

A vertical stack of Euro banknotes in various denominations (10, 20, 50, 100, 200) is shown on the left side of the page. The notes are slightly blurred and overlap each other. A yellow and white decorative swoosh is at the bottom of the page.

IMPROVEMENT OF LOCAL PROPERTY TAX ADMINISTRATION IN SOUTH EAST EUROPE



Network of Associations of Local Authorities of South-East Europe

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GUIDELINES ON LOCAL PROPERTY TAX ADMINISTRATION

March, 2009

Developed by the NALAS Task Force on Fiscal Decentralisation, within the project “Improvement of Local Property Tax Administration in SEE” (funded through the German Open Regional Fund for South East Europe - Modernisation of Municipal Services)

Publisher:

NALAS: Network of Associations of Local Authorities of South East Europe

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Proofread by: Christine Elizabeth Prickett

Design and print: Kotur i ostali o.d., Belgrade

Number of copies: 400

This publication is available at NALAS website, as part of the NALAS Knowledge center:
www.nalas.eu/knowledge/.

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FROM TAX POLICY DESIGN TO IMPLEMENTATION: AN INTRODUCTION

Local governments' fiscal autonomy is very much defined by the scope of our own source revenues. Our own revenues limit the dependence of municipalities on the intergovernmental transfers and shared revenues received from the national budget. Local taxes, user charges and fees empower municipalities to develop their own policies by tapping these potential revenue sources: local tax autonomy makes the collection more effective and authorises municipalities to introduce their own social policy measures. These sources of revenue also increase the local governments' accountability: taxpayers usually control municipal spending decisions more carefully when expenditures are financed through local taxes.

Among the various fees, charges and tax revenues, the property tax became an important source of financing local expenditures. In most cases the various taxes on real estate - together with other forms of property related taxes - have been established within the new fiscal framework of modern local governments. In the countries of former Yugoslavia, property related taxes and fees were significant revenue sources for local governments.

Based on the principle of "self-financing" not only the taxes on private property, but also the charges on the usage of public and social property were always important revenue sources for local governments. This has maintained a business-like attitude towards real estate and other types of property even during the communist era. This tradition is a good basis for wider usage of property taxes as an independent source of revenue for financing local government budgets.

Countries of South-Eastern-Europe gradually developed their own sources of revenue for fiscal decentralisation. The basic laws on local property taxes were formulated during the past decade in the region. The national and local governments have already accumulated knowledge and experience about tax policy design. Now the main task is to increase local property tax revenues through *more efficient tax administration* and to deal with the social consequences of a higher local tax burden. Therefore these guidelines focus more on the administrative issues related to local property taxation.

The *overall goal* of these guidelines is to improve local government financial management and independent source revenue and raise capacity by increasing the efficiency of municipal tax administrations in NALAS member associations of local governments. Our *aim* is to

compile the standard methods of the property tax cycle, which would serve as references for the future in-country capacity development for NALAS members.

The *targeted audience* of these guidelines is diverse. Obviously the primary group of potential users are the elected local government decision makers: mayors, deputy mayors, councillors who work on the improvement of municipal property tax policies. They have to speak the same professional language, in, for instance, the finance departments' staff, which is responsible for the property tax administration. We believe that the tax administrators will also find these guidelines and the collected cases interesting and useful in their work. Finally, various non-governmental and community based organisations and citizen groups who want to scrutinise decisions on local taxation will benefit from these guidelines in their tax monitoring work.

These guidelines aim to initiate further in-country capacity development in countries of the NALAS members. However, it is not a manual, to be used for helping to solve all the possible problems of property tax administration. It is less detailed than a guidebook, but we hope it gives a proper overview of the most critical tasks for improving local tax administration. The guidelines intend to give practical help to the targeted audience by specifying the (i) methods used for property identification and (ii) assessment of property, and (iii) techniques of local property tax collection and enforcement. Based on an initial (iv) overview of local property tax policies, these guidelines also present (v) good practices on property tax administration within the countries of NALAS members.

The guidelines are based on *eight reports* prepared by the experts of NALAS member associations¹. The authors of these reports followed a set of standardised questions that helped to compare and summarise the methods, techniques and practices from various countries. The contributors to these studies met twice during the project implementation, which helped to discuss the common issues of local property tax administration.

Subject of the guidelines

There are several forms of property related local revenues in the SEE, but these guidelines cannot focus on all of them. There are charges typically levied on the usage of public property and there are fees simply levied on the property, but they finance specific municipal services. These communal fees and the charges on the right-of-use of the public property will not be discussed in these guidelines. Similarly, the taxes on movable personal property, like motor vehicles, are also outside the scope of this paper.

¹ Serbian Standing Conference on Towns and Municipalities, National Association of Municipalities of the Republic of Bulgaria, Association of the Units of Local Self-government of Republic of Macedonia, Union of Municipalities of Montenegro, Association of Kosovo Municipalities, National League of Associations of Mayors from Moldova, Association of Municipalities and Cities of the Federation of Bosnia and Herzegovina and Romanian Federation of Local Authorities



One sub-group of these revenues is levied on various forms of immovable private property. According to the classification of OECD and IMF there are six major groups of taxes on property (GFS Manual, 2001). These guidelines deal primarily with the *recurrent taxes on immovable property* (OECD code: 4100) and focus on property tax levied by *local* governments on buildings and land (urban or agricultural).

It is important to emphasize, that these are general purpose local taxes. They are compulsory payments to government units and the government provides nothing in return to the individual unit making the payment, but it uses these funds raised as taxes to provide goods or services to the community as a whole.

