

**AN APPRAISAL OF THE LOCAL GOVERNMENT PROPERTY TAX COLLECTION IN NIGERIA:  
ECHOES FROM SOME OTHER JURISDICTIONS\***

**Abstract**

*In Nigeria, local government is conferred with powers to collect property tax. Property tax is a major source of revenue for local government in Nigeria. It is a common fact that not all property is liable to tax. Some properties are tax exempt. In this work, it is our aim to examine property taxes in other jurisdictions to ascertain whether our property tax system is similar to what is obtainable in some jurisdictions outside Nigeria. It is further our aim to ascertain whether powers conferred on the local authority can be taken over by state government in other jurisdictions. The methodology adopted in this work is doctrinal wherein we utilized both primary and secondary sources of materials. We therefore recommend that local government having been acknowledged by the Constitution, the state government should endeavor to allow her to exercise the powers conferred on her without intruding.*

**Keywords:** Local Government Property Tax, Collection, Nigeria, Some other Jurisdictions

**1. Introduction**

In Nigeria, local government's existence is dependent on the state government. Section 7 (1) of the constitution of Nigeria 1999 as amended mandates the state government to ensure the existence of democratically elected local government. Most states of the federation have failed to comply with this provision. Most of them appoint caretaker committee members who superintend the affairs of local government. They do this in order to have absolute control of the affairs of local government. Does the power conferred on state government give rise to state divesting the duties of local government? We shall find out in this work.

**2. Local Government**

The existence of the local governments in Nigeria is specifically guaranteed by section 7 (1) of the Nigerian Constitution. The territorial boundaries of the Local Government Areas are further enumerated in the second column of part 1 of the First Schedule to the Constitution. Following the provision of section 7(1) of the Constitution<sup>1</sup>, local government is a creation of the state government<sup>2</sup>. Under the Constitution of Nigeria, the democratic system of Local Government Council is guaranteed<sup>3</sup>. It provides for the establishment, structure, composition, finance and functions of the Local Government Council. The government of every state is mandated to ensure the existence of Local government is preserved under a law enacted by the State House of Assembly. State Government is empowered by the Constitution to make law for peace, order and common good of the people<sup>4</sup>. The 1999 Constitution (as Amended) made a local government a subject matter of the state government. It was based on the provisions of the Constitution that the State Governors through their respective Houses of Assembly enacted their respective Local Government Laws.

**Local Government Revenue Committee:** The Local Government collects taxes through the Local Government Revenue Committee; they are responsible for the assessment and collection of all taxes, fines and rates under its jurisdiction and account for all revenue collected to the chairman of the local government. It is authorized to collect taxes, fees, levies, and charges as provided under the Constitution and other enabling laws in that respect.<sup>5</sup> The establishment of the Local Government Revenue Committee is a *Sine qua non* for effective Local Government tax administration. This committee should be properly constituted to ensure that they carry out revenue generation duties timely and consciously. This committee should work in *tadem* with the Joint State Revenue Committee (JSRC) to ensure the harmonization of tax administration through state. Since the essence of the JSRC is to harmonize tax administration in the States and enlighten members of the public generally on State and Local Government revenue matters, all States in the Federation need to put in place this institutional framework to avoid the present where agents impose certain collection without regards to the provisions.

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<sup>1</sup> 1999 as amended.

<sup>2</sup> S C Ugwu, *Issues in Local Government and Urban Administration in Nigeria* (Enugu: Academic Publishing Company, 2003)

<sup>3</sup> Section 7(2) and section 8 of the 1999 constitution as amended.

