

## LEGAL ISSUES IN NIGERIAN PROPERTY TAXATION: PROSPECTS AND CHALLENGES

**Adamu, Umar Aliyu**

Estate Management Department,  
Federal University of Technology – Minna.

**E-mail:** [abbulbashran@yahoo.com](mailto:abbulbashran@yahoo.com)

**Phone No:** +234-803-612-4012

### **Abstract**

*Taxation is one of the oldest sources of public revenue for providing and maintaining public utilities in a civilised society. Property tax is a form of levy or rate payable to a constituted authority by property owners or occupiers for use and enjoyment of social services and public utilities. If properly administered, property tax has the potentials of pumping into the public coffers the required revenue to finance the provision and maintenance of public amenities, with spectacular turnover, if not close to the oil sector. The success of property tax administration heavily relies on the existence of a potent, dynamic and responsive legal structure which will anoint the tax with legality, legitimacy and the indispensably required backup for successful implementation and enforcement. This paper seeks to present the legal framework for property taxation in Nigeria with special focus on the nominal tax legislations presently in force. Although confronted with the absence of any principal legislation on property taxation in Nigeria, this paper founded on the 1999 Constitution, the ace-law of the country, the legality and legitimacy of levying such tax. The paper also advocates for the need to broker a substantive legislation on property taxation towards attaining a sustainable structure for proper administration.*

**Keywords:** administration, law, legislation, property, tax.

### **Introduction**

Nigeria is the most populated country in Africa with more than one-seventh of the continent's estimated population.<sup>1</sup> The impact of the nation's population growth on public utilities is better imagined than described as most of the social services and amenities have been over stretched. Most of the public utilities are seriously begging for update and repairs; this does not overlook the need to extend the provision of such amenities to areas that do not have. Taxation is a viable element in every nation's economic engineering and one of the principal indicators of public revenue mobilisation. In Nigeria, the petroleum sector has, since independence, taken the major part in revenue mobilisation and taxes have been pushed to the background as a collateral source of public finance. Hence tax administration in Nigeria receives not the deserved commitment from the government through effective tax policies capable of matching the demands of the twenty-first century. Taxes imposed in Nigeria are classified as direct and indirect taxes administered vide the three tiers of government, the federal, state and local governments. Direct taxes are company's income tax, personal income tax, petroleum profits tax and capital gains tax; while the indirect taxes include stamp duties, customs and excise duty and Value Added Tax among others. Another form of taxation constitutes the property tax which is the major theme of this paper. Although there is no any principal legislation on property tax, several property related taxes are featured in various legislations in the country.

The property tax is a fundamental instrument of effective land administration in some jurisdictions, unfortunately in Nigeria is where such revenues are collected, they are seldom accounted for: alas, property tax is very unpopular with homeowners. Some countries impress property taxation as one of the viable channels of managing their land policies towards equitable distribution of land. For

---

<sup>1</sup> Stock, R. (2008), *Nigeria*, Microsoft Student.

instance, the governments in Taiwan and Chile levy taxes on vacant lands to stimulate development in certain zones, in Jakarta, Indonesia, the government collects higher tax rates on land not in use and the Republic of Korea taxes speculative gains in land transactions.<sup>2</sup> In Nigeria, the 1999 Constitution of the Federal Republic of Nigeria provides the constitutional basis for property taxation, unfortunately, this warrant is not being utilised to properly enlist one of the most vibrant sources of public revenue at the local levels. This paper intends to examine the efficacy of the legal framework for property tax administration in Nigeria; the paper also uses the words 'tax' and 'taxation' interchangeably as the two words are highly correlative overlapping meanings.

