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KCCA gives property owners 30 days to file complaints

Kampala Capital City Authority (KCCA) has given all commercial property owners in Makindye Division 30 days to file their complaints about tax assessment on their assets.

The revelation was made yesterday at Makindye Division headquarters by the KCCA valuation court chairperson Mr Wandera Ogalo.

The valuation court at City Hall handles all complaints arising from property tax by landlords. The court members are appointed by the Lord Mayor.

KCCA has been carrying out the valuation of commercial properties across the city for the last one year and the exercise ended last month.

However, only properties in Kampala Central, Nakawa and Makindye divisions have been valued unlike Rubaga and Kawempe divisions.

Property tax is the annual levy on any commercial property (building) that exists within the jurisdiction of the city. It is charged in fulfillment of the periodic statutory requirement of the Local Government (Rating) Act 2005.

New valuation roll

According to the new valuation roll, five of the 1,000 properties were captured in Makindye Division while 17,000 and 69,000 properties were captured on the new valuation roll in Kampala Central and Nakawa Division respectively.

The last valuation was done in 2005 and KCCA has been collecting Shs19b annually in property tax. However, upon completion of valuation of properties across the city’s five divisions, KCCA anticipates to collect about Shs50b annually.

Mr Aloysius Gonzaga, the head of the KCCA property valuation team, told Daily Monitor that Currently, KCCA charges 6 per cent of the total rental money from a commercial building.

“The purpose of this is to ensure we don’t cheat the landlords because we understand that they incur some expenses, and we have always explained this to them,” he said.

After valuation exercise, KCCA generates a list of all properties and displays it for public viewing and scrutiny to ascertain the tax levied and other uncoordinated details of a property.

When one has a complaint about the list, they petition the valuation court and a date is set for the hearing.

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Mr Fred Andema, KCCA's director of revenue collection, recently told Daily Monitor that for rented residential houses or apartments, they compute the amount a building makes annually and after all other expenses have been deducted, KCCA taxes 6 per cent of the remaining amount.

Commercial buildings

For commercial buildings such as shopping arcades, Mr Andema said they measure the space in square metres per floor to assess the amount of money each floor makes annually.

However, areas within the building that do not constitute commercial space are not assessed.

The values on which property rates are based are determined by qualified and registered valuation surveyors.

Property tax excludes residential houses, registered worship places such as churches and mosques, local council offices, recreational centres, the president's office and embassies.

KCCA to collect Sh10Bn property tax from Makindye Division

Kampala Capital City Authority (KCCA) has today unveiled a draft property valuation report for Makindye Division. KCCA Revenue Director, Fred Andema says properties in Makindye division have increased from 23,000 in 2003 when the last valuation roll was compiled to 51,000 properties in the report released today.

The revenue generated from the Makindye is projected to increase from sh3 billion to Uganda sh10.6 billion once KCCA starts collecting revenue as stipulated in the new valuation roll. The new property valuation list is expected to be effected in July at the start of the new financial year.

Andema applauded the Makindye Division political wing led by Mayor Al hajji Kasirye Nganda Ali for the support that technical team received when going around the division to compile the report.

Andema said that the revenue will be used to bankroll development projects in the division. "We expect this to in turn avail funds for services that residents of Makindye so much need," he said. The services include the renovation and construction of roads, construction and maintenance of drainage's, street lighting, cleaning of roads and others.

The Mayor Kasirye Nganda Ali said the revenue is important for the division and that is why the political wing rallied residents to register their properties.

The draft list has now been availed for property owners to raise complaints. However, he warned that Makindye Division will not support Uganda Revenue Authority (URA) in its bid to collect rental income from residents. Unlike KCCA, he said URA has not engaged the division leadership to sensitize residents on what rental income means and how it's compiled.

How property rate is determined

Property rate is 6 percent of the ratable value of a property as guided Kampala Capital City Authority Act 2010 and the Local Government (Rating) Act 2005. The ratable value of a property is 76 percent of the annual revenue that a building owner collects from tenants. The remaining 24 percent is left for the owner to cater for utility bills and renovation.

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