<sup>4</sup> Section 4 of the Constitution of the Federal Republic of Nigeria (CFRN) (as amended) cap C23 LFN, 2004

<sup>5</sup> M A. Dike, 'An overview of the Nigerian Tax System & taxes payable by individual & Corporate Bodies' (2013) P 9 : Adesanya Tolupe and Oguntola Bukola, 'The Legal and Institutional Framework for Taxation in Nigeria: Some Aspects of Law, Policy and Practice' (June, 2018) *International Journal of Research and Innovation in Social Science (IJRISS)* Vol 11 Issue VI, ISSN 2454-6186

**Effect of Non-establishment or Recognition of Local Government Revenue Committee Chairman and Office**

- a. Accountability: Failure to establish local government revenue committee office or recognize the chairman of local government revenue committee will hinder recognition of separation of power<sup>6</sup>. Where all powers are donated to the local government chairman, no one would be able to ascertain the actual amount generated as revenue by the local government. This is because he may pose as the overlord as such siphon some of the monies generated as revenue without him being questioned.
- b. Onerous Levy: The agents may impose rates, levies, charges or taxes to be paid without adhering to the provisions of the law.<sup>7</sup>
- c. Checks and Balance: The establishment of local government revenue chairman's office will act or serve as checks and balance as it will monitor and sanction the erring agent or consultant.

Section 88 of the Act<sup>8</sup> clearly provides for Local Government Revenue Committee as the body saddled with the responsibility of tax/ revenue collection. It is not the Local government chairman neither is it the Commissioner for Finance as contained in the Land Use Charge Laws of Lagos and Anambra States. *IBL v MILAD, Ondo State*<sup>9</sup> it was held inter alia that taxing powers of the state are vested on the State Board of Inland Revenue Services and not on the Governor or Commissioner; the Local government taxing powers are vested on the Revenue Committee and not on the Chairman of the Council; so the Governor or the Commissioner; or the Chairman in the case of Local Governments cannot delegate the powers not vested in them. Again, in *Ayo Idowu v A.G Lagos State & Ors*<sup>10</sup>, it was held inter alia that where the Constitution has given a jurisdiction, it cannot be lightly divested. Where it is intended to be divested, it must be done by clear, express and unambiguous words, and by a competent amendment of the Constitution, not by any other method. The authorities clearly substantiate the position of the Constitution. This implies that the provisions contained in the Lagos State Land Use Charge Law and Anambra State Property Land Use Charge Law which stipulate that local government can through her written authority confer her duties of assessment and collection of privately owned houses and tenement rate shall be rendered null and void. The Land Use Charge Law designates each local government area in Lagos State as the collecting authority for Land Use Charge, and further empowers the LGAs as the only body having authority to levy and collect tenement rate<sup>11</sup>. As a collecting authority, each LGA is also allowed to delegate to the State Government, by a written agreement, its functions with respect to the assessment of privately owned houses or tenement for the purpose of levying and collecting such rates<sup>12</sup>. Local Government Area is defined under the law to include a Local Council Development Area (LCDA)<sup>13</sup>.

**Exempted Properties**

We shall be using Lagos State Land Use Charge Law as a case study here since its provisions is similar to that of other States. The law also provides that LUC shall be payable in respect of all properties in the State except those exempted under section 11 of the Law. The exemption granted is applicable to some categories of properties including any property:

- (a) owned and occupied by a religious body and used exclusively as a place of worship or religious body and used exclusively as a place of worship or religious education
- (b) Used as a public cemetery or burial ground excluding profit oriented cemeteries and burial ground
- (c) Used as a registered educational institution certified by the Commissioner for Finance to be non-profit making
- (d) Property used as library
- (e) Any property specifically exempted by the Governor by notice Published in the State Government Official Gazette
- (f) All palaces of recognized Obas and Chiefs in Lagos state: as well as
- (g) A property owned and occupied by a pensioner. <sup>14</sup>.

**Forfeiture of Exemption**

Where any exempted property is leased out to private entities for the purpose of generating revenue, the relevant property shall forfeit its exemption status and thus become liable to pay Land Use Charge<sup>15</sup>.

Forfeiture of exemption status also arises where:

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<sup>6</sup> Emphasis mine.