### Meaning of Taxation

The system by which a public authority imposes certain levies, rates or duties on its subjects for the purpose of raising revenue is known as taxation.<sup>3</sup> "[A] tax is compulsory contribution, imposed by government, and while tax payers may receive nothing identifiable in return for their contribution, they nevertheless have the benefit of living in a relatively educated, healthy and safe society." Also Okoni quoted Nightingale as she further explains that taxation is "part of the price to be paid for an organized society."<sup>4</sup> Accordingly, taxation is one of the most volatile and a delicate subject in governance as it is often viewed with contempt and resentment both in developing and developed countries. It is, therefore, no surprise that some of the most familiar quotations in history have been comments by famous men about taxes. Benjamin Franklin once remarked, "In this world, nothing is certain but death and taxes."<sup>5</sup> Chief Justice John Marshall in the United States of America was quoted saying: "the power to tax involves the power to destroy."<sup>6</sup> The above quotations show clearly the volatility of taxation, as it can be a factor of public development and in some cases can be the spark that triggers civil unrest and protests.

However, taxation cannot be generally blacklisted as the primary object of taxation is to enhance public convenience. Nightingale identified six reasons for taxation: provision of public goods, redistribution of income and wealth, promotion of social and economic welfare, economic stability, harmonization and regulation.<sup>7</sup> In support of the public-good argument as one of the basis for taxation, Murphy and Nagel<sup>8</sup> argued that, "...The ends that may be claimed as legitimate for the state and that affect tax policy can be ranged under three headings: public goods, benefits to individuals, and distributive justice. ...Public goods are defined as those that cannot be provided to anybody unless they are provided to everybody. If violent crime[s], environmental pollution, the threat of fire, or communicable diseases are kept under control in a territory, then everyone living in that territory automatically benefits, and no one can be excluded. If one tried to support such goods by private subvention, there would be no way of excluding free riders, who would enjoy the good without paying - at least no way short of exile. The obvious way of getting everyone to pay their share is through taxation, coercively imposed." The foregoing opinions seems to place taxation within the context of social contract between the citizen and state wherein the citizen empowers the state by way of making contributions towards provision of what he wouldn't otherwise possibly enjoy without others.

### Nature of property tax

---

<sup>2</sup> Ogedengbe, P. S. (2004), *Formulating a Good Urban Land Policy for Nigeria*, J. Hum. Ecol., 15(2): p. 91-96.

<sup>3</sup> Nightingale, K. (2001), *Taxation: Theory and Practice* London, Prentice Hall.

<sup>4</sup> Okoni, O. (2006), Governance, Taxation and Fiscal Policy in Nigeria. *European Journal of Economics, Finance And Administrative Sciences - Issue 6*, p. 41

<sup>5</sup> Pechman, J.A. (1985) *The Promise of Tax Reform* Englewood Cliffs, Prentice-Hall Inc: p. 1.

<sup>6</sup> Ibid., p. 1.

<sup>7</sup> Nightingale, op cit.,

<sup>8</sup> Murphy, L. and Nagel, T. (2002), *The Myth of Ownership: Taxes and Justice*, Oxford University Press, New York, p. 46.

Property tax is compulsory revenue levied on interests in private ownership and use of landed properties and similar assets which includes ground rent, tenement rate, probates tax, capital gains tax, capital transfer tax, stamp duties etc. This source of revenue is used by the government to defray the cost of providing and maintaining social services to the owners and occupiers of properties within specific area covered by jurisdiction of the collector. Social services and amenities contemplated herein include services mostly rendered by the local government councils; this therefore establishes that the local or municipal governments are visible contingents in property tax administration. Major heads of property tax are explained thus:

