

FEDERAL CAPITAL TERRITORY PROPERTY AND LAND USE

CHARGE BILL, 2021

ARRANGEMENT OF SECTIONS

Section:

PART I - IMPOSITION OF PROPERTY AND LAND USE CHARGE

1. Property and Land Use Charge
2. Collecting Authority
3. Power to Delegate
4. Power of Collecting Authority
5. Property Liable to Charge

PART II - APPRAISERS AND ASSESSORS

6. Appraisers and Assessors
7. The Service and Land use Charge Office
8. Forms
9. Power to enter
10. Persons Liable to pay Property and Land Use Charge
11. Valuation
12. Properties exempted or Granted Partial Relief from payment of Property and Land Use Charge
13. Forfeiture of Exemption

PART III - ASSESSMENT AND DEMAND NOTICE

14. Property Assessment
15. Issuance of Demand Notice
16. Service of Demand Notice
17. Payment of Property and Land Use Charge
18. Discount for early payment of Property and Land Use Charge
19. Power to Appoint Agent(s)

PART IV - OBJECTION TO ASSESSMENT

20. Objection to Assessment
21. Appeal Against Assessment

PART V - PROPERTY AND LAND USE CHARGE COLLECTION FUND

22. Property and Land Use Charge Collection Fund

PART VI - ENFORCEMENT AND RECOVERY

23. Power to Distrain

PART VII - OFFENCES AND PENALTIES

24. Offences and Penalties

25. Penalty for inciting a Person to Refuse to Pay Charge

26. Failure to Remit Property and Land Use Charge Collected

27. Penalty for General Offences

PART VIII - OTHER PROVISIONS

28. Power to make Regulations

29. Applications of other Acts

30. Interpretation

31. Citation

SCHEDULES

FIRST SCHEDULE

SECOND SCHEDULE

THIRD SCHEDULE

FOURTH SCHEDULE

Land Use Charge Formula

Land Use Charge Annual Relief Rate

Land Use Charge Annual Rate

Property and Land Use Charge (Depreciation Rate)

A BILL**FOR**

AN ACT TO PROVIDE FOR THE CONSOLIDATION AND ADMINISTRATION OF
ALL PROPERTY AND LAND BASED RATE AND CHARGES IN THE FEDERAL
CAPITAL TERRITORY AND FOR RELATED MATTERS

Sponsored by Hon. Abdullahi Garba Idris, Hon. Ossai Nicholas Ossai

Co-sponsors: Hon. Blessing Onuh

Hon. Sookpo Kpan Jimin	Hon. Usman Hassan Sokodobo
Hon. Abdullahi Hassan	Hon. Alajagusi Abdulyekeen Sadiq
Hon. Ari Abdulmumin M.	Hon. Abdullahi Saidu Musa
Hon. Maitala Horuna	Hon. Magaji Ja'afar Abubakar
Hon. Abubakar Faggo Kani	Hon. Aliyu Muktar Betara
Hon. Bello Usman Kumo	Hon. Danladi Tijo Baido
Hon. Ali Iawai Shettima	Hon. Aliyu Magaji Dau
Hon. Hamza Ibrahim	Hon. Nasiru Abduwa Gabasawa
Hon. Sani Maaruf Nass	Hon. Dalhatu Hamza Batagarawa
Hon. Abdullahi Umar Kamba	Hon. Kokani Ibaia
Hon. Nkole Uko Ndukwe	Hon. Igariewey Iduma Enwo
Hon. Nnaji P. C. Nwaedezie	Hon. Ukpong-Udo Emmanuel Effiong
Hon. Oseke P. I. Goodluck	Hon. Ayi Essien Ekpenyong
Hon. Mutu Nicholas Ebomo	Hon. Ogbeide-Ihama Omoregie
Hon. Igwe Chinyere Emmanuel	Hon. Adaramodu Yernl
Hon. Kolawole Taiwo Musibau	Hon. Ojugbele Jimoh Olusola
Hon. Akinfolarin M. Samuel	Hon. Oke Busoyo Oluwole
Hon. Adigun Abass Adekunle	Hon. Ada Sani Kiri
Hon. Jaafar Ribadu	Hon. Sada Sali
Hon. Usman Ibrahim	Hon. Zakariyau M. Galadima
Hon. Dartington Nwakocho	Hon. Dolapo Badru
Hon. Julius Ihenvbere	Hon. Sarkin Adar Musa
Hon. Yusuf A. Gagdi	Hon. Ogunlola Omowumi Olubummi
Hon. Obinna Chidoka	Hon. Abiola Peter Makinde
Hon. Akintola Oluakun George	Hon. Princess Miriam O. Onuoha
Hon. Aliyu Datti Yako	Hon. Ademorin A. Kujje
Hon. Ajieroso T. Abimbola	Hon. Kabiru Idris
Hon. Lynda Chugh Ikpeazu	Hon. Zainab Gimba
Hon. Gaza G. Jonathan	Hon. Ossai Nicholas Ossai
Adanko Mukkai Kusari	