<sup>7</sup> A O Giwa *Ibid*.

<sup>8</sup> Personal Income Tax Act Cap p8 2004

<sup>9</sup>2000 TLRN 86 @ 107- 108.

<sup>10</sup> 2011 TLRN 86 @ 95.

<sup>11</sup> Section 1 Land Use Charge Law 2020.

<sup>12</sup> Section 2(2) *Ibid*.

<sup>13</sup> Section 2(3) *Ibid*.

<sup>14</sup> Section 11 *Op cit*.

<sup>15</sup> Section 12.

- (1) The use of a property changes to one that does not qualify for exemption
- (2) A property owner / occupier changes its use to one that does not qualify for exemption
- (3) The property of a religious body is registered in the name of individual or corporate body different from the corporate name of the religious body.<sup>16</sup>

### **Grant of Partial Reliefs**

Besides the grant of exemption, the commissioner for finance is empowered under the Land Use Charge to, by a notice published in the State Official Gazette, grant partial relief for a property:

- (1) That is occupied by a non-profit making organization
- (2) Used solely for community games, sports, athletics, or recreation for the benefit of the general public; and
- (3) Used for a charitable or benevolent purpose for the benefit of the general public and owned by a non-profit making organization<sup>17</sup>.

### **Dispute Resolution Mechanism for Property Taxation**

a) Query: In the event where dispute arise on which property tax to pay or onerous assessment is made which led to agitation what can a tax payer do? Is the notice of assessment served on tax payer absolute? What happens if the tax payment is not made within the stipulated period? These shall be discussed under this subheading. The Land Use Charge Law 2020 of Lagos State did not specifically provide for the exact court that will have power for the enforcement of Land Use Charge defaulter rather it makes provisions for Assessment Appeal Tribunal where an aggrieved person can appeal against the assessment made by the tax authority and that the Tribunal shall have power as Magistrate Court<sup>18</sup> and that in the event where the aggrieved person is unsatisfied with the decision of the Tribunal, he can enter his Appeal at the High Court. In Anambra State, the law also provides for Assessment Appeal Tribunal<sup>19</sup>. This equally arises where an aggrieved tax payer objects to the admissibility of assessment made on him after he has given notice of appeal to the Commissioner.<sup>20</sup> However, just like Lagos State, the laws are silence on whether the magistrate court should be the appropriate court with jurisdiction to adjudicate on the matter. Again, with the amendment made in Lagos State, taxpayer now has option of adopting ADR (Alternative Dispute Resolution) and or appointing his arbitrator or mediator. This provision is not contained in Anambra State law. Unlike Oyo State which clearly confers the Senior Magistrate with powers to enforce tax liabilities<sup>21</sup>, the Lagos State merely mentioned that if payment is not made after 135 calendar days, the Property on which the Land Use Charge is payable shall be liable to enforcement under the provisions of this Law by the State or its appointed agent until all outstanding taxes, penalties and administrative charges are paid<sup>22</sup>. In Lagos State, if payment is not made after 135 calendar days, the property on which the Land Use Charge is payable will be liable to receivership by the state or its appointment until all the outstanding taxes, penalties and administrative charges are paid.

## **3. Property Tax System in some Jurisdictions outside Nigeria compared**

### **United Kingdom (UK) Property Tax System**

Property taxes on residential property (known as council rates) are set locally; property taxes on non-residential property (the non-domestic tax) are set nationally. Property taxes are important source of revenue to local authorities, accounting for about 28 percent of local revenues in the U.K. in 1998-99. This proportion is up only slightly from 26 percent in 1995-96. The council tax accounted for 13 percent of the income of local authorities in the U.K. in 1998-99 and the national non-domestic rates accounted for 15 percent<sup>23</sup>.