1. *Ground Rent*: this is a form of annual rent paid to the state government by the holder of a Certificate of Occupancy for the occupation of the land whether it is developed or not.<sup>9</sup>
2. *Tenement Rate*: is a local form of taxation levied on property and paid to the Local Government Council<sup>10</sup> by the owners or occupiers of the property. It is a tax on the occupation of property, the proceed of which is used for funding Local Government social services or to finance construction and maintenance of roads, drainages, refuse disposal, markets, slaughter houses, burial grounds, public conveniences, maintenance of primary schools, and maternity clinics among others.<sup>11</sup> The tax is aimed at promoting the total well being of inhabitants of the local community payable on annual basis on the value of each property within the Local Government Area Council.<sup>12</sup>
3. *Probates Tax*: this is levied on total value of property which is subject of inheritance, also known as inheritance tax or estate duty.<sup>13</sup>
4. *Capital Gains Tax*: imposed on the income or proceed accruable from transactions on land by way of sale, tenancy etc.<sup>14</sup>
5. *Capital Transfer Tax*: this is levied on the total value of property transferred by way of gift or bequest (i.e. will).
6. *Stamp Duties*: payable *ad valorem* (i.e. proportionate to the value of the property covered by the conveyance, lease of mortgage sought to be registered, and the payment and stamping must be completed within 30 days of execution default of which attracts penalty.<sup>15</sup>

In Nigeria, determination of the enumerated taxes above depends more often on the value of the property, but the computation of ground rent which is exclusively paid for the land alone. The Republic of Mongolia, a third-world country in Asia largely depends on property tax as one of its vibrant sources of revenue and as such maintains a sound property tax administration structure. Determination of property tax in Mongolia is thus, "The value of immovable property is determined, firstly, by the valuation registered with immovable property state registry. If there is no such registration, the value is determined by the valuation of insurance on the property. And if there is no registration or insurance valuation, the value will be established as the value that is written down in accounting books."<sup>16</sup> Success of this however largely depends on proper land registration and adequate documentation. Unfortunately, these are the major low-points hindering effective land

---

<sup>9</sup> Sections 10(b) and 16, Constitution of the Federal Republic of Nigeria 1999.

<sup>10</sup> Fourth Schedule, paragraph 1(j), 1999 Constitution.

<sup>11</sup> Olusegun, K. (2002), *Principles and Practice of Property Rating*, TTP, Nigeria, p. 28.

<sup>12</sup> Ekong, E. (2007), *Nigeria: An Overview of the Proposed Property Taxation in FCT*, Daily Trust (Abuja), 14<sup>th</sup> November, Edition.

<sup>13</sup> Order 49, Rule 11, High Court (Uniform) Civil Procedure Rules, No. 56, 1989.

<sup>14</sup> Section 3, Personal Income Tax Act Cap. P8, LFN 2004.

<sup>15</sup> S. 23(1) and (3), Stamp Duties Act Cap. 411, LFN 1990.

<sup>16</sup> Article 5, IMMOVABLE PROPERTY TAX LAW OF MONGOLIA 17 November 2000.

management by the government as Nuhu<sup>17</sup> reported Ukaejiofo thus, "Nigeria is endowed with a vast land mass of about 924, 768sq.km and as today, less than 3% of the total land area can be tied to a well documented record of the use and user."

The Nigerian experience shows that property taxation has limited revenue potential firstly because the nation places higher priority on oil revenue and secondly because in many cases it has proven difficult to administer. To ensure effective utilisation of property tax policies in Nigeria, the government needs to midwife a vibrant legal and administrative structures that will hasten documentation of land transactions so as to assist the government in implementation towards sound revenue mobilisation for municipal development. The only fully appropriate tax base for local governments would appear to be property tax. Since proper and effective administration of property taxation is perceived to contain the potentials of poverty eradication,<sup>18</sup> the proper authority must take more than a casual stride to ensure its success. In the United States, state and local governments generally levy property taxes on buildings - such as homes, office buildings, and factories—and on land. By the year 2000 property taxes accounted for 2.0 percent of state tax revenues and 72 percent of local tax revenues in the United States.