[] Commencement

ENACTED by the National Assembly of the Federal Republic of

Nigeria as follows:

- 1 PART I - IMPOSITION OF PROPERTY AND LAND USE CHARGE
- 2 1.-(1) There is hereby imposed a consolidated Land based charge
- 3 to be called Property and Land Use Charge, which shall be payable on all
- 4 real properties situate in the Federal Capital Territory; and

Property and
Land Use Charge

1 (2) From the commencement of this Act, the levy and collection of
2 Property Tax, Tenement Rates, Ground Rents and any amendments made
3 pursuant to them is hereby consolidated.

Collecting
Authority

4 2. Pursuant to this Act:

5 (i) The Federal Capital Territory Administration (FCTA) is the
6 Collecting Authority, and shall be the only body empowered to levy and collect
7 Ground Rent in the Federal Capital Territory;

8 (ii) Each Area Council is the Collecting Authority and the only body
9 empowered to levy and collect tenement rates in respect of its area of
10 jurisdiction;

11 (iii) Federal Capital Territory Internal Revenue Service is the only
12 body empowered to levy and collect Property tax in the Federal Capital
13 Territory.

Power to Delegate

14 3. The Collecting Authorities (the Area Councils and FCT A) may
15 delegate to the Federal Capital Territory Internal Revenue Service by a written
16 agreement, with respect to the assessment of Tenement Rate and Ground Rent
17 respectively, for the purpose of consolidating the levying and collection of such
18 rates as may be prescribed under this Act.

Power of
Collecting
Authority

19 4. The Collecting Authority may:

20 (a) Demand and collect Property and Land Use Charge from owners
21 or occupiers of buildings after due notice of demand has been sent to them;

22 (b) Call upon any person liable to pay any Ground Rent, Tenement
23 Rate and Property Tax under the Property and Land Use Charge to exhibit the
24 receipts for charges; and

25 (c) Call on the occupier if he or she is not the owner to furnish the
26 name and address of the owners

Property liable
to Charge

27 5. Property and Land Use Charge shall be payable in respect of any
28 property that is not exempted under Section 15 of this Act.

Appraisers and
Assessors

29 PART II - APPRAISERS AND ASSESSORS

30 6.-(1) The Service shall appoint for each Property and Land Use

1 Charging unit at least three appraisers.

2 (2) Each Appraiser appointed under this section shall be a member
3 of the Nigerian Institute of Estate Surveyors and Valuers and shall be a
4 person with sound knowledge and experience of the property market.

5 (3) Assessors shall be staff of the Federal Capital Territory Internal
6 Revenue Service and shall be persons knowledgeable and experienced in
7 matters of Property and Land Use Charge assessment.

8 7.-(1) The Service shall maintain a Property and Land Use Charge
9 Register on which shall be listed all chargeable Properties in the FCT.

The Service and
Land Use Charge
Office

10 (2) The Property and Land Use Charge Register shall contain such
11 information as may be prescribed by the Service, including the name and
12 address of the owner of any chargeable property listed therein.