Several other property related revenues are *excluded* from this group, such as those levied on the use of property, on permission to perform certain activities or on capital gains. There are other groups of property taxes that are not subject to these guidelines. They are the recurrent taxes on net wealth, the inheritance and gift taxes, the taxes on financial and capital transactions, such as the validation of contracts, the sale of immovable property and other non-recurrent taxes on property (e.g. on increases in land value). Some of these taxes are local government source or are shared revenues and are levied on the property. However, local tax autonomy and the administration of these revenues (that is, the identification of tax payers, collection and enforcement) are rather different from the classical real estate taxes.

The legal basis of local property taxation is usually set by three types of laws. In the South-East Europe region the law on local government finances often specifies the main local independent source revenues, including local taxes. The detailed regulations on local property taxes are set by specific tax laws. The general rules of tax administration are usually set by the regulations on tax procedures.

SIGNIFICANCE OF LOCAL PROPERTY TAXES

Local taxes on immovable property are preferred revenue sources for several reasons. Primarily, the tax base is visible to everyone and it is hard to evade the tax levied on real estate. From a tax administration point of view, the enforcement of property tax is easier, because a lien can be attached to the property. For the local government it is a stable source of revenue and in the long run it follows the changes in local economic development. Like other good local taxes, it increases the accountability of municipal leadership, because it creates a direct linkage between the taxes paid and the property related services received.

However, local property tax is usually not a very significant public revenue in continental Europe. In countries with a long tradition of using real estate taxes, the overall property tax revenue is around 2-3% of GDP, but the average of OECD countries is 0.9%. Beyond the inherited historical differences, the primary concern against the wider use of local property tax is related to its impact on income distribution.

Property tax is regarded as a regressive tax. That is, the property owners with higher income pay less in percentage of their total income. However, this statement is debated because in general a higher emphasis on capital based taxes will increase the progressivity of the tax system in a country. (Ladd, 1998)

In transition countries local governments are reluctant to levy local property tax because low income owners might have high value real estate and taxing them could cause social problems. Especially in those countries where social housing stock was returned to tenants and where property value is increasing rapidly, this is a main obstacle against the wider use of property tax. However, there are several methods for dealing with this problem of affordability: such as providing exemptions to certain homeowners, limiting the tax burden as a percentage of household income, and freezing tax rates or delaying payments.

Perhaps these social considerations are presently stronger in SEE, than in OECD countries. So the share of local property tax revenues is low, below 0.5% of GDP (Table 1.). But this limited role of property taxes in financing local budgets is in line with - the relatively low scale - of services provided by local governments. Local budgets are usually in the range of 3%-7% of GDP in these countries.



Table 1. Local property taxes in percentage of GDP

	Local property tax in % of GDP
Bosnia and Herzegovina ^{*/} (2007)	below 1%
Bulgaria (2007, all types!)	0.34%
Moldova (2008)	0.4%
Rep. of Macedonia (2007)	0.5%
Romania (2005)	0.6%
Serbia	0.3%
Kosovo ²	0.44%
OECD average, 2004 (23 European countries)	0.71%

- ▶ ^{*/} Average of 10 cantons, Source: "Doprinos raspravi o mehanizmima fiskalnog izjednacavanja u FBiH"; ("Contribution to the discussion about fiscal equalization in FBiH")

Source: NALAS project reports; OECD, 2006: Revenue Statistics 1965-2005, Paris

The role of property taxes in financing local governments is determined by the system of intergovernmental fiscal relations. In countries reporting data on local taxes the share of property taxes is in the range of 4%-15% of local budgets. (Table 2.) Local governments are financed primarily through grants and shared revenues. These transfers are often allocated as gap-filling, earmarked revenues (Moldova, Republic of Macedonia), so local governments do not have sufficient incentives to significantly increase local taxes. (Peteri, 2006).

Among the countries participating in this project, in Moldova not the municipalities, but the rayons, as middle tier governments levied property taxes in the period of 2004-2007 and the share for each municipality was defined by the rayon government. Since then it has again become a municipal tax. In Bosnia and Herzegovina, the cantons in FBiH and the government entity in Republika Srpska has the power to design property tax policies and they re-allocate the tax revenues among local governments.

In Bulgaria 29,8% of the equalization grant is allocated for municipalities with low tax capacity. The basis of equalization is per capita tax revenue and 40% of the difference between the specific municipal, and the national average is compensated by this revenue equalization grant. The primary advantage of this transfer method is that it equalizes the basic differences between local governments and at the same time still provides incentives for local governments to levy local taxes because only 40% of the difference in per capita revenues are subject to equalization.

² All reference to Kosovo, whether the territory, institutions or population, in this text shall be understood in full compliance with United Nations Security Council Resolution 1244 and without prejudice to the status of Kosovo. (definition used by the Council of Europe)

Table 2. Local taxes in percentage of public revenues

	<i>Local property tax in % of total public budget</i>	<i>Local property tax in % of local total revenues</i>
Bosnia and Herzegovina (2004)	Brcko District: 0.4% Federation BiH: 2% Republika Srpska: 1%	Federation BiH: 15% Republika Srpska: 7%
Bulgaria (2007)	0.03%	12.6%
Moldova (2008)	1.0%	4.2%
Montenegro (2005)	0.47%	In major cities (2007): 7%-30%
Republic of Macedonia	n.a.	15.7%
Romania (2007)	n.a.	11%

Source: NALAS, project reports



BASIC FEATURES OF LOCAL PROPERTY TAX POLICIES

There are four basic issues of local property tax policy:

- (i.) the subject of taxation (how the tax base is defined);
- (ii.) the tax rate and how the taxes are levied;
- (iii.) the tax exemptions and
- (iv.) who is obliged to pay the taxes?

