

# Property Rating as a Veritable Source for Repositioning Local Government Revenue in Nigeria

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***Abstract:** This paper examines the contribution of property rating in enhancing the local economy. It investigates the possible opportunities that property rating offers, threats associated with rating administration and likely pragmatic approaches that can influence compliance in revenue generation through rating. The study was conducted amongst practising estate surveyors and valuers in Rivers State. A total of 60 respondents' Estate Surveyors and Valuers were purposively selected from the directory of the Nigerian Institution of Estate Surveyors and Valuers, Rivers State branch (NIESV Membership Directory, 2010). Sixty (60) questionnaires were administered to the selected respondents, out of which 48 were correctly filled and returned representing 80% response rate. Findings indicate that there are identifiable threats with regards to property rating administration and possible opportunities that property rating offers. It concludes that property rating can be used as a tool to trigger revenue and job creation at the local government level. The paper recommends that efficient rating administration be exploited to the fullest in order to maximise its revenue potentials and reposition the local economy through educating rate payers by including tax education in the educational curriculum, the use of ICT in valuation, professionalising the rating officers, punishment for defaulters without reservations, embarking on important and useful projects capable of building up the people's confidence in the activities of the government and the use of Geographic Information System (GIS) software to aid the assessment.*

***Key words:** Revenue Generation, Property Rating, Economic Growth, Local Government*

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## 1. Introduction

Economic development thrives on the provision of basic government services and a higher rate of capital formation in production of facilities. While there are many constraints to the delivery of these basic requirements in the developing countries, the most universal and

crucial is finance. Local resources including foreign grants, aids, and loans, have proved insufficient (Babawale, 2003). He report that developing countries have to do what the developed countries have had to do in their individual history, that is, call the citizens to make a sacrifice. Taxation is central to the required sacrifice. The local governments in Nigeria were established for the purpose of rendering services and supplying amenities to the people in both rural and urban areas by virtue of the local government reform, 1976. The federal government cannot solely perform all the activities of the rural areas but work in partnership with the people elected in the various local government areas. This should not deter the federal government from implementing their roles of providing the needed social amenities such as roads, pipe borne water, hospitals, good education for the youths, stadia, electricity, museums, etc. All these social amenities are made available from revenue generated from the people, tax.

Tax, generally, is a compulsory sum of money that is levied on the citizens of a country in order to ensure the continuous provision of services by the government or its agencies to the tax payer. Not only is a tax system the major interface between a state and its citizens, it is a pointer to the success or failure of a government of the trust the population has in the government, and shows how the economy of a state develops and how effective a state is (Richard, 2015). Property taxation on the other hand is a form of taxation levied on real and personal property. Umezuruike (1996) cited in Emoh and Nwachukwu (2012) listed the taxes relating to real estate possessions in Nigeria as follows: (i) property rate (tenement rate), (ii) Capital gain tax, (iii) Capital transfer tax, (iv) estate fee, (v) stamp duties, (vi) withholding tax on rent, and (vii) consent fee. Property rate is thus one form of tax that is levied on real properties. Property rates are levied on landed property located within the area of jurisdiction of a local council. They are payable at the beginning of each year and are imposed on owners/occupier. In the United Kingdom, payment of rate falls on the occupier. In Nigeria, it also falls primarily on the owner, and where he fails to pay for any reason, the liability for rates falls on the person who becomes the subsequent owner, or the occupier of the tenement for that year (Igwe-Kalu, 1998; Ogbuefi, 2004). Property rating as a revenue source provides local governments with relatively stable, broad, expanded and substantial tax base which partly explains its popularity in nearly all countries (Babawale & Nubi, 2011). It has become a major source of income for many countries of the world that have been able to effectively administer it. The table below highlights the contribution of tenement rates to revenue generation from an international perspective.