13 (3) Where by reason of transmission upon death or any other
14 transfer, any person other than the person in whose name a real property is
15 listed in the Property and Land Use Charge register becomes beneficially
16 entitled thereto, such person shall within thirty (30) days of becoming
17 entitled to the property, deliver a notice of his entitlement, together with the
18 relevant documentary evidence of his title to the Service who shall cause the
19 Property and Land Use Charge register to be amended accordingly.

20 (4) Such portion of the Property and Land Use Charge register as
21 may be prescribed by regulations shall be open to public inspection during
22 reasonable office hours at such places as shall be designated in such
23 regulations.

24 8. The Service may from time to time, prescribe the forms for
25 assessments, notices and other documents required to be issued pursuant to
26 this Act.

Forms

27 9. For the purpose of carrying out the identification, appraisal and
28 valuation of a property; an Appraiser, Valuer and a duly authorized officer
29 may, on any day between the hours of 7.00 am and 5.00pm:

Power to enter

30 (a) enter, inspect, survey and assess the Property;

- 1 (b) request for documents or other information to be produced;
- 2 (c) take photographs; and
- 3 (d) make copies of necessary documents.

Persons Liable
to pay Property
and Land Use
Charge

4 **10.-(1)** The owner of a property or occupier of a lease of more than ten
5 (10) years is liable to pay Property and Land Use Charge in respect of a
6 chargeable property.

7 (2) The owner of a property shall give notice to transfer or Sale of the
8 property to the Service, or he will continue to be liable.

9 (3) The occupier of a lease of more than ten (10) years of a chargeable
10 property shall give notice of his moving out of the property to the Service, or he
11 will continue to be liable.

Valuation

12 **11.-(1)** As from the commencement of this Act; the annual amount of
13 the Property and Land Use Charge payable on any Property shall be arrived at,
14 by multiplying the Market Value of the Property by the applicable Relief Rate
15 and Annual Charge Rate using the prescribed formulae outlined below and
16 more particularly described in the Schedule to this Act. (Land Value + Building
17 Development Value) x Relief Rate x Annual Charge Rate.

18 (2) The land value and building value rates constituting the Market
19 Value of the Property shall be reviewed at least once in every five (5) years on
20 the basis of information available to the Service and may vary from area to
21 area.

22 (3) Notwithstanding the periodic reviews in sub paragraph (2), the
23 land value rates and building value rates may be set to rise in line with the rate
24 of inflation as may be determined by the Minister.

25 (4) The Relief Rate shall be set by the Minister and may be subject to
26 review and published in the Official Gazette which may vary from person to
27 person or area to area and may reflect one or more factors including but not
28 limited to:

- 29 (a) status of the owner (the age and retirement);
- 30 (b) depreciation rate of the property;

- 1 (c) whether or not the owner is physically challenged;
- 2 (d) the length of time for which an owner has been resident in the
- 3 property in question;
- 4 (e) the speed and efficiency with which the owner pays the
- 5 property and land use charge; and
- 6 (f) location of the property.

7 (5) The value of the annual charge rate for the financial year in

8 which the Act comes into effect, and every five years shall be set by the

9 Minister and shall be published in the Official Gazette and in one or more

10 newspapers circulating within the Federal Capital Territory.

11 12.-(1) The following categories of Properties shall be exempted

12 from payment of Property and Land Use Charge:

Properties exempted
or Granted partial
relief from payment
of Property and
Land Use Charge

- 13 (a) Property owned and occupied by a religious body and used
- 14 exclusively as a place of worship or religious education;
- 15 (b) Government properties including public utilities, hospitals, etc
- 16 which are not used for commercial purposes.
- 17 (c) Public cemeteries and burial grounds excluding profit-oriented
- 18 cemeteries and burial grounds;
- 19 (d) Property used as a registered educational institution certified by
- 20 the Minister to be non-profit making;
- 21 (e) Property used as a public library or as a private library certified
- 22 by the Minister to be non-profit making;
- 23 (f) All palaces of Graded Chiefs in the Federal Capital Territory
- 24 (g) All Diplomatic properties;
- 25 (h) All land used exclusively for farming purposes;
- 26 (i) Any Property specifically exempted by the Minister by notice
- 27 published in the Official gazette;
- 28 (j) Properties owned and occupied by a Pensioner above the age of
- 29 60 years.

