October, 2023.

⁴⁴ Withholding Tax in Nigeria 'What Constitutes Sale in the ordinary Course of Business'><https://www.Google.Com?url?sa=t&source=web&rct=j&opi=89978449&url=https://portal.dcls.com.ng/data/resources>> Accessed On 12 January, 2024.

⁴⁵ Federal Inland Revenue Service 'Withholding tax'><https://www.google.com/url?sa=t&source=web&rct=j&opi=89978449&url=https://www.firs.gov.ng/withholding-tax>> Accessed on 12 January, 2024

⁴⁶ Tax Foundation 'Transactional based taxes'><https://www.google.com/url?sa=t&source=web&rct=j&opi=89978449&url=https://taxfoundation.org/taxedu/glossary/direct-tax>> Accessed on 12 January, 2024.

5.0 Challenges of Property Taxation in Nigeria

Like many other countries of the world, Nigeria faces numerous and serious challenges in its tax system. While it is clear that the tax landscape in Nigeria encompasses various forms of taxes, one of the significant challenges lies squarely within property taxation. Property taxation plays a crucial role especially in local government financing, but it grapples with several issues that hinder its effectiveness and revenue potential⁴⁷. A review of property tax administration in various States of the Federation of Nigeria shows varying degree of challenges militating against its success as a source of internally generated revenue. Some of the challenges are:

- a. **Multiplicity of Taxes:** Among the challenges of property taxation in Nigeria is the issue of multiplicity of taxes. Multiplicity of taxes refers to the levying of tax on the same income by two or more jurisdictions. In the context of property taxation, this can manifest when local, state, and federal authorities impose different property taxes on the same property, leading to the repetition of tax liabilities. This situation is not only confusing but also burdensome for property owners who find themselves paying multiple taxes on their property, contributing to a sense of unfairness and inefficiency in the system.
- b. **Lack of Data of Properties:** Dearth of data of properties in Nigeria is one of the major challenges to effective property tax administration. This has dealt a great blow on the revenue flow of government since out of a hundred properties within a certain location, data may have been collected on only half of them. Effective tax administration requires a reliable and comprehensive database of all individuals and properties subject to taxation.
- c. **Complex Nature of Tax Laws:** The difficult nature of Nigerian tax laws is another substantial challenge to effective property taxation. The Nigerian tax laws are intricate and very complex, and are often difficult to understand, even for educated individuals and tax professionals. This difficulty and/or complexity can lead to misinterpretation of tax regulations and a lack of clarity regarding tax obligations. Property owners, tax officials, and even tax consultants may struggle to navigate the labyrinth of tax laws, resulting in misunderstandings, disputes, and potential non-compliance.
- d. **Lack of Tax Awareness and Education:** There is serious lack of tax awareness and education about property tax in Nigeria. Many Nigerians, especially in rural areas, have low levels of tax literacy and may not fully understand their tax obligations or the benefits of property taxes. This lack of awareness can hinder compliance and lead to resistance to tax payments. Public education campaigns and outreach programs are needed to raise awareness about the importance of property taxes and their role in local development.
- e. **Tax Touting:** Tax touting, involving unprofessional and untrained individuals in the enforcement and collection of taxes and levies, is a common problem at the local government level in Nigeria. These touts, who often lack the necessary knowledge of tax laws, engage in the collection of various taxes and levies. This practice can lead to disputes, corruption, and inefficiencies, further complicating property taxation in the country.
- f. **Poor Administrative and Collection System:** Tax administration is a fundamental issue in the Nigerian tax system, particularly with property taxation. Poor administration often results in a lack of transparency in managing taxpayers' money, leading to issues such as tax evasion. The inefficiencies within the tax administration system contribute to revenue leakage and hinder the effectiveness of property taxation.

⁴⁷ D S Edori, I S Edori, & I A Roberts. 'Issues and Challenges Inherent in the Nigerian Tax System' (2017) 2(4) *American Journal of Management Science and Engineering*. p. 52-57.

6.0 Conclusion

Tax is a compulsory levy of which its imposition must be met with total compliance by the taxpayers. As the popular saying goes among the Americans, the only sure things in life are Death and Taxes. Property tax is one of the forms of taxation, and it is a major source of revenue to the government. In this Article, the researchers not only critically discussed property taxation in Nigeria, but also highlighted the forms of property taxation, the rate, scope, administration and collection, assessment and evaluation processes, and also the challenges of the tax in Nigeria.

7.0 Recommendation

It is recommended that:

- 7.1 Government should come up with a tax policy that will harmonize property tax and clearly define the tier of government that can impose and collect the tax to avoid double taxation. A situation whereby Local Government, State, and Federal Government impose different property taxes on the same property is unacceptable as it leads to multiple liability thereby becoming burdensome to the taxpayer.
 - (a) Nigeria should improve on record keeping system and data collection. There is no accurate data of properties in Nigeria. The country should fully embrace technology in the administration of tax and ensure that there is adequate data of taxpayers and properties. The utilization of technology in data collection and administration of property will no doubt bridge the gap between taxes, fees, and charges owed and those that are collected in the country.
 - (b) The tax laws in Nigeria should be made clear, plain and unambiguous. The difficulty and complexity of the Nigeria tax law can lead to misinterpretation thereby occasioning injustice. It is therefore advised that the Nigerian legislators should do more to make the tax laws simple and straight to the point so that they can easily be understood by all and sundry.
 - (c) Serious Efforts should be made by the government to create more awareness and educate the taxpayers and the general public on the existence of property tax and the need to pay it. Many people in Nigeria especially rural dwellers are not aware that there is property tax and that they need to pay it over their property. This lack of awareness hinders tax compliance and leads to tax resistance on the part of the taxpayers. There is need to engage and reach out to public on the tax. public education campaigns and outreach programs are needed to create more awareness of the tax.
 - (d) Government should stop engaging touts in the administration and collection of property tax. touts lack necessary knowledge of tax laws and policies. Using them in the collection and enforcement of property tax can lead to crisis, corruption and inefficiency in the tax system.
 - (e) There is need for Nigeria to do more in property tax administration in the country. Some of the States of the federation do not even have any law on property taxation, while some like Lagos, Enugu, Edo, Ekiti, Anambra etc all have enacted laws on the tax. This shows that government is yet to be serious about property tax and its administration. The poor tax administration in Nigeria has dealt a negative blow on the level of revenue generated, and when compared with that of other countries, much is left to be desired. A better way to improve the Nigerian tax administration, among others, is to place good focus on the tax authorities and employ competent and experienced staff. A tax system in the hands of competent authorities would drive the country's tax system and administration towards efficiency.