**Table 1: Tenement Contribution in Selected Countries**

<b>Country</b>	<b>Rate as Percentage of Internal revenue</b>
Israel	49%
South Africa	37%
U.S.A	49%
Canada	74%
Great Britain	62%

**Source:** Akujuru,(2008). Problems and Prospects of Land Fees Administration. Paper Presented on Internally Generated Revenue, August 6, 2008.

The potentials of property rating as a form of property based tax in Nigeria has not been fully maximised as a result of the nation's over-reliance on revenue from crude oil coupled with inefficient rating administration. Aliyu (2008), argues that effective property rating administration is capable of eradicating poverty, and so, must not be treated with levity. An effectively administered property rating system is able to not only generate adequate revenue but also closes loopholes for contemporary practice (Tomori, 2003). It is against this background that this paper seeks to examine the contribution of property rating in enhancing the local economy. In doing this, the research will answer the following questions.

1. What are the possible opportunities that property rating offers?
2. What are the threats associated with property rating administration?
3. What are the likely pragmatic approaches that can influence compliance in revenue generation through rating?

## **2. Literature Review**

### **2.1 Property Rating- Meaning and Definitions**

Property rate is a non-personal tax levied by the local government upon tenement in its area of jurisdiction (Uzoigwe & Emoh, 2012). Ogunba (2013) defines property rate as a form of local taxation that people pay for the services provided by the local government councils. Property rating is an instrument for raising revenue so as to help in defraying some of the costs incurred by local authorities or urban councils in the provision and maintenance of infrastructures and other services within their area of authority (Emoh & Nwachukwu, 2012). The property rating and taxation system refers to the whole activities that are carried out from the approval of the enabling law to the collection of assessed taxes (Ezeudu, (undated). The process is not complete until the billed rates are collected and paid into the treasury of the concerned local government.

### **2.2 Theoretical and Legal Provision of Rating in Nigeria**

The pattern of property rating practice in Nigeria was developed from the rating system of the United Kingdom, Nigeria's former colonial master (Ogbuefi, 2004). The assessment of hereditaments for rating is a routine exercise and the rate liability an occupier or an owner is required to pay annually is determined after computing the annual value of the property expressed in rateable value, this rateable figure is further multiplied by 'rate poundage' in United Kingdom (Johnson, Davis, & Shapiro, 2005) or 'rate nairage' in Nigeria (Ogbuefi, 2004). In the United Kingdom, all rate funds generated are paid as Inland Revenue as indicated by Local Government Act 1948, supported by Local Government Finance Act, 1988, likewise, the 1976 nationwide Local Government Reform in Nigeria enjoined all state governments to enact Local Government Laws in which Rating Laws are encapsulated therein (Ogbuefi, 2004). In the procedure for assessment, the legislation maintained the conventional principles for determining the value of a hereditament as well as the rate payable. Valuation Tribunal is normally provided to arbitrate any disagreement over rates charged (Johnson, *et al.*, 2005).

### **2.3 Contribution of Property Rating to Local Government Revenue**

In order to appreciate the link between property rating and repositioning the local economy, it would be necessary to grasp the concept from the view of this paper. Property

rating practice is basically internally generated revenue administered within the jurisdiction of a local government area or municipal council, established to provide and maintain community infrastructure and local services (Nwachukwu & Emoh, 2010). Property rating plays a key role in financing local governments throughout the world (Kelly, 1995, IMF, 1996 and OECD, 1997). Although comparative data is scarce, property taxes account for between 40 and 80 percent of local government finances, 2 to 4 percent of total government taxes and about 0.5 to 3.0 percent of GDP (Gboyega, 2003). Pandey, Chletri and Baskota (2012) identified property rates as an integral part of the revenue available to the Nepal government. They reported that during the 2011-2012 fiscal years, 71% of the total local taxes collected by the local government were from rating. It formed 33% of IGR and 7% of the total revenue available to the local government. They further stated that competence and non-compliance are the reasons why the advantage of this revenue source might not be maximized. Kuye (2002) argues that in 1601, the persistent dilapidation of neighbourhood facilities and lack of regular maintenance in United Kingdom, triggered the enactment of 'Poor Relief Act' in order to raise funds through property rating for financing neighbourhood facilities. Thus the major focus of property rating is to find local remedy to the poor condition of facilities and services like refuse disposal, sanitation, healthcare, as well as the provision and maintenance of basic facilities (Ogbuefi, 2004). The practice of property rating at the local level for the purpose of community development programmes like education, health, water project, sanitation is a global phenomenon (Reilly, 2000).