The Canadian constitution also allows the federal government to levy property taxes, however, currently only local and provincial governments collect such taxes. The property tax is by far the largest source of revenue for local governments.<sup>19</sup>

### **The Legal Framework for Property Tax in Nigeria**

The significant question which persistently begs to be answered is whether there is any uniform principal legislation on property taxation in Nigeria. The answer to this question is not in the affirmative and a cursory look at what seems to be the property tax law in Nigeria reveals the weakness of its structure. It is trite that any tax which is not prescribed by law is illegal and unenforceable; in ***Zup Bottling Company v. Lagos State Internal Revenue Board***<sup>20</sup> the court states that:

*It has often been the view of the Courts here and elsewhere that if a person sought to be taxed comes within the letter of the law, then such a person must be taxed. On the other hand, if the tax authority seeking to recover tax from a person is unable to bring him within "the letter of the law", the person will be free, however apparently within the spirit of the law his case ought otherwise appear to be."*

It is imperative to note at the onset that property taxation in Nigerian law is constituted by a patchwork of statutes passed by states and local government authorities. Property taxes can only derive legitimacy to the extent that they are recognized within the country's legal structure. To reinforce this position, the Federal Supreme Court was apt as it stated thus, "No tax can be imposed on the subject without words in an Act of Parliament clearly shewing an intention to lay a burden on

---

<sup>17</sup> Nuhu, M. B. (2008) *Land tenure and management of Nigerian cities* Wednesday, Daily Trust, 21<sup>st</sup> May 2008 Edition, <http://www.dailytrust.com>

<sup>18</sup> Patunola-Ajayi, B. J. *Nigeria: Property Tax as Tool for Poverty Eradication*, Vanguard (Lagos), Oct. 11, 2007 Edition, <http://www.vanguardngr.com>.

<sup>19</sup> Microsoft, *Encarta*, 2008. © 1993-2007 Microsoft Corporation.

<sup>20</sup> [2000] 3 NWLR p. 565-591.

him.”<sup>21</sup> The auxiliary provisions that prescribe property taxes could be found under the following legislation:-

### **Constitution of the Federal Republic of Nigeria 1999**

The 1999 Constitution is the principal law which provides the basis of all legal rights, liabilities and responsibilities in Nigeria. Under the fundamental objectives and directives of state policies, the Constitution adumbrated payment of taxes including property tax as a civic responsibility of all citizens. It states under section 24 that, “It shall be the duty of every citizen to- declare his income honestly to appropriate and lawful agencies and pay his tax promptly”. The power to make and impose tax laws in Nigeria is distributive as both the national and state assemblies (Federal and state governments) can make laws on taxation as specified under the concurrent legislative list of the Constitution.<sup>22</sup> Hence, every state has the power to create its taxation system for the purpose of generating revenue for public convenience to the extent that it does not contradict any tax law passed by the federal legislature.<sup>23</sup> By the foregoing, government has the constitutional mandate to impose taxes and for the purpose of this discourse, other auxiliary provisions on property tax in numerous Nigerian legislations are relevant. It is therefore constitutional for appropriate public authorities to levy and collect property tax in Nigeria, provided such is prescribed by a law duly passed by the national or state houses of assemblies. The Constitution is also clearly instructive as it apportions the responsibility of collecting a portion of property tax on the Local Government Councils in the country.<sup>24</sup> For the purpose of clarity this paper shall consider in details the role of Local Government Councils in the administration of property tax in Nigeria under the next sub-theme. At this point, it manifests that the constitutionality of property tax in Nigeria is free from controversy, and the constitution has not centralized the system of its administration as every state in the federation is free to make its property tax laws.

