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MIXED FEELINGS TRAIL RETURN OF TENEMENT RATES IN FCT 1

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The return of tenement rate collection in the Federal Capital Territory (FCT) has generated mixed feelings. While the area council authorities are gladdened by the approval of the National Assembly for the collection to commence, real estate developers, residents and property owners are still sceptical about the means of collection and how the collected funds should be expended.

Abuja Municipal Area Council chairman, Abdullahi Adamu Candido had in an interview said the funds realised from the tenement rate is critical to the development of the council just as crude oil is to the federation.

A document received by Daily Trust showed that the area council generated about N1 billion from tenement rate in Abuja from May to October 2016.

AMAC generated as much as N235 million in August 2016 until the policy was suspended due to a controversy on the tier of government to collect the rate and what to collect. This shows how viable tenement rate is to the council's revenue drive. However, there was a tussle on how tenement rates is supposed to be collected and the amount to be collected prompting a temporary suspension by the Federal Capital Territory Administration until the National Assembly, which legislates for the area councils to intervened.

But since the discrepancies have been settled by the National Assembly, the council has left no stone unturned in ensuring stakeholders' key- in into its revenue generation drive.

The Supervising Councillor on Finance and Accounts, Hajiya Salamatu Jibrin had said the council would not collect the rate by force but rather follow due process and utilise the provision of the law in ensuring compliance.

She said the revenue accrued from the collection would be deployed judiciously into infrastructure provision and development at the grassroots.

Commenting on the powers to collect tenement rate granted AMAC by the National Assembly, National Vice President of the Real Estate Developers Association of Nigeria (REDAN) Alhaji Aliyu Wamako said there would be no problem "if the money will be collected and channelled appropriately."

"But if the money is collected and the people lack the basic infrastructures, I don't think that is right because, you pay tenement rate, no water, no proper drainages and there are lots of environmental hazards and some of the areas are bushy, if the AMAC authorities have to keep up and take up to the challenges then that is fair enough," he said.

Wamako said the collection of the rate might affect the cost of houses especially mortgage houses especially beneficiaries of the National Housing Funds.

"I don't think it will favour the people in the real estate sector because they lack infrastructures and most times developers provide all these infrastructures and that is why we are calling on the FCT Administration, if AMAC can even provide roads in

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some of the estates, then it is okay because if they have to collect tenement rates then they must provide the people with infrastructures” he said.

Mr Danlami Awaje, Chief Revenue Officer of the Abuja Municipal Area Council (AMAC), commended the National Assembly for upholding the constitution of the Federal Republic of Nigeria adding that by the provision of the 4th schedule of the constitution, the collection of tenement rate is the duty of the local government in states and in the case of FCT, area councils are responsible.

“In the past there were misunderstanding that cropped up and led to the temporary suspension of the collection and because the National Assembly then wanted AMAC to follow procedures and this include, the rate chargeable should be determined by the state Assembly but in the case of FCT, the National Assembly.

“Now area councils have followed the procedure knowing that the lawmakers are people that are working with the constitution and felt the area councils shouldn’t be denied their rights of collection of this revenue,” he said.

On who is to pay the rate, Awaje said, “Whoever is occupying a property at the time of serving demand notice. It is now left for the occupier to discuss with the owner of the property and see how payment can be made.”

He said in some cases, landlords deduct the charges from the annual rent of tenants or he would collect the bill and settle it himself. “But for us as the revenue authority, it is the person we find in the property that is first liable to the payment of this rate and it is an annual payment,” he said.

Asked about the yardstick that is being used to determine tenement rate on any particular property, he said there is an evaluation that has been done on all the rateable properties, displayed for months, adding that residents were also informed to check the values that have been assessed against their properties and raise objections where necessary.

“The rates are based on the value of the property, for instance, your property is worth one million naira, so four kobo is charged on one naira and that is to say, four per cent of the property, so if for instance your property is valued at one million naira, you multiply four kobo to 1 million which will give you the value and that is the basis of calculation but it is based on the value of the property,” he explained.

When asked about the measures AMAC will take if anyone fails to pay the charges even after being issued a demand notice, Awaje said the council would employ due process in collecting the rates and addressing the cases of defaulters.

He further said that the tenement rate is not just applicable to the residents in Abuja Municipal Area Council but to all the other area councils in the FCT because it is a constitutional provision adding that the rate is being collected by authorities within their territorial jurisdiction.

He said, “For us in AMAC, all the properties that falls within our territorial jurisdiction, we have a right to collect the charges, Bwari has the right to collect in their territory and so are Gwagwalada and other area councils.”

Awaje said that the tenement rate collected are being used for the provision of infrastructures. “We have areas where roads, schools and health care centres are supposed to be provided and when we get these money, we channel them into providing some of these infrastructures and also some of the estates that we have in town that do not have roads, occupants of such

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