Property rating is a good option for financing and maintaining community infrastructures as the tax can generate huge revenue sufficient to finance community projects. Studies has shown that property rating contributes up to 2.1% of GDP in some countries of the Organisation for Economic Cooperation and Development (OECD) (Norregaard, 2013); and less than 0.5% is contributed to GDP in African countries; and about 90% of the sub-national revenue is contributed by property tax in some OECD countries (Presbitero, Sacchi & Zazzaro, 2014). According to Pawi, Yusoff, Arif, Shafie & Salleh (2012), Johor and Kuala Lumpur City Hall in Malaysia recorded property tax arrears of more than RM400 in 2009 alone; and that these tax arrears, if promptly paid, can be of immense importance to the communities concern. The importance of property tax as a source of local government revenue is often ignored as most local governments usually focus on federal and state government revenue allocations and in that circumstance; the property rating is really a negligible source of revenue. Chellah cited in Tomori (2003) reports that the average ratio of property wealth tax revenue to gross domestic product (GDP) among 42 developing countries is less than 1 percent. According to the Central Bank of Nigeria survey of local government councils and Federal Account Report, 1998, the statutory allocation from the federal government accounted for more than 70% of local government finances. These analyses however reveal that the property tax is neither an important nor growing component of locally collected funds in most of the developing countries. The extents to which local governments rely on property tax vary between countries and cities in the world. When measured as a percentage of local government total revenue, property tax contributes less than 25% in most of the developing countries, but it compares favourably well with other forms of local taxes and fees (see table 2). In the developed countries the trend is the other way round.

**Table 2: Contribution of Property Tax to Local Revenue**

S/N	Country	Cities	Percentage of Property Tax to Fees	Percentage of Property Tax to Fees
1	India	Bombay	22	17
		Calcutta	92	36
2	Brazil	Sao Paulo	38	16
3	Indonesia	Jakarta	10	5
4	The Philippines	Manila	50	36
5	Kenya	Nairobi	92	36
6	Nigeria	Lagos	70	22
		Ibadan	23	14
7	Mexico	Mexico	59	37
8	Korea	Seoul	21	6
9	Tanzania	Tunis	N/A	14

**Source:** 1. Background Paper for the 1998 World Bank Report by William Dillinger  
2. Tomori (2003).Property Taxation: The Success Story of Oyo State

#### **2.4 Advantages of Property Rating**

In discussing the advantages of this form of taxation, Igwe-Kalu (1998) document as follows:

- I. Property is a fixed hereditament, that is, immovable and easy to access for rating purposes. This immovable characteristic of real estate makes rate evasion almost impossible because it is not possible to conceal it from assessment neither is it possible for it to be moved to an area where it may attract lesser rate.
- II. The immovable characteristic of real estate makes it possible for the rating authority to know in advance what to expect as property rates. This eases the problem of budgeting and planning.
- III. Real estate is a very durable form of investment. This implies that real properties do not deteriorate easily as most other forms of investment and this provides a very reliable and dependable base for taxation.
- IV. Rating as a source is taxation is very flexible. By changing the tax rate, the revenue collectible from this source can increase or decrease appreciably. So depending on the requirements of government and disposition of the entire tax paying public, the tax rate may be varied to achieve equity and a healthy economic development.
- V. Property rating as a fiscal instrument assists in the redistribution of income and wealth. Since it is taxed on the owners/occupiers of property, the application of the proceeds in the provision of social services and goods improves the state of the poor.