Property tax base

Property is usually categorised as real estate or personal property. *Real estate* is defined as immovable, that is *land* of various types and other *improvements*, such as buildings, fixtures, infrastructure and other items permanently attached to the buildings. Personal property units are the various tangible items (e.g. equipment, vehicles) and intangibles (e.g. bank deposits, patents), which are not related to use and possession of property. The border line between real estate and personal property is rather thin and often uncertain, as reflected by property tax laws in SEE.

The primary reason for this confusion regarding property related tax revenues is the unclear status of public property in transition countries. When local governments are not the owners of the public or social assets but they have the right to levy charges on the use of public property, then the purposes of these levies are mixed. The various property-related fees and charges should reflect the “*rent*” paid by the private entities, who pay this price for using public assets. It cannot be considered as a property tax, despite the fact, that it is related to real estate.

In SEE the subjects of property taxes are broadly defined and they even sometimes cover items of *tangible personal property*. For example a motor vehicle is regarded as property and it falls under this broad category, so consequently it is subject to property taxation in

Bulgaria, Romania. Similarly the *property transfer tax* might be considered as a tax on property; however, as the tax policy is generally unified in a country, it can be regarded more as a shared revenue. Administration of the property transfer tax also faces different problems than in the case of classical property tax: it is not a recurrent tax, the subject of the tax (base) is clearly identified by the contract, the value of the transaction provides information for the appraisal, and the legal duty to register the new owner has strong power during the enforcement. So due to these specific characteristics of the property transfer tax administration, it will not be subject of this guideline.

In defining the property tax base it is critical that *not the usage*, but the *character* of the property is what matters. So, any structures located under or above the ground might also be subject to property taxation. For example in Montenegro until 2008, the fixtures of the energy, telecommunication and broadcasting networks were subject to communal fees, because they used public land. Local governments - rightly - cannot put these charges on these specific businesses any more, but they might levy property taxes on these structures, regardless of their location, whether public or private land. (Nisavic-Peteri, 2008)

Tax rate setting

The tax rate can be defined in percentage of the property *value* or by the *area* of the property. Countries of the region use both methods, but these taxing methods are not optional, as in the case of Hungary. There the local governments decide whether they levy at all and on what basis the real estate tax is charged. In most of the SEE local governments have discretion in levying local property taxes within ranges set by law. The minimum level of property taxes obliges local governments to use this tax instrument. The maximum rate limits their autonomy and keeps the total tax burden under control and balances the national and local budget taxing powers. (Table 3.) Not all countries enjoy full autonomy in local property taxation. In Moldova the Parliament sets the local property tax rate and it is administered at the rayon level.

The value based property tax is regarded as a more effective one, because it better reflects the relationship between the use of locally provided services and the price paid for them through local property taxes. A house in a neighbourhood with improved roads and utilities, with good access to schools and other amenities will cost more, so their owner should pay more for these services. The value based property tax also better shows the affordability of the property tax: a homeowner's income is usually in correlation with its value. However, area based property taxation might work better in countries with underdeveloped property markets and when property prices change quickly, as the area based taxes are less volatile.



Table 3. Local property tax rates

	Minimum rate	Maximum rate
Bosnia and Herzegovina	FBiH, RS: area based, minimum rates are set by the Cantons (e.g. Sarajevo: EUR 2/m ²) Brcko District: 0.05%	Brcko District: 1%
Bulgaria	0.05%	0.2%
Moldova	n.a.	0.25%
Montenegro	0.08%	0.80%
Republic of Macedonia	0.10%	0.20%
Romania	0.1% (for individuals, only) 0.25% (legal persons)	1.5% (legal persons)
Serbia	0.4%	3%
Kosovo ³	0.05%	1%

With the exception of Bosnia and Herzegovina, the value based local property taxes are introduced in the rest of the region studied within the project. As will be presented below, the value based local property taxes are often regulated through the nationally set property value. In this case, local governments do not have full autonomy in assessing property value, so the administrative burden of property appraisal is lower. For example, in Bulgaria and Romania the unit price of the real estate and the various multipliers are set by law. Local governments are autonomous in defining the various zones within the city, but they have to use the standard coefficient (see below and in Annex 3 and 4.). This way the ad valorem property taxation is manageable more easily, as it is combined with the area based property taxation.

Tax exemptions, tax reliefs

Property tax laws usually define tax exempt status. It is typically granted to those government or public institutions that would have to pay the property taxes from public budgets. Church property and that of non-governmental organisations are also exempt from property tax. This is regarded as an indirect support to their public activities, and it would be difficult to appraise the value of their property. Embassies and other diplomatic bodies are also exempt from local property taxes on the basis of mutuality. In this case the enforcement of taxation would be rather complicated.

Local government tax autonomy also means that municipalities have power to give tax exemptions and tax reliefs within the framework set by the tax laws. As was mentioned earlier,

³ All reference to Kosovo, whether the territory, institutions or population, in this text shall be understood in full compliance with United Nations Security Council Resolution 1244 and without prejudice to the status of Kosovo. (definition used by the Council of Europe)

local government officials are concerned about the social impact of local property taxation. So to reduce the tax burden on homeowners, typically the tax base or the tax rate is lowered.

Usually the tax levy on apartments and houses occupied by their owners is reduced by half (e.g. Republic of Macedonia, where the tax rate is cut by 50%, to 0.05%). Local discounts could make the property tax more progressive, as in the case of city of Zalau in Romania (Box 1.).

Local discounts in Zalau, Romania, Box 1.