#### ***Exemptions to the tax base include properties which are:***

- a) vacant or undergoing structural or other major works;
- b) owned by a charity and unoccupied for less than 6 months;
- c) vacant for less than 6 months and unoccupied because owners/tenants are in prison, mental care, hospital or nursing home, death;
- d) prohibited for occupation;
- e) kept for occupation by ministers of religion; resident elsewhere to take care of others;
- f) occupied by students; in possession of a mortgagee;
- g) occupied or managed by an educational establishment or charitable body and used predominantly for study; part of armed forces accommodations; in possession of a trustee in bankruptcy; consisting of a pitch or mooring not occupied.

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<sup>16</sup> Section 12 *Ibid*.

<sup>17</sup> Section 11 (2), *Ibid*.

<sup>18</sup> Section 16 and 22 of the Law Op Cit.

<sup>19</sup> Section 14 - 16 APLUC Law 2010

<sup>20</sup> *Ibid* Section 14, 15 and 16 of Anambra State Property Land Use Charge Law 2010

<sup>21</sup> Section 12 of Oyo State Land Use Charge Law 2012.

<sup>22</sup> Section 31 (2) Lagos State Land Use Charge Law 2018.

<sup>23</sup> [www.worldbank.org/publicsector/decentralization/June2003Seminar/UnitedKingdom.pdf](http://www.worldbank.org/publicsector/decentralization/June2003Seminar/UnitedKingdom.pdf)>accessed on 28<sup>th</sup> December, 2021.

### ***Tax Administration***

The tax is administered by billing authorities (such as district councils, unitary authorities, metropolitan councils, a London borough council etc.). They are responsible for notification, collection, and enforcement of the tax. Banding is the responsibility of the central government Valuation Officer. Valuations are carried out by the listing officer at the Valuation Office Agency (part of the Inland Revenue).

### ***Appeal***

Taxpayers can appeal their assessment to the listing officer in their area, for a limited time, but only on a few grounds. Grounds for appeal include, for example, the wrong person was billed, the dwelling should be exempt, the amount of bill is incorrect because a discount should apply etc. Taxpayers can appeal the banding of their home if they are new taxpayer for the property or if there has been a material increase or reduction in the value of the dwelling or where the dwelling begins to be or stops being used for a business. If the listing officer agrees with the appeal, he or she will alter the valuation list. If the listing officer does not agree, he or she must refer the appeal to a Valuation Tribunal as a formal appeal. Valuation tribunals are judicial bodies, independent of the local council and the listing officer. Normally the valuation tribunal's decision is final but there can be an appeal to the High Court on a point of law.<sup>24</sup>

### **United States of America (USA) Property Tax System**

The property tax in the United States is the chief source of revenue for local governments. State governments once used the tax as an important source of revenue, but few states now get more than a small percentage of their revenue from this source. Many state governments, however, assess some or all of the operating property of railroads and other utilities. Some authorities favour a state to takeover of the property tax, partly because they believe that states would administer it more efficiently and partly in order to remove inequalities in taxing capacity among local governments especially regarding financing for public schools.

### ***Tax Administration***<sup>25</sup>

Responsibility for the various phases of administration rests almost entirely upon government officials. Administration involves the discovery or identification of the property to be taxed, its valuation, the application of the appropriate tax rate, and collection. Where the amount of tax is measured by income, the property's income rather than capital value must be determined. Important aspects, especially valuation, are a matter of judgment rather than of fact. The determination of value for tax purposes is not an incidental result, or an automatic by-product, of a transaction entered into for other purposes, such as a wage payment or a retail sale. While property taxes are sometimes based on reported sales values, these can be manipulated to reduce taxes.

