



## GHANA - November 2017

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<b>2018 BUDGET: GOVERNMENT TO IMPROVE PROPERTY TAX COLLECTION .....</b>	<b>1</b>
<b>AMA PARTNER LAND VALUATION FOR PROPERTY REVALUATION .....</b>	<b>1</b>
<b>GHANA: AMA TO REVALUE ALL PROPERTIES IN ACCRA.....</b>	<b>2</b>

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### 2018 Budget: Government to improve property tax collection

Finance Minister Ken Ofori-Atta has outlined government’s plans to improve the property tax collection system, effective next year.

According to Mr. Ofori-Atta, a collaboration between the Ghana Revenue Authority (GRA) and the Ministry of Local Government and Rural Development will hasten the ‘assessment and collection of taxes’ by Metropolitan, Municipal and District Assemblies (MMDAs).

This disclosure was made by him during the 2018 budget reading in Parliament.

“To enhance efficiency both in the valuation of properties and revenue collection process from this source, in 2018, GRA will collaborate with the Ministry of Local Government and Rural Development to support the MMDAs in the assessment and collection of property taxes”, Mr. Ofori-Atta explained.

He explained that this initiative was a constitutional directive, which enjoins ‘MMDAs to mobilise revenue for provision of services’. He admitted that collection of tax has been quite low due to insufficient valuation capacity and the high cost of valuation.

This, the Finance Minister confessed, has affected the economy, since ‘a major source of revenue is property tax’.

Property tax is levied annually by local authorities on the estimated value of the property, depending on the classification of the area where it is located.

### AMA Partner Land Valuation For Property Revaluation

The Accra Metropolitan Assembly (AMA) has engaged the Land Valuation Division of the Land Commission to re-value all properties in the metropolis to help maximise revenue for development of the city.

Mr Mohammed Adjei Sowah, the Accra Metropolitan Chief who made this known in a news conference in Accra said it had become necessary to mobilise revenue to improve the living conditions of the people.

He urged all property owners in Accra to cooperate with the AMA to ensure the success of the exercise.

He said the new mechanism such as digital address system which was launched recently would help to effectively eliminate all forms of lapses in the system and widen the Assembly’s net of revenue mobilisation.

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He said for the past 10 years the AMA had not been able to revalue its properties using supplementary rates of 2006 to charge property rates.

'There had been a big change of physical development from single to two or three storey, multi-storey offices and condominiums, hence the need to collaborate with other stakeholders to bring about the designed change,' he said.

Mr Adjei Sowah said the AMA would benefit substantially from the exercise in terms of increase internally generated funds and establishing a comprehensive spatial data-base.

He said: 'People should not see the collection of tolls and rates as a form of punishment since the money collected goes into the construction of roads, markets, schools and the provision of water.'

### **Ghana: AMA to Revalue All Properties in Accra**

The Accra Metropolitan Assembly (AMA) has initiated the process to revalue all properties within its jurisdiction as part of efforts to mobilize enough resources for the development of the city of Accra.

Property valuation is an estimation of the worth of a property (land, buildings or other properties).

The exercise, which will be conducted by the Land Valuation Division of the Lands Commission, will, therefore, enable the Assembly revise its property rates and take inventory of all properties in the city.

Chief Executive Officer of the AMA, Mr. Mohammed Adjei Sowah, at a brief ceremony on Monday to sign a Memorandum of Understanding for the commencement of the exercise, disclosed that the last property valuation was done in 2006, adding that over the period, the skyline of Accra had changed from a single storey to a multiple storey, hence substantial revenue for development was being lost.

He made it known that the Assembly was embarking on the re-evaluation exercise with approval from the Ministry of Local Government and Rural Development (MLGRD).

He, therefore, appealed to the general public and all property owners to co-operate with the Assembly to enable it collect the necessary revenue to support its development agenda.

In his remarks, the Head of Rating and Valuation of the Lands Commission, Mr. Ben Arthur, said the Commission was adopting a digital approach towards executing the valuation of the properties in the country.

He explained that a significant difference in the new approach was the use of a digital system unlike previously where a lot of manual activities were involved, adding that the Commission was using a very good digital platform to be able to undertake the exercise more accurately and speedily.

Mr Arthur urged the general public to co-operate and furnish mobilisation officers with the right information need for the exercise.

The Acting Director of the Land Valuation Division of the Land Commission, Kwabena A Gyang, signed the MoU of the behalf of the Division.

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