



AFRICA - Uganda - May 2022

LUKWAGO WANTS PROPERTY RATE TAX REDUCED 1

Lukwago wants property rate tax reduced

Kampala City Lord Mayor Erias Lukwago wants property rate tax reduced to cater for low income earners.

According to the Local Government Act, local governments can charge a percentage not exceeding 12 percent of the taxable value of the property and a minimum of 2,000 shillings. The taxable value is 74% of the revenue generated by a property.

In 2020, the KCCA council passed new rates which imposed 4 percent of the taxable value of properties generating five million and below and 6 percent for properties attracting revenue of five million shillings. This changed the rates from 6 percent of the taxable value on commercial properties which was charged on all commercial properties.

Lukwago who was speaking on Friday at the swearing-in of the new committee of the City Valuation Court said that the rates are still high for low-income earners in Kampala. He wants the City Executive Committee- CEC to discuss imposing a tax of 2,000 shillings a year for some low-income earners.

The members of the valuation Court are Samuel Muyizzi, the Chairperson, Eng Brian Kayemba and Daphine Muwonge. Lukwago asked them to take the valuation court closer to the people and ensure that they deal with complainants justly.

KCCA Executive Director Dorothy Kisaka said that although the authority wants to increase its revenue, the valuation team should do so mindful of the needs of the taxpayer such that there is justice and equity.

On taxing residential houses, Kisaka said that as a technical wing, they want to increase the authority's tax base but can only do so when there is an enabling law. KCCA loses over Shillings 14 billion in property rates from premises that are occupied by the owners.

Muyizzi expressed dismay that some people including leaders are ignorant about the existence and the mandate of the valuation court which limits them from seeking its services.

According to the local government (rating) act, 2005 which guides the valuation process, the court is supposed to complete its proceedings within six months after receiving complaints. The complainants have 30 days after the notice of valuation rates has been published.

Property tax is the highest contributor to KCCA Non-Tax Revenue- NTR bringing in close to 50 billion shillings annually.