### **The Land Use Act<sup>25</sup>**

The Land Use Act, hereinafter referred to as the ‘Act’ came into force in 1978 and has since then become the corner-stone of Nigerian land administration. Its legislative spirit insulates the spectrum of the nation’s land policy which rests legal interest in land within territories of each state on the state governor as the statutory trustee. Under the Act, the governor has the power to levy ground rent as rental on land.<sup>26</sup> Also, section 10(b) provides that the holder of a certificate of occupancy is bound under the terms of grant of occupancy to pay such rent fixed by the governor for the use and enjoyment of the land as prescribed under S.16 which provides thus:

*In determining the amount of the original rent to be fixed for any particular land and the amount of revised rent to be fixed on any subsequent revision of the rent, the governor - Shall take into consideration the rent previously fixed in respect of any other like land in the immediate neighbourhood and shall have regard to all circumstance of the case.*

The foregoing provision deals with the determination of ground rent which is the original rent<sup>27</sup> and in so doing the Act directs the governor to take into consideration the rent previously fixed in respect of any other lands in the neighbourhood where the land under consideration is located. While the governor must not act arbitrarily, he shall also not take into consideration any cost or

---

<sup>21</sup> *Authority v. Regional Tax Board, Attorney-General of the Western State of Nigeria and Adelaja* [1967] NCLR 452-464.

<sup>22</sup> Part II, Second schedule paragraphs 7, 8,9 and 10.

<sup>23</sup> Section 4(5), 1999 Constitution.

<sup>24</sup> Paragraph 1(6) of the 4<sup>th</sup> Schedule.

<sup>25</sup> Cap. L 5, LFN, 2004.

<sup>26</sup> Section 5(1)(c).

<sup>27</sup> Alubo, A. U.(2005), *Contemporary Nigerian Land Law*, ABESON, Nigeria, p. 36.



expenditure included on the land which is likely to raise the value of the building or the improvement on the land. This position is shrouded with ambiguity as the Act fails to register the possible variation in sizes of lands within a neighbourhood.

The Act should have computed this incidence of assessment into a numerical value capable of mathematical computation based on the land size or the improvement on land. To ensure a fair and just application of this provision, the ambiguity, must be resolved in favour of the tax payer, i.e. the amount payable must be based on a fair valuation. Taxation, according to the courts, is one of the expropriatory encroachments on the private property rights of citizens. In stressing how the courts view these expropriatory legislations, the Supreme Court of Nigeria, per Hon. Justice Uwaifo, J.S.C. (as he then was), states that:

*"It is the law that in interpreting a statute which encroaches on a person's proprietary right, the courts' attitude must be to adopt the principle of strict construction, fortissimo contra proferentes [strictly against any one claiming benefit], which leans in favour of the citizen whose property rights are being denied; and against the interest of the lawmaker..."<sup>28</sup>*

Another gateway that leads to a clearer horizon could be found in adopting the purposive construction rule by the courts when construing tax legislations. In the English case of **Pepper v. Hart**<sup>29</sup> Lord Griffiths states that: "The courts now adopt a purposive approach which seeks to give effect to the true purpose of the legislation." Hence, judges may be at liberty to read in words not used in the legislation to interpret it: so as to clearly reflect in their decisions the intentions of the legislature.<sup>30</sup> The court should look beyond the words used to the entire text, and the context in which they are used to bring out the purpose of the legislation. It is the humble opinion of this writer that in applying the purposive approach, the court must employ diligent care and extreme caution so as not to go into legislation arena by creating a tax where none is technically contemplated by the provision.

The Act is not very clear as per the role of local government councils in property tax administration. Nonetheless many writers have favoured the opinion that the local councils are more instrumental to this system of taxation than the state authorities. It is not clear whether none inclusion of local councils in the determination and administration of property tax under the Act is deliberate or it is a major omission, but in its penal provisions, the Act gives Local Government Council the power to institute legal proceedings in its name against any default in payment of rent.<sup>31</sup> It can be deciphered from the foregoing that indeed the local councils have a germane role to play in property tax administration and to clarify this, the Constitution provides that the main functions of the Local Government Council among others, include:

Assessment of privately owned houses or tenements for the purpose of levying such rates as may be prescribed by the House of Assembly of a state...<sup>32</sup>

The practice today is the Local Governments collect tenement rates in respect of lands within their territories as prescribed by their state Houses of Assembly while the State Governments collect ground rents. It is important to note that the statutory trust<sup>33</sup> created under the Act does not vest in

---

<sup>28</sup> **Victor Manyo Ndoma-Egba v. Nnameke Chikwukeluo Chukwuogor and Ors.**[2004] 6 NWLR 382-434.