The three principal approaches to the contemporary assessment of property are rental value, capital value, and market value. In European countries the assessment of real property is commonly based on its capital value. The traditional thinking is that capital value can be estimated on the basis of rental values, treating them as earnings on capital. However, most European countries, as well as the United States, endeavour to assess property according to its fair market value. It has been the practice in most Asian countries to base the assessment on the annual rental value of the property. Under the principle of rental value, the tax is based on the average gross rental income the property is expected to generate in normal market conditions. Some Asian countries employ a less-complex but possibly less-fair approach. They simply collect a fixed amount based on a particular unit of land measurement<sup>26</sup>. Difficult administrative problems arise in determining (1) what actually exists in a physical sense (the location, topography, and area of a piece of land; the size, materials, and condition of buildings; the number and types of machines or items of inventory) and (2) the value of the property. The effective determination of property value requires skilled personnel, access to information of various types (including physical characteristics of the property and realistic market conditions), and appropriate facilities, many of which are difficult to provide at the local government level.

### ***Exempted Properties:***

Most of the land exempted from a property tax comprises streets, schools, parks, and other property of local government, meaning that the application of the property tax to it would merely transfer funds from one government account to another. In some localities, tax-exempt state or federal government real estate is important, although these bodies sometimes make payments in lieu of local taxes. Property owned and used for religious, educational, charitable, and some other purposes is generally exempt, and in some countries land with a value

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<sup>24</sup> U.K. Department of the Environment, Transport and Regions. Local Government Financial Statistics, No. 11, 2000, chapter 5.

<sup>25</sup> *Ibid.*

<sup>26</sup> C.E McLure, Property Tax/Definition, History, Administration & Rates <https://www.britannica.com>> Accessed on 30<sup>th</sup> Dec, 2021.

below a certain minimum is exempt. Some exemptions are made in order to attract new businesses or to encourage low-income housing. Some localities grant exemptions for part of the value of a “homestead,” perhaps with a limitation based on the income of the owner-occupant. Many allow some exemption to elderly persons, individuals with disabilities, or to armed-forces veterans. Several authorities also allow income tax credits for residential property taxes.

### ***Economic Effects***<sup>27</sup>

Property taxation finances local government in the United States not fully, but enough to make the fiscal independence of local government meaningful. This permits decentralization of government, which may be considered a benefit because it enables citizens to exercise choice over the public services they receive.

### **Property Tax System in Ghana**<sup>28</sup>

Property tax or property rate is a real estate tax that is calculated on the assessed value of the property. It is known in Ghana as Property Rate. Property Rates are governed by the Local Governance Act. Property tax is levied annually by local authorities on the estimated value of the property, depending on the classification of the area where the property is located. Previous rates ranged from 0.5% to 3%. These rates were by far, the highest rates paid on properties in the capital, Accra in comparison with other regions of Ghana. It is payable on residential and commercial properties. Property tax, popularly known in Ghana as property rate, paid on immovable property, is collected annually under the auspices of the Ghana Internal Revenue Service (IRS). The Domestic Tax Revenue Service charged with assessing and collection of property related taxes determines how much is to be paid by Ghanaian property owners.<sup>29</sup> The best way to know how much property tax will be levied on your property is to know your rating zone or residential class. From the residential ratings, it is easy to surmise that property tax is dependent as much on the location as on the value of the property. Commercial class property pays the most tax whilst tax payers in the residential class contribute the least.<sup>30</sup>

### ***What will be Taxed***

This tax applies to immovable structures such as houses, apartments, estates, a mall, skyscraper shops and any other immovable property.

### ***Who collects Property Tax?***

According to Article 245<sup>31</sup>, Parliament has to prescribe the functions of District Assemblies. These functions include the levying and collection of taxes, rates, duties and fees. S 144 of the Act<sup>32</sup> states that the District Assembly shall be the only authority to levy rates for a district despite any customary law to the contrary. The metropolitan and municipal assemblies can also administer property rate. Each of the assemblies has its mechanism for collecting the property rate. In Accra, the Accra Metropolitan Assembly is the institution tasked with the collection of the property tax. The determination of the property tax depends on the property’s estimated value. Thus, some rates may be higher than others, even within the same enclave.