30 Provided that any part of the exempted property is leased out for

1 commercial purpose, that pan shall not be covered by the exemption.

2 (2) The Minister may, by notice published in the Official Gazette
3 grant partial relief for a property that is:

4 (i) Occupied by a non-profit making organization;

5 (ii) Used solely for community games, sports, athletics or recreation
6 for the benefit of the general public, and;

7 (iii) Used for a charitable or benevolent purpose for the benefit of the
8 general public and owned by the Federal Capital Territory, Area Council
9 Councils and Federal Government.

10 Provided that any part of the exempted property is leased out to a
11 private entity for revenue generation, shall not be covered by exemption.

Forfeiture of
Exemption

12 13.-(1) An exempted Property or part of an Exempted Property shall
13 become liable for Property and Land Use Charge if the:

14 (a) Use of such Property changes to one that does not qualify for the
15 exemption;

16 (b) Owner of the Property changes the use of the property to one that
17 does not qualify for the exemption.

18 (2) If the status of a property changes, a Property and Land Use
19 Charge imposed in respect of that property shall be pro-rated so that the
20 Property and Land Use Charge is payable only for that part of the year in which
21 the Property, or part of it is not exempted.

22 (3) The owner or a person liable to pay Property and Land Use Charge
23 under the provisions of this Act shall notify the Minister in writing promptly
24 upon the forfeiture of an exemption which the Owner had enjoyed.

25 (4) Failure to make the notification in subsection (3) above shall be an
26 offence punishable with a fine of up to three (3) times the value of the
27 exemption in issue.

28 PART III - ASSESSMENT AND DEMAND NOTICE

Property
Assessment

29 14.-(1) The Service shall in each financial year, undertake or cause to
30 be undertaken an assessment of chargeable properties in Federal Capital

1 Territory in accordance with S.14 of this Act.

2 (2) For the purpose of subsection (1) of this section, the Service may
3 appoint such Property Identification Officers, Qualified Assessors and other
4 persons as may be necessary to undertake the assessment.

5 15. The Service shall issue in each financial Year a Property and
6 Land Use Charge Demand Notice in respect of every chargeable property
7 that has been assessed in accordance with the provisions of this Act.

Issuance of
Demand Notice

8 16.-(1) The Property and Land Use Charge Demand Notice may be
9 delivered to the Owner or Occupier by hand, mail or via electronic platform,
10 or on request by either the Owner, Occupier or authorized agent of the
11 Property at any of the Property and Land Use Charge offices.

Service of Demand
Notice

12 (2) If there is no Owner or Occupier or Agent available to take
13 delivery, the Property and Land Use Charge Demand Notice shall be posted
14 on the Property and such posting shall be deemed sufficient delivery of the
15 Notice.

16 17.-(1) The person liable to pay Property and Land Use Charge on
17 the Demand Notice shall within thirty (30) calendar days after the date of
18 delivery of the Demand Notice pay that amount at one of the collecting
19 banks specified in the Demand Notice.

Payment of
Property and Land
Use Charge

20 18. Payment of the amount in the demand notice by an owner or an
21 authorized agent in respect of any chargeable property within (15) fifteen
22 days of the issuance shall attract a discount on the ordinary charge payable at
23 the rate specified in the Demand Notice.

Discount for early
payment of Property
and Land Use
Charge

24 19. The Service may by notice in writing appoint any person
25 including any Occupier of a Chargeable Property to be an Agent of the
26 Owner and the person declared an Agent of the Owner, may be required to
27 pay the Property and Land Use Charge which is or will be payable by the
28 Owner from any money held by the Agent for or due to the Owner and in
29 default of such payment the charges shall be recoverable from the Agent.

Power to appoint
Agent(s)

1 PART IV - OBJECTION TO ASSESSMENT

Objection to
Assessment

2 20.-(1) Any person in whose name Property and Land Use Charge is
3 levied may object thereto if he is aggrieved with the assessment on the grounds
4 that:

5 (a) the decision that a property which he owns is a chargeable
6 property; or

7 (b) the decision that he is the person in whose name the property
8 should be assessed for Property and Land Use Charge; or the calculation of the
9 amount which he is liable to pay in respect of such property.

