

# New property rates to triple KCCA revenue, says director

**Taxable.** Ratable properties in Kampala central division are about 16,000, up from 9,000.

BY AMOS NGWOMOYA  
angwomoya@ug.nationmedia.com

**KAMPALA.** Revenue collected from properties in the city will triple from Shs20b to more than Shs50b annually when new property rates are effected, Kampala Capital City Authority (KCCA) director of revenue collection Fred Andema has said.

In an interview with *Daily Monitor* on Wednesday, Mr Andema said KCCA has been collecting about Shs20b because they have been using the old roll of the rating system which was last updated in 2004.

"When we finish evaluating properties in all the five divisions of the city, we will be collecting over Shs50b. The difference in the figures is that for 14 years, we have been using the old roll yet some of the places have since developed hence making more money than before. We are hopeful that this will boost our financial base," Mr Andema said.

He explained that the evaluation exercise, which started last year, will end by next year in July because of the magnitude of the work.

The KCCA valuation team has since covered Kampala Central and Nakawa divisions.

The team, according to Mr Andema, will now handle all the other three divisions of Makindye, Kawempe and Nakawa at once.

He explained that although the



Shopping arcades in Kampala. When the new property tax is effected, KCCA will collect more than Shs50 billion annually. PHOTO BY MICHAEL KAKUMIRIZI

valuation team was previously outsourced, KCCA is doing the work itself to cut the costs.

For instance, for all the divisions to be covered, Mr Andema said, private valuers would require about Shs15b, adding that they have recruited staff with support from World Bank to move the exercise forward.

He revealed that although the old roll had put ratable properties in Kampala central division at only

9,000, the new evaluation put the number at 16,000 while the number of properties in Nakawa shot up from 26,000 in 2004 to about 65,000 in 2017.

Property tax is the levy on any property that exists within the jurisdiction of the city.

Mr Andema said property tax is determined in two ways.

For residential rented houses like rentals or apartments, they compute

the total amount of money such a building makes annually and after all other expenses have been made, KCCA taxes only 6 per cent of the remaining amount.

For commercial buildings such as arcades, Mr Andema revealed that they measure the space in square metres per floor and the amount of money each floor makes annually.

However, areas within the building that doesn't constitute commercial

## ABOUT PROPERTY TAX

**Objective.** Property tax is charged in fulfillment of the periodic statutory requirement of the Local Government (Rating) Act 2005. The money collected caters for the infrastructural development.

According to the Act, every property owner is required to pay 6 per cent of the money they collect from the building after expenses on bills such as water, electricity and wages.

Currently, property rates in respect of properties located within the city are computed at a rate of 6 per cent of the ratable value of the property and are payable once in a financial year.

space in the building are not measured.

The purpose of valuing the space on each floor, Mr Andema said, is to determine how much money each floor makes annually.

When the total amount is got, they deduct all the expenses incurred by the landlord on the building and then tax 6 per cent of the net amount.

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.

Although city landlords had protested the fee at first, Mr Andema said that they have since agreed to pay because they were engaged and later understood the reasons why KCCA had done a few adjustments.

The projected increase in taxes from property rates, Mr Andema said, will see the institution boost service delivery in the city.