Based on the authorisation of the tax law, local council resolutions might give further exemption and deductions of the buildings tax and land tax, when the monthly family income is below the minimum wage or it originates from unemployment benefits compensation or pensions.

In Zalau in 2008, for houses and the surrounding land, the discount for families was calculated as follows:

- | | | |
|----|-------------------------|-----------------|
| 1) | For a single person | - discount 10% |
| 2) | For two persons | -discount 20 % |
| 3) | For three persons | -discount 30 % |
| 4) | For four persons | -discount 40 % |
| 5) | For more than 4 persons | - discount 50 % |

Who is liable for paying the tax?

Local property tax is usually paid by the owner; however, the user or occupier of the property might be obliged as well. This latter case is typical in transition countries, where property is still extensively owned by various public, government institutions. The tax burden could be shared between the owner and the renter (e.g. in the Netherlands, see McCluskey, 1999). Taxes are usually shared proportionally in the case of property with multiple owners.

Table 4. Who pays the local property tax?

	<i>Primary obligation to pay local property tax</i>
Bosnia and Herzegovina	Owner (if the home is rented)
Bulgaria	Owner, concessionaire, possessor of property rights
Moldova	Owner, holders of "patrimonial rights"
Montenegro	Owner on January 1., if known, otherwise the user
Republic of Macedonia	Owner, but if not available or on state property, then the user
Romania	Owner, user of public property
Serbia	Owner, if not known, then the user



In general the countries using capital value based property tax appraisal prefer to levy taxes on the owner, because information may be collected more easily from the property owner. He is more concerned about changes in the property value, impact of any improvements, etc. The users are targeted in those cases when rent is the basis of valuation. They are informed about the basis of the assessment and they are more interested in the efficient utilisation of the property.

LOCAL PROPERTY TAX ADMINISTRATION

The chapter below will discuss the three critical elements of property tax administration: 1. identification of property, 2. valuation of the property and 3. tax collection and enforcement. These elements of the property tax administration cycle are summarised in Table 5:

Table 5. *Property tax cycle*

<p><i>Identification and description of the property unit:</i></p> <ul style="list-style-type: none"> a. transfer of information from property registry b. characterisation of the property: location, area, physical conditions, legal rights c. finding the tax-payer
<p><i>Property appraisal and valuation:</i></p> <ul style="list-style-type: none"> a. collecting information from the accessible databases (sales prices, construction permits, rent, transactions, etc.) b. valuation model design, assessment and quantification of factors influencing property value c. calculating the specific value of the property
<p><i>Tax administration:</i></p> <ul style="list-style-type: none"> a. informing the public b. billing the taxpayer c. collecting and accounting the property tax d. managing appeals e. dealing with delinquencies

Property identification

The very first step of property identification starts with the compilation of an inventory on all the taxable property units. This task can be implemented only if the *property registry* with regularly updated information is able to provide these data. Information on property transfers and other sources of data (e.g. building permits) can be used to improve the com-



pleteness and quality of the property records.

The property records should include at least the following information (based on IAAO, 1990):

1. parcel identification number
2. address
3. classification of property usage
4. zoning code
5. legal status
6. size and shape of parcel
7. improvements
8. building perimeter drawing

However, in several countries of the region the transfer of information on registered property was not completed (e.g. Montenegro) or it is provided only for a fee by the central authorities (e.g. Republika Srpska). A connection between municipal and national property registries has not been established, so for example in the Republic of Macedonia only four fifths of municipalities have an updated and regularly used database on property.

Similarly, in Bosnia and Herzegovina eighty percent of current land records are taken from registries dating back to the period of the Austro-Hungarian Empire and they have not been updated since the Second World War. Here the situation is further complicated by the fact, that approximately 20% of property was destroyed during the war in the 1990s. However, some countries widely use the personal and tax identification numbers (Bosnia and Herzegovina, Republic of Macedonia), which support the improvement of these inventories.

In Bulgaria local tax administration is not linked to the national property cadastre. There is still no electronic connection between the municipal revenue office and the civil registration, or the traffic police (on motor vehicles) and other state agencies.

In this situation the local tax administration should update its databases by receiving *information from other sources* on tax payers or property transactions. Local governments might issue public calls, published in daily newspapers, print brochures and use other communication channels, like the internet. In Skopje, Republic of Macedonia an "Electronic Cadastre" project has been launched. This will provide an IT solution for registering the property rights through the internet. The aim of these actions is to target citizens as property owners to fulfil their legal obligation to declare their property.

The transfer and completion of the property registry data would allow local tax authorities to combine these basic inventories with supplementary information on the property. Descriptions of buildings and land might include those types of data that are used for property appraisal. The case of the property tax return on residential units in the city of Niksic, Montenegro in Annex 1. is a good example of the information needed.

In the USA and Canada the following information is usually collected for the building portion and the land portion of properties such as single-family homes (IAAO, 1990)

Building portion:

1. area, dimensions of the building and its main sections
2. type, quality and year of construction; style, layout
3. foundation, exterior construction
4. roof
5. walls, floor, ceilings (interior)
6. utilities and mechanical systems
7. garage, storages and other structures
8. position on the lot.

The land property is described by the following information:

1. area, shape of the site
2. topography, soil
3. drainage, utilities
4. access, off-site improvements (streets, pavement)
5. view, risks
6. zoning, restrictions
7. locational factors.

Property valuation

As was presented earlier, most of the countries in the region have introduced *value based* local property taxation. This is quite exceptional among transition countries, as most of the countries in Central Eastern Europe first experimented with area based local property taxation (Czech Republic, Hungary, Poland). The difficulties of tax administration, such as lack of information, scarcity of qualified assessors and the reluctance of local politicians to tax property as the main form of accumulated private capital explain the wide dispersion of area based local property taxation.

