



OFFICE OF THE EXECUTIVE DIRECTOR

PRESS STATEMENT

27th May 2017

KCCA HAS NOT INCREASED PROPERTY RATES

Kampala – The on going property valuation exercise in Kampala City which is being undertaken by Kampala Capital City Authority has entered its second phase with Property owners presenting their objections before the Valuation Court.

The property valuation exercise which started in the Central Division of Kampala City in March 2016 has registered over 15,018 properties.

KCCA published the notice of completion of the property valuation exercise (Draft Valuation roll) for Central Division in the Uganda Gazette and in the New Vision Newspaper informing and requesting Property owners to confirm the details captured in the draft valuation roll and if any raise objection and appeal to the valuation court.

KCCA received a total of 582 objections and of these 340 objections representing approximately 3% of the total number of properties valued were made with regards to the assessed property tax while the rest were with respect to details of particulars of the various properties such as wrong address etc.

KCCA further issued a cause list of the objections received in the New Vision Newspaper inviting the respective property owners to appear before the Valuation Court and the Valuation Court commenced hearing the objections and appeals on Monday 22nd May 2017.

The Local Government (Rating) Act 2005 as amended provides for a charge of property rates between 2% to 12% of the ratable value of a property so as to determine the property tax payable by such a property.

The Ratable value referred to above is the annual rental income earned by a property adjusted for conservancy fees (Utility costs, Minor repairs and Maintenance etc).

“There is therefore no increase in property rates in Kampala City for now. We have been and are continuing to apply 6% on the ratable Value of

properties. Infact some Local Governments and Urban authorities outside Kampala are already charging more than 6% but KCCA hasn't increased," says Fred Andema Ag. Director Revenue Collection in KCCA.

The noted increases in property taxes is merely a reflection of the amount of rent charged by the various properties in the City in that as the rent value increases, its ratable value increases and consequently the property tax on such a property also increases.

The last time KCCA valued properties for rating was in 2005 with a supplementary valuation (for new buildings) in 2011 indicating that KCCA has been charging property rates on the basis of rents that landlords were charging in 2005 and is now charging rates based on the rent the land lords are currently charging.

Valuation of properties in the city is a normal practice as provided for in the Local Government (Rating) Act 2005 as amended and helps to update the property valuation roll which is essential for Property tax administration. It is equally important to add that very many properties that have been constructed in Kampala in the recent years that have not been paying property tax have now been included in the Property tax roll and will be paying KCCA rates going forward and this also promotes equity in tax administration since such properties were not paying rates while others were paying.

Property owners with complaints are already visiting the Valuation Court at City Hall which has been sitting to hear complaints for the last week.

For any queries, please contact us on 0800990000 or info@kcca.go.ug

KCCA