#### **2.5 Challenges of Property Rating Administration in Nigeria**

Enahoro and Olabisi (2012) carried out a research to assess the overall efficiency of rating administration in Somulu, Mushin, Ikeja, Kosofe and Surulere LGAs of Lagos state and

discovered that the administration of rates in Lagos is not very efficient and conclude that if the collection of property rates is handled by consultant firms the rating administration system in Lagos state would improve. The administration of property rating in Lagos State is similar to what is obtainable in other parts of the nation. Naiyeju (2005) found that rating administrators in Lagos State local governments does not have the needed competency to efficiently administer rates. Fashola (2009) cited in Ayandegi (2012) identified corrupt practices on the part of rating officials and lack of competent rating officers as factors that weaken people's trust in the system and as a result, has significantly reduced yield from rates. Ekpo and Ndebbio (1998) cited in Ayandegi(2012) identified personnel inadequacy in terms of quality and quantity as a major problem. He affirmed that there are numerous cases where unknowledgeable team made up of messengers and casual workers which have little or no knowledge about how rates should be administered and the laws and regulations governing property rating are sent out on administrative duties. In other instances, corrupt rate officials connive with rate payers by collecting bribe so they do not have to bear the full burden of property rate levied on them or the officials fail to remit in full the money collected during a rating exercise. Rating clerks in various rating departments too are not exempted from this dubious act, they receive bribe from rate defaulters who do not want to be arraigned before the law court. Of course, there are upright rating clerks and officials but the percentage of the dishonest ones is overwhelming. A great number of these rating officials live well above their means and their extravagant lifestyle is not funded by their legit earnings (Naiyeju, 2005).

Adebisi (2010) in his research to appraise the administration of taxes in Kogi State, identified lack of power by revenue Appeal Courts, poor staffing and equipment and corrupt practices by tax officials as some of the problems of tax administration. Data was gotten through interviews and questionnaires and the analysis of this data revealed that taxation in the state is not performing so badly, as a matter of fact, revenue from taxes forms about 40% of the state's internally generated revenue (IGR).

Muhammad and Ishaku (2013) assessed the prospects of property tax administration in Bauchi State using data gotten from the state's Board of Internal Revenue and Ministry of Lands. Their study indicated that only a few forms of property tax are operational in the state, this they attributed to lack of political will as well as poor record keeping. They proffered that more professionals be employed by the Board and the Ministry of Lands and that laws that have been put in place be enforced.

## **2.6 Examples on Property Rating Administration around the World**

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<b>S/N</b>	<b>Country</b>	<b>Examples</b>
1.	TANZANIA	In Tanzania, a series of researches have been carried out by different researchers to assess the administration of property rate and taxes. Lubua (2014) indentified that compliance as an issue confronting the administration of property rates and taxes in Tanzania influenced by property rating laws. He suggested that in order to raise the level of awareness of rate payers, serious efforts should be made. Machogu and Amayi (2013) were of the opinion that educating rate payers plays a major role in ensuring compliance. This they said could be done by including tax education