In the case of SEE the tax administration has to define the appraised value of the buildings and the land. There are two ways to define the value of the property: by self reporting or through external assessment. In the case of *self-assessment* the legal entities usually report the book value of their tangible assets, which are subject to local property taxation. Among the studied countries this is the practice in Bulgaria and Romania. Private persons might report to the tax authorities by simply providing basic information about their house and land.

In the case of *external valuation*, the individuals could respond to the assessed value of their property by accepting or rejecting the amount and the factors taken into consideration. In some countries (e.g. Bulgaria) the minimum value of taxable property is defined by law, so it would also limit the administrative burden on local government.

Examples of self reporting are presented by the project papers of Niksic, Montenegro (Annex 1.) and Skopje, Republic of Macedonia (Annex 2.).



Appraisal techniques

There are three basic methods of single property appraisal (IAAO, 1990):

- (i) cost based approach, which assesses the replacement costs of the building and improvements;
- (ii) sales comparison, where actual sales prices are adjusted for the purposes of appraisal
- (iii) rental value based approach, which calculates the capital value of the property by assessing its potential income and assuming a standard interest rate ($C=I/R$).

The *cost based approach* focuses on the physical factors determining the value of the real estate. This “engineering” method estimates the cost of building a substitute property, which functionally is similar to the appraised building. This calculation takes into account the depreciation of the real estate by assessing the decline in the value caused by the usage of the property and any changes in the city or the neighbourhood. The detailed appraisal can be replaced or supplemented by using standard data on construction unit costs, that is, by empirical information from construction companies or real estate agents.

The *sales comparison* approach is based on the assumption, that under market conditions similar properties can be sold at approximately identical prices. As this rarely happens, adjustment factors have to be used. The basis of correction is the physical condition of the property (area, materials, facilities, etc.) and the time spent between sales, etc. It is also important to separate the valuation of buildings and land, because it makes the sales comparison based appraisal more accurate.

This comparative method works effectively if there are frequent sales, property units are similar (e.g. apartments, detached family houses) and the information on sales is accurate and reliable. The latter condition can be met when local governments also benefit from property transfer taxes. If they have access to basic information on property purchases and the level of transfer tax does not lead to unlikely low prices, then there is a synergy between the administration of the two taxes.

The *income approach* capitalises the potential revenue flow at an estimated discount rate. The value of the property is calculated as the quotient of the rent and the interest rate. The information on rent might be available from the market in the case of frequently rented apartments, office space, shops, etc. Rents taken into account could be gross or net, without operational and maintenance costs. The capitalisation rate used for assessing the property value should be adjusted to the interest rate of other investments, adding to it the risks of the property market, management rate, etc..

This method focuses on the demand side of the property market. If the assessment of rental revenue is based on the highest possible rent, then the owners of the property will be forced to maximise the income from their usage of the property. In the case of businesses that results in pressure to achieve the largest possible revenue stream and to run the most profitable activities on the taxed property.

However, this rental value approach cannot be effectively used if the property is exceptional, either because there are no similar units or it can be used only for a specific purpose. In these cases the cost based approach should be used. This income approach does not work for houses and apartments if the rents are controlled, which is the case in some countries of the region.

Public acknowledgment and general acceptance of the results of property valuation can be improved if the tax rates are defined by different *bands of property*. This practical solution was invented in the United Kingdom, where the council tax is defined for groups of properties, specified by ranges of value. (MCluskey, *et al*) There are eight bands and the ratio of the property value between the highest and lowest range is 1:8. Within the first four bands each band ranges approximately at 30% of the lower value, while at the higher end it is 50%. Also, different tax rates can be assigned to various bands and in this way some progressivity can be achieved.

Grouping of properties would not harm the fairness of the local property tax, despite the fact that individual real estate values are not used for calculating the tax base. It is a faster and less expensive process of property valuation and, in general, tax administration is simplified. Property owners within one band (range) of property challenge the assessed value of their specific real estate less frequently. Appeals would modify their actual tax levy only if they do not remain in the same group.

The other factor decreasing the administrative costs of value based property taxation is that *re-appraisal* should not be conducted every year. Local governments might use simple multipliers for assessing the actual value of the property or they just change the tax rate. Usually re-valuation is implemented every 3-5 years, but for example in Ireland the last valuation occurred in 1914. (MsCluskey, 1999). Too frequent valuations might bring windfall revenues for the local government, while too rare appraisals create inequalities and make the value based property taxation less acceptable for the citizens.

Mass appraisal

Local governments are faced with the problem of assessing the value of several property units at a particular year. The large number of real estate units causes the tax administration to be more complicated, but at the same time it allows the use of *mass appraisal*. Because of the numerous property units, the appraisal can be based on statistical methods. The mass appraisal focuses on a group of properties and calculates the averages on properties with similar characteristics.

Mass appraisal uses extensive databases and is typically built on sales comparison methods. The valuation process follows similar steps as in the case of single property assessment. Collection of data on economic, social, physical and geographical conditions, together with actual property sales, are the basic conditions for mass appraisal.

This information is then used by the actual valuation model. It is based on all the potential appraisal techniques (cost approach, sales comparison and income capitalization). A large



amount of data on the costs and the description of the sold properties are analysed, resulting in statistically valid models. Usually multiple regression is used for the statistical analysis. Mass appraisal models can also be used for the rental income approach and the cost approach.