### ***Exemption from and Remission of Rates***

The following tenements are exempted from assessment and rating: premises appropriated exclusively for public and registered with the district assembly, cemeteries and burial grounds registered by the district assembly, charitable or public educational institutions registered with the district assembly, premises used as public hospitals and clinics and, premises owned by diplomatic missions approved by the Minister responsible for Foreign Affairs

The following persons are exempted from the payment of basic rate: Persons who are in attendance at an educational institution who do not receive any remuneration or income during that period, other than an allowance, loan or other grant provided for purposes of education including any sum received by a person in respect of temporary employment undertaken by the person during vacation from an educational institution; and persons who are more than seventy years old. The rating authority may reduce or remit payment of any rate on account of the poverty of a person liable to pay the rate. A person who has paid the amount of the rate payable in respect of premises that have been demolished or removed during any financial year may apply to a rating authority to be refunded a proportion of the amount paid that the rating authority considers reasonable having regard to the circumstances except that where the demolition or removal is by order of the District Assembly or a court, a refund

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<sup>27</sup> C.E McLure, Property Tax/Definition, History, Administration & Rates <https://www.britainica.com>> Accessed on 30<sup>th</sup> Dec, 2021.

<sup>28</sup> Local Governance Act 2016 (Act 936): A Guide to Property Tax in Ghana <https://www.devtracoplus.com/news/guide-to-property-tax-in-ghana/> dated 17<sup>th</sup> Feb. 2021> accessed on 18 August, 2021.

<sup>29</sup>Property Tax Demystified <https://www.blog.meqasa.com> dated 14<sup>th</sup> April, 2016> accessed on 18<sup>th</sup> August, 2021.

<sup>30</sup> *Op cit*.

<sup>31</sup> Article 245 of the 1992 Constitution.

<sup>32</sup> Act 936 *ibid*.

shall not be made unless the owner of the premises has given notice in writing to the District Chief Executive within fourteen days after demolition or removal.

### ***Consequences of Non-Compliance***

In the event a landlord or other real estate property owner fails to comply with the taxes and levies applicable to their property, and the bill accumulates past a certain threshold, and they are unable to pay the sum, the State could repossess and auction off all the defaulter's properties, including but not limited to the real estate property, until the debt is paid off. In the event, the bill is still not cleared after all property has been sold off; the defaulter could file for bankruptcy, but would still be responsible for settling the bill at any time they get solvent again.

### **Property Tax System in South Africa**

The property tax is an important source of revenue to local governments (metropolitan, district, and local councils), accounting for 21 percent of their revenues. Property taxes are used for funding those services that are not fully supported by fees, for example, general government, recreation, street lighting, and libraries.

### ***The Tax Base***

The property tax is levied on owners of immovable property. All land (residential, commercial, industrial, agricultural) and any improvements to the land are rateable. The property tax base also includes land owned by local government and vacant land. Rural properties (land outside the boundaries of urban centres) are not currently included in the tax base. Under the proposed legislation, however, the tax will likely be extended to previously unrated rural, agricultural, and government property. Capital value is used as the basis for valuation. Local government councils have the option to choose between at least two of the following tax bases<sup>33</sup>: Site rating (rating on unimproved land only); Flat rating (rating the improved value of the land); and Composite or differential rating (rating both land and improvements but at different rate levels). Currently, the use of these three tax bases is evenly split among local councils. No matter which base is used, the roll includes the value of the land, the improvements, and the total property value. Under the proposed legislation, all properties would be required to use total improved value of property as the tax base by July 1, 2006. It would also require comprehensive revaluations which would mean that taxes would be at a value that is closer to market value for those properties that have appreciated or depreciated significantly.