<sup>29</sup> [1993] AC 593 at 617.

<sup>30</sup> Lee, N. (1999), *A Purposive Approach to the Interpretation of Tax Statutes*, 20 Stat. L.R. 124 at 128.

<sup>31</sup> Section 42(1) Land Use Act.

<sup>32</sup> Fourth Schedule, paragraph 1(f).

<sup>33</sup> Section 1 Land Use Act.

the governor the power to determine the rates payable in property taxation but the state House of Assembly.

### **Tenement Rate and other Rating Laws**

The local governments being the third tier of government are constitutionally empowered to levy and collect tenement rate in form of annual taxation levied on built property. Application of this taxation automatically excludes undeveloped property. Local authorities make these laws by way of subordinates legislations and bye laws; however, some states of the federation pass these laws to be applicable in all the local government areas of the respective states.<sup>34</sup>

### **Other Tax Legislations and Property Tax**

Apart from the foregoing, other tax related laws have indirectly levied taxes on properties by attaching charges to the incomes accruing from the property. These laws include the Personal Income Tax Act<sup>35</sup> which levies tax on income accruing to the property by way of sale, lease etc., under this Act, the income chargeable is the net-income which accrues to the property. Personal Income Tax is imposed on resident individuals, trusts, estates and unincorporated entities at graduated rates of 5-25%. An individual is deemed resident in Nigeria for tax purposes if he is domiciled in Nigeria; sojourns in Nigeria for a period or periods amounting to 183 days or more in a twelve-month period, or serves as a Nigerian diplomat in a foreign country. A non-resident individual is a person who is not domiciled in Nigeria or who is present in Nigeria for a period less than 183 days. A non-resident individual is liable to pay tax on income derived from a trade or business carried on in Nigeria, irrespective of the duration of the trade or business.<sup>36</sup> Secondly, indirect taxes with probable consequences of affecting property ownership and its management or transfer in Nigeria are charged under the Value Added Tax Act.<sup>37</sup> Although this does not affect the property *per se*, it seriously tells on developing and maintaining the property (i.e. it levies on building materials and utility bills) and besides, it is conceivable that 'property' does not appear among the non-taxable items as specified in the exemptions or negative list in the schedule to the Value Added Tax Act. In this category also is the payment for stamp duties charges upon registration of conveyances of landed properties under the Stamp Duties Act,<sup>38</sup> states also operate this tax through their respective stamp duties laws.

The Austinian school of thought views law as "a command of the sovereign to his subjects backed by a sanction."<sup>39</sup> This view is relevant here to the extent it shows that mere imposition of property tax by way of utilising the laws enumerated above cannot guarantee compliance, the law must have provided a sanction against noncompliance. Noncompliance with tax regulations amounts to an offence and fortunately, some of the laws have prescribed the relevant penalties. Major tax related offences include:

- i. *Tax evasion*. This offence is constituted where a taxpayer refuses to disclose taxable income or property, and where such disclosure is made, the tax payer claims unauthorised tax deductions.
- ii. *Tax avoidance*. This occurs where a taxpayer pays the minimum tax by claiming all allowable deductions.
- iii *Withholding tax*. This is a situation where a person authorised to collect taxes fails to turn-over or remit same to the appropriate authority.

---

<sup>34</sup> Example is the Niger State Tenement Rates Law 1995.

<sup>35</sup> Op cit.

<sup>36</sup> Nigeria Tax News, Vol. 1 Issue No. 001, Abraham & Co., 2008, p. 1..

<sup>37</sup> Cap. V1 LFN, 2004.

<sup>38</sup> Op cit.