Computer assisted mass appraisal might produce accurate and fair results of property value. However, this method is criticised because of the high costs of introduction and hiring specialised staff, the need for extensive databases, and the lack of transparency in these often rather complicated models. (McCluskey *et al*)

Currently, mass appraisal is used only in Moldova,. In this country, the assessment is not conducted by local government and even not by the rayon task. The central Cadastral Agency performs the external valuation for the tax administration.

Combination of area and value based taxation

Due to its highly sophisticated methods of property assessment, the value based local taxation is costly and complicated. So in some countries the property tax law defines the method and framework to establish the local property tax base. The tax law in Bulgaria and Romania specifies the unit costs for various groups of local buildings and land, together with the factors and coefficients, which might be used by local governments during the assessment. (See Annex 3 and 4 on the calculation of unit costs of buildings.). This method makes the local property tax more acceptable by the general public, because of its simplicity and transparency.

According to this model, the unit prices for various types of buildings are classified. This area based financial value is modified along those dimensions, which usually determine the value of the property. So the unit price might be differentiated by the following factors:

- a. *location*, as the key factor of property value, measures difference between cities and villages (in Romania six types of localities with a price range of 1:2.5) or within a municipality (the Romanian regulation allows 10% increase for inner zones)
- b. *building materials* used (in Romania the unit price differences is 1:9)
- c. *age* of the house (in Romania the law allows 20% decrease for houses above 50 years and 10% for a house between 30-50 years)
- d. connection to *utilities, infrastructure* (in Romania prices are 1.5-1.6 times higher if the building is equipped with water, sewage, electricity, district heating)
- e. *other* characteristics (in Romania a 10% discount is allowed in apartment blocks for the units at the level of 3.-8.).

This method of appraisal is a good combination of centrally controlled valuation practice and the locally regulated, autonomous appraisal methods. The local government is well informed about the property price differences within its territory. So with the allocation of the internal zones it can determine the basic differences in property tax burden. The appraisal method

may be further defined by taking into consideration other factors through the regulated multipliers. Depending on the way these coefficients are regulated (as a range with minimum and maximum rates or as a specific value, as in the case of Romania), the local government autonomy will vary. However, the ultimate goal of fair and generally acceptable property taxation is achieved by introducing a value based property taxation, which reflects the variations in house prices.

Tax collection and enforcement

Local property taxation does not necessarily mean that all the administrative burdens of property tax billing, collection and enforcement is assigned to municipal level. These functions can be separated, because the national tax administration might be more efficient by operating larger systems or by connecting different national databases. The local level often simply has insufficient capacity. Some countries like Moldova have a State Fiscal Inspectorate (with 35 territorial offices); in the Federation of Bosnia and Herzegovina the entities (cantons) are responsible for local tax collection.

However, the trend in SEE is toward greater *decentralisation of local revenue administration*. The national tax administration is not really interested in collecting taxes for local governments, and the property tax is a minor component within the overall tax system. So in those countries, where local governments have taken over the property tax administration tasks (Republic of Macedonia, Serbia), the collection rate has significantly improved. In Serbia the first pilot local governments were able to double the amount of local property tax revenues after taking over the tax collection.

Billing taxpayers

The first step of tax collection is to identify and to reach the taxpayers with a clearly formulated tax statement. The register of property owners and users can be collected from the general population registry or other information bases, such as list of utility service users.

The actual tax bill should target the person or legal entity who is obliged to pay and it should also *clearly formulate the tax liability*, by specifying the following information:

1. the tax due
2. legal base and
3. method of calculating the amount of the tax
4. penalty, charges for delayed payment
5. discounts for early payment
6. deadlines
7. possible methods of payment.

The tax bills should reach the taxpayers *two-three weeks before* the payment deadline.



Large taxpayers might be treated separately. Delivery of local property tax bills could be contracted out. The postal service will be able to target taxpayers more effectively and usually at lower costs.

The case of Kosovo shows the significant savings in delivering tax bills by the postal service. Previously, the local tax administration sent out app. 380,000 property tax bills each year by March 31 with the regular mail. For example in Prishtina, which has over 50,000 property tax payers, it took about six weeks just to print all the tax bills and at least 50 staff to deliver them over the course of 8-10 weeks. In smaller municipalities stacks of the property tax bills were often left at the local mosque or supermarket for taxpayers to find on their own. This resulted in a very low delivery rate and a process that was not under control.

Starting from 2008 the Ministry of Economy and Finance, on behalf of the municipalities signed a sole source contract to print and deliver bills in all Kosovo municipalities. The costs were reduced approximately by 50% and the process was more targeted, with a collection rate of 54% (Information from the Property Tax Department, Ministry of Economy and Finance.).

Methods of payments

Local governments should offer several options for paying the property tax, so taxpayers are able to use the most convenient ways to pay their taxes. As is specified by the Romanian report, the following methods are typically used:

1. collecting in cash:

- a) at specific counters of the local administration
- b) at postal counters, based on agreements between the local government and the postal service

2. money received via transfers:

- a) payment orders
- a) withdrawal from private accounts
- a) sequestrations

3. with credit cards, using a specific password protected on-line payment system at the local government, which is connected to the property register.