### ***Exempted Properties***

Some exemptions and other tax relief measures are provided in all 9 provinces but they are few in number. Exemptions include religious institutions (but only those used exclusively for religious purposes). Unlike in many other countries, state-owned properties are not exempt from the property tax but they do receive a 20 percent rebate. Tax relief is granted through grants-in-aid, rebates, differential tax rates, or remission of some or all of the tax payable. Rebates are used most widely for residential properties for which rebates of 40 percent are not uncommon. Additional rebates may be granted to disabled persons, pensioners, or low-income taxpayers.

### ***Objection to Assessment***

Taxpayers can submit written objections within a specified time period. The valuation board hears objections and takes a decision before certifying the roll. There is also a Valuation Appeal Board to hear appeals.

### ***Enforcement***

In terms of enforcement, local governments may collect interest on arrears. A clearance certificate is required before any formal transfer can take place. Finally, seizure and public sale by city council can take place after three years. In Pretoria, one example, collection is high but there is disparity among the different parts of the metropolitan area.

## **4. Evaluation: Analysis and Findings in the selected Jurisdictions compared with the Nigerian Situation**

The writer used this medium to make observations, findings and possible comparison of whether what is obtainable in jurisdictions outside Nigeria is similar with that of Nigeria especially as it relates to property taxation collectable by the lower arm of the government. Firstly, having considered property tax system in U.K, U.S.A, Ghana, and South Africa, the writer observes that property tax is one of the major sources of revenue of the lower arm of government in the aforementioned countries. It is mostly levied by the local authorities. In some of the jurisdictions mentioned above, the terminology used is county authority. The said terminology is similar to Local government. Again, we observed that in Nigeria, U.K, U.S.A, Ghana, government properties, Agricultural land,

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<sup>33</sup> An interesting comment on this prospect appears in a recent paper by an advocate of site-value taxation: 'Despite the fact that site-value rating has proved to be so successful...it is unlikely to be legislated as the preferred system. The idea of a tax so broadly based as to include everybody in its net seems to weigh more heavily than the traditional concepts of equity as proportionate to either benefits received or ability to pay' (G.R.A. Dunkely, 'Republic of South Africa,' in R.V. Andelson, *Land-Value Taxation around the World* (3<sup>rd</sup> ed.; Malden, MA: Blackwell, 2000) p. 309.

places for public religion, public park, cemeteries or burial ground etc are fully exempted from tax but in South Africa state owned properties are not fully exempted rather was given 20 % rebate. More so, in United State of America, homestead is exempted from property rate though the financial strength of the Land owner is put into consideration and in South Africa, properties located in rural areas are tax exempted. It is further observed that when a tax payer is billed but tends to object the amount billed, he is allowed under the Nigerian law to file his objection to the tax authority as the case may be. This style of practice is not strange in other jurisdictions like UK, USA and South Africa. In UK, the taxpayer is empowered to file his objection to the listing authority which if not satisfied can further appeal to the Valuation Tribunal but in the event he is not yet satisfied he can still be allowed to appeal to a High Court. In most cases, properties are taxed in accordance with the value of the property by the tax authority but in South Africa reverse became the case as the district council imposes property tax on the property size rather than the property value. In South Africa, Rural properties (land outside the boundaries of urban centres) are not currently included in the tax base unlike in Nigeria where local government revenue committee is empowered to collect tenement rate for properties covered in the area though in practice the organ of government that collects same is the state authority<sup>34</sup>.

## **5. Conclusion**

From the comparison made between Nigerian property tax system and that of Uk, USA, Ghana and South Africa, It is clear that property tax is a major source of revenue for local government. Those jurisdictions used as case studies made provision for dispute resolution mechanism. Tax payers are given opportunity to ventilate their anger in the event their rights are tampered with. The position is not strange in Nigeria. It is also a common fact based on evaluation made above that in USA homestead is tax exempt. This will be a welcome development if Nigerian government should adopt same. Homestead should not be captured as property liable to tax. Again, state government should endeavor to comply with constitutional provision by allowing local government to make collections which has been conferred on her.

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<sup>34</sup> Thuronyi *Op Cit*