10 (2) An objection under this section shall be made in writing to the
11 Chairman within 30 days of receipt of the demand notice.

12 (3) The notice of objection must state fully, the grounds upon which
13 the objection is made.

14 (4) Notwithstanding any objection under this section, if the ground of
15 objection is not made pursuant to paragraph (a) or (b) of subsection (1) of this
16 section, the person in whose name the Property and Land Use Charge is levied
17 must pay 50% of the amount of Property and Land Use Charge stated in the
18 demand notice pending the determination of the objection by the Chairman.

19 (5) On receipt of a notice of objection, the Chairman may require the
20 person making the objection to furnish such particulars in relation to real
21 property in respect of which the assessment was made, as the Chairman may
22 deem necessary for the proper resolution of the objection.

23 (6) The Chairman shall reconsider any assessment referred to him
24 under subsection (1), and may vacate, confirm or vary such assessment, and
25 shall communicate his decision and his reasons thereof to the person who made
26 the objection within fourteen (14) days of the receipt thereof.

Appeal against
Assessment

27 21. All grievances arising from the administration of Property and
28 Land Use Charge under this Act, shall upon exhaustion of all administrative
29 processes, lie to the Tax Appeal Committee established pursuant to the FCT
30 Internal Revenue Service Act No. 10 of 2015.

PART V - PROPERTY AND LAND USE CHARGE COLLECTION FUND

22.-(1) The Federal Capital Territory Administration shall establish and maintain a fund to be known as the "Property and Land Use Charge Collection Fund", consisting of all Property and Land Use Charge payments deposited in the designated bank in accordance with this Act.

Property and Land
Use Charge
Collection Fund

(2) At the beginning of each month, the FCTA shall determine the total amount of Property and Land Use Charge payments deposited in the designated bank account.

The sharing and payment should follow the process presently followed by JAC

(4) The share to be paid by the FCTA to each Area Council and the Federal Capital Territory Administration shall be such percentage of the Net Property and Land Use Charge on deposit at the end of each month as agreed between the Federal Capital Territory Administration and all the Area Councils.

PART VI - ENFORCEMENT AND RECOVERY

23.-(1) Without prejudice to any other power conferred on the Service for the enforcement of payment of Property and Land Use Charge due from a chargeable person served with an assessment which had become final or if payment of the Property and Land Use Charge is not made within the time specified by the demand notice, the Service may, in the prescribed form for the purpose of enforcing the payment due:

Power to Distrain

(a) distrain the person by his goods, other chattels, bond or other securities or

(b) distrain plant, tools, vehicle, and effects in the possession, in respect of which the person chargeable is the owner and, subject to the provision of this section, recover the amount of Property and Land Use Charge due by sale of anything so distrained.

(2) The authority to distrain under this section shall be in such form as may be prescribed by the Service, which shall be sufficient warrant and

1 authority to levy by distrain the amount of revenue due.

2 (3) For the purpose of levying any distrain, under this Section, an
3 officer duly authorized by the Service may apply to a judge of the Court sitting
4 in Chambers, under oath for the issue of a warrant under this Section.

5 (4) The judge may, on application made ex-parte, authorize such
6 officer, referred to in subsection (3) of this Section, in writing to execute any
7 warrant of distrain, and if necessary, break open any building or place in the
8 daytime for the purpose of levying such distrain, and he may call to his
9 assistance any police officer and it shall be the duty of any police officer when
10 so required to aid and assist in the execution of any warrant of
11 distrain and in levying the distrain.

12 (5) Properties distrained pursuant to this section may at the expense of
13 defaulter be kept for fourteen (14) days at the end of which time, if the amount
14 due in respect of the Property and Land Use Charge, and the cost and charges
15 incidental to the distrain are not paid, the same may be sold.