Property taxes might be paid in instalments, which guarantees a stable revenue flow for the local budget and at the same time reduces the burden on the taxpayers. In the studied countries *quarterly or semi-annually* payments are typical. The last payment usually falls in November, allowing sufficient time for the revenue to be spent before the end of the fiscal year. (See Table 6)

Table 6. Making tax payments

	Payment schedules
Bulgaria	31 st March, 30 th June, 30 th September and 30 th November, but if paid before March 31, then 5% discount
Republic of Macedonia	Quarterly payments, due in the middle of the quarter
Montenegro	30 th June, 30 th November
Moldova	August 15, October 15, but 15% discounts for early payments (before June 30)
Romania	March 31, September 30
Serbia	February 15; May 15; August 15; November 15
Kosovo ⁴	Tax bill issued by March 31, payments are due in two instalments (June, December)

Enforcement and appeals

There is no comparable information on tax collection and delinquencies within the region.. Delayed payments are collected by the local tax administration or special agencies, either public (e.g. State Receivables Collection Agency in Bulgaria) or private. As a first step, enforcement is initiated by increasing the intensity and urgency of *notices* for delinquent taxpayers. An example from Skopje on the notice on paying the debt and the interest is presented in Annex 5.

In Kosovo a special *Municipal Board* deals with tax complaints and appeals. The members of the Municipal Board on tax complaints are municipal employees. They represent the several administrative units, including the department of Cadastre and Urbanism. The Board reports to the Chief Executive Administrator. Within the framework of the law, the Board deals with administrative complaints on property tax (zoning, specification, valuation, etc.) and also with social issues (by means testing).

In Montenegro the tax authority is fully responsible for the tax collection and enforcement. It has the right to withhold the real estate tax from the salaries of employees, which obviously makes the collection more efficient. In the case of pensioners - who are usually indebted - municipalities sign agreements with the national Pension and Health Care Fund to deduct unpaid taxes from pension payments.

In Romania after the date the tax is due, an increase of 0.1% of the owed amount is calculated for each day of delayed payment. After several rounds of notices the "forced execution department" takes over the case and the immovable assets might be sequestrated and sold through auction.

Usually the cases at second instance go to the court. The *court procedures* are usually regu-

⁴ All reference to Kosovo, whether the territory, institutions or population, in this text shall be understood in full compliance with United Nations Security Council Resolution 1244 and without prejudice to the status of Kosovo. (definition used by the Council of Europe)



lated by the law on tax administration. In Moldova there are specific, simplified procedures, which significantly speed up the legal process (a decision is expected in five days!). The number of appeals is relatively low: in Belgrade with the newly decentralised property tax administration it is below 1%; in Skopje the challenged property tax bills were 3-5% of the total issued tax bills.

Following a court decision, the local tax administration has several options to *collect* taxes: by transferring funds from the tax payer's bank account, through seizure of property or by putting a lien on the property. An example from Skopje on blocking the taxpayer's account is presented in Annex 6. Appeals might not cause delayed payments.

Organisation and management

Administration of local property taxes might be decentralised or it might be managed at higher levels of the government. In Bosnia and Herzegovina the entities administer and collect property taxes and in the Federation of BiH the Cantons reallocate 80% of the collected revenues to municipalities on the basis of origin. The tax administration of Moldova is centralised.

The advantages of these models are the standardised procedures, lower unit costs of establishing and operating information systems, and better options for combining various registries and sources of information. However, the centralised tax administration is minimally interested in collecting these smaller local taxes, which are the revenues of a different government tier.

This is the primary reason for decentralising the administration of local taxes. The municipal tax administration has to deal with three basic tasks (Schreurs, H., 2006):

1. *tax registration and inspection* (tax office): processing and checking the tax declarations, inspections and control on the declared data;
2. *tax collection* (cashier's office): collecting the local tax revenues at the municipality's cash desks
3. *accounting* (finance department): performing the accounting of the amounts paid by the taxpayers via bank transfers.

Depending on the scale of the task, the size of these units varies. There are no standards for employment levels at tax departments, because one staff member can deal with the administration of various taxes, and also the level of computerisation considerably influences the actual number of tax administrators. Examples from the practice show that each tax collector should be able to manage app. 1,000 property units.

The local tax administration has to establish *linkages* to other units of municipal and national administration. The most important task is to have access to national title and land regis-

tries. Survey and mapping information should be combined with the property registry. Here Geographic Information Systems (GIS) offer good opportunities for connecting property unit based data. Additional information might be collected from the government units issuing construction permits, either at the local level or within de-concentrated units of the relevant ministry.

Decentralisation of tax administration usually allows greater autonomy in introducing *incentives* for the local staff in tax administration. The collection ratio is a good performance indicator for the entire local tax administration, so extra payments or bonuses can be connected to increased or above average tax collection. It might also be defined along a progressive scale. For example, higher compensation might go to staff for the collection of the last 5% of tax revenue targets, than for just exceeding the average collection ratio. The only method on financial incentives from the country studies was reported from Moldova (see Box 2 below).

Moldova: financial incentives of tax collectors, Box 2

Civil servants are eligible for salary increases or supplements to their basic salary in bonuses. These incentives for tax collectors vary according to the number of inhabitants in the administered area between EUR 17-30. However, they can be also sanctioned for not accomplishing targeted appropriations in tax collection:

Level of revenue collection in percentage of budget targets, calculated by months (%)	Decrease in salary supplements in percentages by month (%)
80 - 100	10
60 - 80	20
40 - 60	40
20 - 40	60
0 - 20	100

Transparency and public relations

Local property tax is regarded to be less exposed to corruption and fraud, because of higher transparency in tax administration. The tax base is visible and as a local tax it is easily comparable by tax payers, assuming that they have access to information on valuation and tax obligations. This is the case in the US, Canada and Denmark, while other countries keep the property records confidential, as in the Netherlands, Switzerland and the UK (Youngman and Malme, 1994). Protection of personal data limits the public sector's transparency in the case of taxation.