<sup>39</sup> Elegido, J. M. (2000), *Jurisprudence*, Spectrum, Nigeria, p. 52.

Under the various tax laws, all the above offences attract various sanctions ranging from revocation of right of occupancy,<sup>40</sup> fine,<sup>41</sup> and imprisonment.<sup>42</sup>

### Conclusion

The property tax regime in Nigeria is not centralised as the Constitution has apportioned the responsibilities of its administration to the three tiers of government, and because the local government council is at the grass-root strata and thus constitutionally empowered to provide the social services and amenities, it is positioned to collect some of these revenues for finance of those services, yet this source of revenue remains grossly underutilised. Below are outlines of some of the limiting factors against the smooth flow of property tax administration in Nigeria:

- (i) Absence of a substantive property tax law which will clearly define the governing principles of property tax administration, and which will likely consolidate the nominal provisions into a single statute for easy implementation and to avoid dual taxation.
- (ii) The existing local government structures are not effectively equipped to administer this tax as the final determination always lies with the state government.
- (iii) Absence of a comprehensive land registration policy has left most of the properties that could otherwise provide taxes outside the purview of public tax register; hence monitoring ownership of land is practically impossible.
- (iv) More often, funds so far collected on tenements and other property related levies cannot be accounted for because improvements and innovation do not take place in management of the existing public utilities. This has a serious effect of demotivating the taxpayer. It was reported that all countries face problems resulting from citizen unwillingness to make contributions through the property tax for nonexistent or poor quality services.<sup>43</sup>
- (v) Absence of the government's political will to focus on property taxation as the pursuit of oil dollar wins the top priority in the national revenue agenda.
- (vi) Because most estate transactions are conducted privately and outside the state's scrutiny, it becomes impossible for government to stretch its hands to the incomes other than the registration charges and the payment for stamp duties where registration is contemplated.

### Recommendations

Dillinger argues that, "The match between incidence of the property tax and the benefits of the service it finances is clearly far from perfect: the statutory burden of the property tax is distributed according to value of property; the benefits of the services it finances are not. The benefits of refuse collection, for example, are more proportional to household size than property value. Nevertheless, the property tax is more effective at confronting taxpayers with the cost of local services than are the other revenue sources that might be assigned to local government."<sup>44</sup> Therefore proper utilisation of this revenue is germane to the success of property taxation, and along this line, this paper closes with the following recommendations:

- (i) Property tax reform must be integrated into the national agenda with intensive commitment and due political consideration; the objectives and procedures be adequately publicised in simple terms for the tax payer to understand.
- (ii) The stakeholders in the estate industry, Nigerian Institution of Estate Surveyors and Valuers (NIESV), Estate Surveyors and Valuers Registration Board of Nigeria (ESVARBON), the

---

<sup>40</sup>Section 28(5)(a), Land Use Act, op cit.

<sup>41</sup> Sections 94-101, Personal Income Tax.

<sup>42</sup>*7up Bottling Co. Plc., supra.*

<sup>43</sup>Municipal Development Programme (MDP), Harare, Zimbabwe, November, 1995.

<sup>44</sup> Dillinger, W. (1991), *Urban Property Tax Reform Guidelines and Recommendations*, Infrastructure and Urban Development Department, The World Bank, p. 3.



Nigerian Bar Association (NBA) etc. should launch a formidable case for the concerned authority to come up with a workable system of property taxation to be anchored on a comprehensive property tax law.

- (iii) Since human resources play a significant role in the process of administering the property tax system, improved tax policy or legislation is not enough a panacea if the human resource base is weak or insufficient. Quality personnel with sound professional training must take over the estate industry majority of which is left for 'quacks' to steer. Special training is required for effective valuation, cadastre management appraisal, collection, and other professional and administrative functions of the tax system.
- (iv) The government should initiate a strategic exercise for identification of property sites and ownership, record-keeping, valuation, assessment, billing and collection, and enforcement as proper documentation provides the headway to the success of property tax system.