16 (6) There shall be paid out of the proceeds of sale under this section,
17 the cost or charge incidental to the sale and keeping of the distrain and the
18 residue, if any after the recovery of the Property and Land Use Charge, shall be
19 payable to the owner of the properties distrained or to the appropriate court
20 where the owner cannot be traced, within thirty (30) days of such sale.

21 (7) In exercise of the power of distrain conferred by this Section, the
22 person to whom the authority is granted under subsection (3) of this section
23 may distrain upon all goods, chattels and effects belonging to the debtor
24 wherever the same may be found in Nigeria.

25 (8) Nothing in this Section shall be construed as authorizing the sale of
26 any immovable property without an order of a Court of competent jurisdiction.

27 PART VII - OFFENCES AND PENALTIES

Offences and
Penalties

28 24. Any person who:

29 (a) refuses or neglects to comply with any provision of this Act when
30 required to do so by the Property Appraiser or an Assessor;

1 (b) prevents, hinders, or obstructs any Property Appraiser or an
2 Assessor in the course of lawful duty.

3 (c) Removes, damages or destroys a property Identification
4 Number on any Property or building.

5 Commits an offence and shall be liable on conviction to a
6 maximum fine of N100,000.00 (One Hundred Thousand Naira only) or to a
7 maximum term of imprisonment for a period of three (3) months or both.

8 **25.** Any person who:

Penalty for inciting
a person to refuse
to pay Charge

9 (a) Incites, aids or abets another person to refuse to pay any charge
10 under this Act on or before the day on which it is payable, or

11 (b) incites or assists any person to misrepresent in any way the
12 person's chargeable property.

13 Commits an offence and shall on conviction be liable to a
14 maximum fine of N100,000.00 (One Hundred a Thousand Naira only) or to
15 a maximum term of imprisonment for a period of three (3) months or both.

16 **26.** A person appointed as a collecting Agent in accordance with
17 this Act who fails to remit Property and Land Use Charge collected, commits
18 an offence and shall be liable to refund the amount due and in addition, a sum
19 equivalent to twenty-five percent (25%) of the amount. Upon conviction,
20 the defaulter may further be liable to imprisonment for a term of three (3)
21 months.

Failure to remit
Property and
Land Use Charge
Collected

22 **27.** Any person who contravenes any of the provisions of this Act
23 or any Regulation made pursuant thereunder commits an offence and, where
24 no specific penalty is provided, shall be liable on conviction to a fine of
25 N100,000.00 (One Hundred Thousand Naira only) or imprisonment for a
26 term not exceeding three (3) months or to both such fine and imprisonment.

Penalty for
General Offences

27 **PART VIII - OTHER PROVISIONS**

28 **28.** The Minister may make regulations for carrying into effect the
29 purposes of this Act.

Power to make
Regulations

Application of
other Acts

1 29.-(1) Nothing in this Act shall affect any order, rule, regulation,
2 appointment, direction given, proceeding taken, instrument or thing if in force
3 immediately before the commencement of this Act to continue in force, and so
4 far as it could have been made, given, taken, issued or done.

5 (2) Nothing in this Act shall be construed as to prohibit the
6 continuation of an inspection by Property Identification Officers or
7 Professional Valuers, Appraisers, Assessors or any other person appointed
8 under the other existing laws or regulation before the commencement of this
9 Act.

Interpretation

10 30. In this Bill:

11 "Area Council" means any of the Area Councils in the Federal Capital
12 Territory;

13 "authorized officer" means any person employed by the Service or for the time
14 being performing duties in relation to property and Land Use Charge;

15 "Annual Charge Rate" means the percentage of the assessed value of the
16 Property over a period of Twelve (12) months;

17 "Building" includes any improvement or anything constructed, placed on, or
18 over land but does not include a highway, road or a bridge that forms part of a
19 highway or road;

20 "Chairman" means Chairman of the Federal Capital Territory Internal Revenue
21 Service;

22 "Charge" means an assessed amount on property and land use charge payable
23 under this Act;

24 "Chargeable Person" means a person liable to pay Property and Land Use
25 Charge on a chargeable Property or the person's successors-in-title, assigns,
26 Legal representatives, executors or administrators; it includes individual (s) or
27 family, corporation, trustee or executor;