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2.	INDIA	in the educational curriculum Property rating and tax administration in India is faced by problems such as high cost of collection, low capacity, difficulty of valuation, high compliance cost and poor information system (Rao, 2013). As a result, yields from property rating have not been contributing enough to the revenue available to the government
3.	MALAYSIA	Habibu, Ishak and Normala (2012) appraised property rating administration in Ipoh, Malaysia and pointed out incomprehensive valuation lists, poor coordination of assessment mechanism the use of outdated data in rating valuation as the bane of property rating in Ipoh, Malaysia. They also stated that regardless of these, revenues from property rates remain a mainstay for the local governments. They suggested that rating staff be adequately trained in the use of modern and automated methods of valuation, reassessment should be carried out regularly taking prevailing market trends into consideration and also capture new properties.
4.	INDONESIA	Rismaharini (2012) reported that in Indonesia, administration of property rates were passed down to the local governments in 2010. Surabaya (the 2nd largest city in Indonesia) started administering property rates in 2011 and has been very successful contributing 51% of the local revenue of Surabaya. He ascribed this to the use of ICT in valuation, professionalism of the tax officers as a well as their ability to set rates that are appropriate.
5.	UGANDA	Kamba (2007) in his study on the problems of administering property taxes in Uganda's largest city, Kampala discovered most of the problems to be at policy and administrative levels and concludes that return from rates is weakened by issues related to lag in collection, poor enforcement, corruption, political interference as well as inability of the government to provide necessary infrastructural facilities.

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**Source:** Ayandeji (2012), Analysis of Property Rating Administration in Kaduna State.

### **2.7 Opportunities in Property Rating**

There is a large literature in this paper showing the positive contribution of rating to local government revenue starting with Pandey, Chletri and Baskota (2012) and followed immediately by Slack (2011), and Bahl, Martinez-Vazquez and Youngman (2008). How well property rating is administered not only impacts how much revenue is collected but also affects the employment opportunities for people at the grass root. Property rating, if properly administered, churns out a lot of employment opportunities. The redundant local government staff will be busy if property rating and taxation is introduced or reinvigorated and in a number of cases, more new workers will be engaged in the distribution of demand notices and related activities. The valuers handling the rating assessment both at the fields and offices will definitely employ more hands. The collections of assessed rates whether by the staff of the local governments or by the external consultants will no doubt, lead to decrease of the unemployed. One can imagine the employment opportunities to be generated if 50 percent of the entire local government areas in Nigeria should embark on property rating. As noted by Ezeugu (undated), the local governments can achieve

economic stability through rating and taxation. This bridges the gap as a balancing factor. It should be noted that in fixing the rate nairage to be applied on assessed values by a local government, reference is made to the balance of the budget. The rate nairage is fixed in order to have a balanced local government budget. It provides that succour to make for a stable budget. The local government has property rating as a last resort, if it must have balance and favourable budget. Fluctuation of other sources of revenue is curbed by the stability of property rates, as assessed values of the properties could be relied upon and made use of for up to five years. This is why Gbadamosi (2000) described property rating “as the surest age-long source of revenue”

### **3. Methodology**

The study is required to examine the contribution of property rating in enhancing the local economy and to suggest pragmatic approaches towards an efficient property rating administration. These contributions and approaches were identified from the literature and tested using structured questionnaire. The study was conducted amongst practising estate surveyors and valuers in Rivers State. A total of 60 respondents’ Estate Surveyors and Valuers were purposively selected from the directory of the Nigerian Institution of Estate Surveyors and Valuers, Rivers State branch (NIESV Membership Directory, 2010). Sixty (60) questionnaires were administered to the selected respondent, out of which 48 were correctly filled and returned representing 80% response rate. The questionnaire used a 5-point Likert scale to measure the contribution of property rating in enhancing the local economy and to suggested pragmatic approaches; the rating on the scale is as follows:

1 = Strongly Disagree,

2 = Disagree,

3 = Neutral,

4 = Agree, and

5 = Strongly Agree

Descriptive statistical tools were used to analyze data.

The methodology also involves critical analysis of literature relating to property rating within Nigeria and across a variety of other countries in order to determine the importance and contribution of property rating to local government revenue, the challenges with property rating administration, possible opportunities offered. The review uses various secondary sources such as textbooks, journal articles, reports, and dissertations relevant to the study. Finally, contributions from rating were assessed to determine how it has been able to positively promote revenue generation for the local economy.