Finally, having identified the limited capacity at the local government level to administer property taxes, despite its relevance for grassroots development, the state can liberalise the system to enable the local councils to effectively administer their taxes according to their peculiarities for their sustainable development. On the other hand, administrative functions such as the collection and enforcement of property taxes should ideally and exclusively be allocated to the local level.<sup>45</sup>

## References

- Alubo, A. U. (2005). *Contemporary Nigerian land law*, ABESON, Nigeria,
- Bone, S. (ed.) (2001). *Osborne's concise law dictionary*, 9<sup>th</sup> Edition. London: Sweet and Maxwell.
- The Constitution*, Federal Republic of Nigeria, 1999.
- Ekong, E. (2007), *Nigeria: An overview of the proposed property taxation in FCT*. Daily Trust (Abuja), 14<sup>th</sup> November, Edition.
- Elegido, J. M. (2000). *Jurisprudence Spectrum*. Nigeria.
- Dillinger, W. (1991), *Urban Property Tax Reform Guidelines and Recommendations*. Infrastructure and Urban Development Department, The World Bank.
- High Court (Uniform) Civil Procedure Rules, No. 56, 1989.
- Imhanobe, S. O. (2002), *Understanding legal drafting and conveyancing*. Secured Titles, Nigeria.
- Immovable Property Tax Law of Mongolia, 17 November 2000.
- Land Use Act, Cap. L 5, LFN, 2004.
- Lee, D. (2003), *Plato: The republic*, 2<sup>nd</sup> Edition, Penguin Books, England.
- Lee, N. (1999), *A Purposive approach to the interpretation of Tax Statutes*, 20 Stat. L.R. 124.

---

<sup>45</sup> McCluskey, W., and Plimmer, F. W. (2007), *The Potential for the Property Tax in the 2004 Accession Countries of Central and Eastern Europe*, RICS Research Paper Series, Volume 7 Number 17, London, p. 23.

- McCluskey, W., & Plimmer, F. W. (2007). *The potential for the property tax in the 2004 accession countries of central and eastern Europe. RICS Research Paper Series, Volume 7 Number 17, London.*
- Microsoft, (2008), *Encarta 1993-2007*, Microsoft Corporation.
- Municipal Development Programme (MDP), Harare, Zimbabwe, November, 1995.
- Murphy, L. & Nagel, T. (2002), *The myth of ownership: Taxes and justice*. New York: Oxford University Press.
- Nigeria Tax News, Vol. 1 Issue No. 001, Abraham & Co., 2008.
- Nightingale, K. (2001), *Taxation: Theory and practice*. London: Prentice Hall.
- Nuhu, M. B. (2008) *Land tenure and management of Nigerian cities*. Wednesday, Daily Trust, 21<sup>st</sup> May 2008 Edition, <http://www.dailytrust.com>
- Ogedengbe, P. S. (2004), *Formulating a good urban land policy for Nigeria*. J. Hum. Ecol., 15(2).
- Okoni, O. (2006), Governance, taxation and fiscal policy in Nigeria. *European Journal of Economics, Finance And Administrative Sciences - Issue 6*.
- Olusegun, K. (2002), *Principles and practice of property rating*. TTP, Nigeria
- Patunola-Ajayi, B. J. (2007). *Nigeria: Property tax as tool for poverty eradication*. Vanguard (Lagos), Oct. 11, 2007 Edition, <http://www.vanguardngr.com>
- Pechman, J. A. (1985). *The promise of tax reform*. Englewood Cliffs: Prentice-Hall Inc.
- Personal Income Tax Act Cap. P8, LFN 2004.
- Rousseau, J. J. (1998), *The social contract*. Britain: Wordsworth.
- Stamp Duties Act Cap. 411, LFN 1990.
- Stock, R. (2008), *Nigeria*, Microsoft Student.