28 "Chargeable Property" means any property in respect of which Property and
29 Land Use Charge is payable;

- 1 "Committee" means Tax Appeal Committee established pursuant to the
2 FCT-IRS Act 2015;
- 3 "Commercial Property" means any Property or any part thereof that is used
4 for business activities;
- 5 "Court" means the Federal High Court, High Court of the Federal Capital
6 Territory, or the Magistrate Court within the Federal Capital Territory;
- 7 "Collecting Bank" means a financial institution licensed by the Central
8 Bank of Nigeria to carry out banking activities as provided for under the
9 provisions of this Act and listed as a bank that may collect on behalf of the
10 Federal Capital Territory Internal Revenue Service any Property and Land
11 Use Charge payable under this Act;
- 12 "Designated Bank" means the bank where all the Property and Land Use
13 Charge funds are domiciled;
- 14 "Document" includes any record of information, supporting accounts and
15 accounting records, including reports or correspondences or memoranda or
16 minutes of meeting, however compiled, recorded or stored, whether in
17 written or printed form or micro-film, digital, magnetic, electronic or optical
18 form or otherwise and all types of information stored in computer and any
19 other similar equipment;
- 20 "Exempted Property" means any Property of a class described under Section
21 14;
- 22 "Farming Purpose" is an activity that involves crop cultivation and rearing
23 of animals for food and raw materials;
- 24 "Federal Capital Territory" means Federal Capital Territory of Nigeria;
- 25 "Financial Year" means a period of twelve (12) months beginning from the
26 1st day of January and ending on the 31st day of December;
- 27 "Ground Rent" is an annual tax charged and collected by the FCT
28 Administration on a piece of land (both developed and undeveloped) with a
29 Certificate of Occupancy and to be paid by the land/property owner;
- 30 "Industrial Property" means a Property used for manufacturing, processing,

- 1 warehousing or retail purposes;
- 2 "Improvement to Property" includes a building, structure, fixture or fence
3 erected on or affixed to land or a moveable structure that is designed to be
4 occupied for residential or business purposes whether or not affixed to the
5 Land;
- 6 "Market Value" means the most probable price that a property should bring in a
7 competitive and open market under all conditions requisite to a fair sale.;
- 8 "Minister" means the Minister in charge of the Federal Capital Territory;
- 9 "Occupier" in relation to a property, shall include not only the person in actual
10 occupation of the whole or part of such property but any person in beneficial
11 occupation whether or not of pecuniary benefit and it does not include a lodger;
- 12 "Officer" means any person employed in the Service of the Federal Capital
13 Territory Internal Revenue Service;
- 14 "Owner" in relation to any Property shall include the person for the time being
15 receiving the proceeds in connection with which the word is used, whether on
16 the owner's account or as an agent or trustee for any other person who would
17 receive the sum if such Property were let to a tenant, and the holder of a
18 Property directly from the Federal Capital Territory Administration whether
19 under lease, licence or otherwise;
- 20 "Partial Relief" means a reduction of the amount of Land Use Charge to be paid
21 on a property;
- 22 "Person" includes an individual, a company or body corporate and any
23 unincorporated body of persons;
- 24 "Pensioner" means a person above the age of 60 years who retires from the
25 Service of the Federation, the Federal Capital Territory or a government of a
26 State of Nigeria, Area Councilor Local Government Councilor private
27 company or organisation or Firm and has ceased to be actively engaged in any
28 activity or business for remuneration or any income;
- 29 "Service" means the Federal Capital Territory Internal Revenue Service;
- 30 "Property" means real properties, it includes:

- 1 (i) a building;
2 (ii) any improvement on land;
3 (iii) a parcel of land; or
4 (iv) a port or pier

5 "Property and Land Use Charge (P&LUC)" includes all Property and Land
6 Based Charges payable under the Land Use Act and includes, Property Tax,
7 Ground Rent and Tenement Rates as may be computed on the basis of the
8 Schedule to this Act;

9 "Property and Land Use Charging Unit" is a unit under the Tax Office in-
10 charge of enumeration, valuation, appraisal and assessment of property;