### **4 Results and discussions**

This study presents results using tables for clarification and proper interpretation as thus:

#### **4.1 Professional Qualification of the Respondents**

Table 1 showed respondents’ professional qualifications. It showed that 7.2% are corporate members of the Nigerian Institution of Estate Surveyors and Valuers indicating that they possessed reliable professional knowledge based on practical experience, thereby making their opinions to be reliable.

**Table 1: Professional Qualification of the Respondents**

Grades of Membership	Frequency	Percentage
Fellows	5	10.4
Associates	29	60.4
Probationers	14	29.2
Total	48	100

**Source:** Field Survey, 2018

#### 4.2 Respondents' Involvement in Rating Assessment

The response in table 2 shows high rate (79.2%) of involvement in rating assessment by respondents Estate Surveyors and valuers. This proves the credibility of the respondents and shows that the information provided in this study are credible and reliable

**Table 2: Respondents' Involvement in Rating Assessment**

Options	Frequency	Percentage
Yes	38	79.2
No	10	20.8
Total	48	100

**Source:** Field Survey, 2018

#### 4.3 Possible Opportunities that Property Rating Offers

Respondents' estate surveyors and valuers were asked to express their opinion regarding the under listed opportunities in rating if properly administered on a five-point Likert scale. The results are shown in the table 3 below:

**Table 3: Possible Opportunities in Rating**

Possible Opportunities in Rating	Weight (48)					Sum	Mean	Decision
	5	4	3	2	1			
Rating Churns out a Lot of Employment Opportunities for People at the Grassroots	14	15	14	5	0	182	3.79	Agree
Rating Assists in the Redistribution of Income and Wealth	12	20	12	4	0	184	3.83	Agree
Rating Eases the Problem of Budgeting and Planning	29	19	0	0	0	221	4.60	Agree
Rating has the Potential to Finance Community Infrastructure	42	6	0	0	0	234	4.86	Agree

**Legend:** <3.00 = Disagree >3.00 = Agree

**Source:** Field Survey, 2018

The findings in table 3 indicate that all the respondents agree to all the listed items. These are: Rating churns out a Lot of Employment Opportunities for People at the Grassroots (3.79), Rating Assists in the Redistribution of Income and Wealth (3.83), Rating Eases the Problem of Budgeting and Planning (4.63), Rating has the Potential to Finance Community Infrastructure (4.86). It implies that the majority of the respondents with a mean score >3.00 strongly agree that the listed items in table 3 are likely opportunities in rating. This findings is in tune with the findings of Pandey, Chletri and Baskota (2012), Slack (2011), and Bahl, Martinez-Vazquez and Youngman (2008) who notes that “how well property rating is administered not only impacts how much revenue is collected but also affects the employment opportunities for people at the grass root”. That Property rating, if properly administered, churns out a lot of employment opportunities.

#### 4.4 Threats Associated with Property Rating Administration

To be able to determine whether there are threats associated with property rating administration, respondents were asked to indicate their opinion on a five-point likert scale. Table 4 below presents the result:

**Table 4: Threats Associated with Rating Administration**

Professional Suggested Factors	Weights (N=46)							Decision
	1	2	3	4	5	Sum	Mean	
High Cost of Collection	36	4	8	0	0	220	4.58	Agree
Low Capacity	24	20	4	0	0	160	3.34	Agree
Difficulty of Valuation	40	4	4	0	0	228	4.75	Agree
Poor Information System	28	12	8	0	0	212	4.42	Agree
Corrupt Practices on the Part of Rating Officials	32	8	8	0	0	216	4.50	Agree
Low compliance	36	12	0	0	0	228	4.57	Agree
Government Inability to Provide Necessary Infrastructural Facilities.	32	4	12	0	0	212	4.42	Agree

Personnel Inadequacy in 2 24 0 4 0 204 4.25 Agree  
 Terms of Quality and 0  
 Quantity

**Legend:** <3.00 = Disagree >3.00 = Agree

**Source:** Field Survey, 2018

The findings in table 4 above identified High Cost of Collection (4.58), Low Capacity(3.34), Difficulty of Valuation(4.75), Poor Information System(4.42), Corrupt Practices on the Part of Rating Officials(4.50), Low compliance(4.57), Government Inability to Provide Necessary Infrastructural Facilities(4.42), Personnel Inadequacy in Terms of Quality and Quantity as threats associated with rating administration(4.25). This practice in Rivers state, Nigeria is similar to what obtains in Tanzania, where Lubua (2014) indentified that compliance as an issue confronting the administration of property rates and taxes in Tanzania influenced by property rating laws; and in India where Property rating and tax administration is faced with the problems of high cost of collection, low capacity, difficulty of valuation, high compliance cost and poor information system (Rao, 2013).

#### **4.5 Pragmatic Approaches that can Influence Compliance in Revenue Generation through Rating**

Having established that there are threats associated with property rating administration, it was necessary to find out what approach can be adopted to address these challenges in order to boost revenue generation. Respondents were asked to express their opinion regarding whether the suggested pragmatic approaches can influence compliance in revenue generation through property rating. Table 5 below presents the results.

**Table 5: Suggested Pragmatic Approaches to influence compliance**

Suggested Pragmatic Approaches to Influence Compliance	Weight (48)					Sum	Mean	Decision
	5	4	3	2	1			
Educating rate payers by including tax education in the educational curriculum	25	12	3	4	4	194	4.04	Agree
Ensuring the use of ICT in valuation	12	12	18	2	4	170	3.54	Agree
Encourage professionalising in rating officers	8	25	12	0	3	179	3.73	Agree
Creating awareness of rating laws	16	16	4	8	4	176	3.67	Agree
Carrying-out adequate publicity prior to rating exercise	18	16	8	2	4	156	3.85	Agree

Making punishment for defaulters known to the public and punishing them without reservations	20	15	8	3	2	192	4.00	Agree
Embarking on important and useful projects that built people's confidence on government activities	28	16	0	0	4	208	4.33	Agree
Embracing the use of Geographic Information System (GIS) software to aid assessment	18	20	8	1	1	197	4.10	Agree

**Legend:** <3.00 = Disagree >3.00 = Agree

**Source:** Field Survey, 2019

The findings in table 5 above indicate that all the respondents agree that there are Pragmatic approaches that can influence compliance. These are educating rate payers by including tax education in the educational curriculum, the use of ICT in valuation, professionalising the rating officers, creating awareness of the laws, ensuring adequate publicity is carried out prior to rating exercise, making punishment for defaulters known to the public and punishing them without reservations, embarking on important and useful projects capable of building up the people's confidence in the activities of the government, and embracing the use of Geographic Information System (GIS) software should to aid the assessment.

## 5. Conclusion

The paper has examined the alleged inadequacies of property rating as well as its contribution to revenue generation in Nigeria and across various countries. The paper identified low compliance, poor enforcement, corruption, political interference, lack of political will, poor coordination of assessment mechanism, high cost of collection, poor information system, use of outdated data and incomprehensive valuation list as issues confronting effective rating administration. It has shown that effective property rate administration is able to generate revenue, remove loopholes in the practice, eradicate poverty for our people at the local government levels and curb the extent to which the local governments rely on the federal and state government revenue allocations. There is the need to widen the revenue generation base at the grassroots through an effective and pragmatic property rating administration. The study suggests the following pragmatic approaches to influence compliance in revenue generation through property rating: educating rate payers by introducing tax education in the educational curriculum, the use of ICT in valuation, encouraging the professionalism of rating officers, creating awareness of rating laws, adequate publicity to be carried out prior to rating exercise, making punishment for defaulters known to the public and punishing them without reservations, ensuring important and useful projects capable of building up the people's confidence in

the activities of the government be embarked upon, and embracing the use of Geographic Information System (GIS) software to aid the assessment.

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