11 "Property Tax" means taxes and rates levied on real property within
12 designated areas in the Federal Capital Territory and to be paid by the
13 property owner;

14 "Structure" includes a building or any other thing erected or placed on la.id.
15 whether or not it is affixed to the land;

16 "Third Party" includes a person in beneficial occupation of a property with
17 or without pecuniary interest;

18 "Tax Appeal Committee" shall mean Appeal Committee established
19 pursuant to the FCT Internal Revenue Service Act No. 10 of 2015;

20 "Tax Office" is an office within the FCT Internal Revenue Service that
21 assess, collect, recover and pay to the designated account any taxes or levies
22 including P&LUC due to the FCT; and

23 "Tenement Rate" is an annual tax imposed on occupiers of a developed
24 property within the FCT by the Area Councils.

25 31. This Bill may be cited as the Federal Capital Territory Property Citation
26 and Land Use Charge Bill, 2021.

1

FIRST SCHEDULE

2

LAND USE CHARGE FORMULA

3

The following formula shall be used to determine the annual amount of the

4

Property and Land Charges payable under the Law:

5

(Land Value+ Building Developments Value) x Relief Rate x Charge Rate

6

Interpreted as,

7

$P\&LUC = [(LA \times LR) + (BA \times BR \times DR)] \times RR \times CR$

8

P&LUC annual amount of Land Use Charge in Naira

9

LA = the area of the land parcel in square metres (sqm).

10

LR = the average Market Value of a land parcel in the neighbourhood, district,

11

on a per square metre basis in Naira based on the market value of the Property

12

as determined by professional valuers appointed by the Chairman for that

13

purpose.

14

BA = the total developed floor area of a building on the plot of land in square

15

metres, or the total floor area of apartment unit in a building where the

16

apartment has a separate ownership title.

17

BR = the average construction value of; medium quality buildings and

18

improvements in the neighbourhood, on a per square metre basis in Naira based

19

on the market value of the property as determined by professional valuers

20

appointed by the Chairman for that purpose.

21

DR = the Depreciation Rate for the buildings and improvements of land which

22

accounts for the building being of higher or lower value than the average

23

buildings in the neighbourhood and which also accounts for the degree of

24

completion of construction of the building.

25

RR = the rate of relief from tax (if any) applicable to the Owner Occupier in the

26

circumstances shall be determined by the Minister and shall be published in the

27

Federal Capital Territory Official Gazette and in one or more newspapers

28

circulating within the Federal Capital Territory and reviewed by the Minister

29

once every ten (10) years.

30

CR = The annual Charge rate expressed as a percentage of the assessed Market

1 Value of the Property and which may at the Federal Capital Territory
2 Administration's discretion, vary between:

3 (a). owner-occupied and other property;

4 (b). residential property and commercial (revenue- generating)
5 property;

6 (c). physically challenged persons; and

7 (d). persons who have been resident at the same location for more
8 than 12 years, minor and retired Owners and Occupiers, on the one hand and
9 other Owners and Occupiers on the other

10 LV = The area of the land (in sqm) by the rate charged on the land in Naira
11 based on the market value of the Property as determined by professional
12 valuers appointed by the Chairman for that purpose. $(LA \times LR)$

13 BV = The area occupied by the building (in sqm) by the rate of the building
14 and by the depreciation rate. $(BA \times BR \times DR)$

15 AV = Assessed Value: The Land Value and the Building Value, less the
16 Relief Allowances

17 $P\&LUC = [(LA \times LR) + (BA \times BR \times DR)] \times RR$ = the assessed value of the
18 property.

EXPLANATORY MEMORANDUM

This Bill seeks to establish the administration of land based charge called Property and Land Use Charge in the Federal Capital Territory which involves levying and collection of Ground Rent, Tenement Rate and Property Tax.

The Bill primarily took cognizance of item 1(j) of the Fourth Schedule to the 1999 Constitution of the Federal Republic of Nigeria (as amended) which empowers the National Assembly (who are the House of Assembly of FCT) to prescribe and make law regarding the privately owned houses and the tenement rates to be paid by owners and occupiers of property in the FCT.