The corruption risks in local property taxation exist in two areas: (i) the tax administration claims excess payments and (ii) the taxpayer avoids tax payments. The latter may occur



during the assessment and the appealing procedures. Fraud and corruption in local property taxation may be prevented by setting the general rules of tax administration properly. (Beesley, 2008)

In general, *simplified rules* of taxation may decrease the risk of corruption. The usually complicated property valuation process may be made easier by combining the area based property tax levies with standard unit costs and general coefficients (see the Bulgarian and Romanian cases). The valuation bands in the UK council tax system also *make the contacts* between the taxpayer and the tax administration *less frequent*, which consequently limits the corruption risks. Management and rules of tax departments may also improve the quality of tax administration: widely used methods include establishing a proper *internal audit* system and introducing a *code of conduct*. These methods may be supplemented by the use of *hotlines* for complaints and *rotating staff* within the tax administration.

However, in general proper information sharing on property tax policies and administration increases the transparency of local taxation. Web based information, public information campaigns are being gradually introduced by these local governments, primarily by the larger cities (e.g. Skopje). In Serbia special software is used to assist property tax collection, and this web platform allows taxpayers to check their tax liability, unpaid taxes due, and all other information needed for transparent tax collection via internet. (Taxpayers can even submit their tax declarations on line, using this software).

Based on British experiences in the 1990s, a *Citizen Charter* may be an effective way to bring tax administration closer to taxpayers. The citizen charter is issued by the local government and presents the basic characteristics of the local taxes (base, rate, exemptions) and informs the general public about the most important issues of tax administration. It includes deadlines, methods of payment, access to information, contact points at the local tax administration and procedures for appeal. Some municipalities in Serbia, after taking over the responsibility for property tax collection, sent information sheets to each citizen by mail. These sheets contained basic information about property taxes, the responsibility for its collection and the legal obligations of tax payers. In Romania “letter from the mayor” at the beginning of the fiscal years serves similar purposes. It includes information regarding the overdue debt, the tax obligations for the current year with the deadlines, the options for payment and also the objectives of the mayor and the local council in that fiscal year.

Samples of recent successful international programs on local property taxation in SEE

Developing Administration and Customer Service Skills in Local Taxation (National Association of Municipalities of the Republic of Bulgaria)

An internet site was developed as a result of the project www.leonardoirrv.co.uk, where information about the different project modules could be found in English.

Short description of the particular modules:

Module One: Alternative methods of local taxation - it provides a general review of local taxation in Europe and descriptions of the various taxes that the local governments in the different European countries are applying and managing. Particular emphasis is put on the local real estate tax.

Module Two: Notifications for tax obligations and collection of taxes - the lack of a good system for notifying and collecting taxes due leads to ineffective administration, poor collection and a negative impact on disposable resources. This module describes the organisation of revenue collection, the issue of notifications for due taxes and fees, and requirements for the contents of the notifications, etc.

Module Three: Principles of compulsory execution - the compulsory execution of revenues is of primary importance for preventing cases in which the taxpayers try to cheat the municipal tax administrations. In practice, "if there is no compulsory execution then the payment of taxes becomes voluntary". This module offers a description of the principles applicable in compulsory execution procedures.

Module Four: Compulsory execution frameworks - this module provides practical advice in the application of compulsory execution procedures.

Module Five: Administrative systems - this module is dedicated to the way in which mu-



municipal services are provided and the way the information flow is organised. Other aspects reviewed include issues related to human resources communication with taxpayers and information systems.

Module Six: Communication with taxpayers - this module reviews the methodology and techniques that the municipalities might use in their communications with the clients. The citizens and taxpayers should be informed about their rights and responsibilities.

Module Seven: Human resources - the purpose of this module is to outline the principles and the practices of good human resource management in municipal tax bodies. Professionalism and strong qualifications are the major pillars in staff management. Professionalism includes a combination of the organisation's corporate culture, the staff's training and the personal attitude towards the work and the clients. The techniques for the creation of positive attitudes towards the work are directly related to the concept of staff motivation.

Module Eight: Information systems - the strategy oriented towards the client should be based on effective technological solutions. The existence of well-organized information systems is of basic importance for the performance of an effective and efficient tax service.

Module Nine: Performance measurement - this module reviews key issues for effective performance measurement and gives practical advice about how to determine the indicators for the objectives of tax activities. The determination of progressive, balanced and feasible objectives is a powerful instrument for achieving the results aimed at by any organization. The standards and the objectives are set in the business plan of the local governments.

Module Ten: Professional ethics - this module emphasizes the importance of the personal behavior of public administration officers at all levels. All should perform their duties professionally, decently and effectively. They should have an impeccable reputation because they have access to the public registers, confidential information and the public media.

Project supporting property tax administration (Association of Kosovo Municipalities)

The Swedish Development Cooperation Agency (Sida) has dedicated €2.7 million over the next 3 years to design, develop and implement a new IT solution and to perform a complete new survey of all properties in Kosovo to collect additional property characteristics. A partnership between the MEF and the Swedish Tax Agency (STA) has been established and experts from the STA are working directly with their counterparts in the MEF.

The STA's Program to Improve Property Tax Administration began with a study tour for MEF and municipal counterparts to Sweden to learn how that country administers property taxes. In two subsequent visits to Prishtina, STA staff have completed modelling the administrative processes for property tax administration and identified areas that can be automated to improve efficiency. Work on developing the first version of the new IT solution will begin in September 2008 with implementation scheduled in March 2009.

Versions 2.0 and 3.0, each with improved functionality and linkages to other systems such as Treasury, Cadastre and the Citizen Service Centres', will be implemented in December 2009 and December 2010, respectively.

In addition to the development of the IT solution, Sida and the STA will fund a resurvey of all real estate in Kosovo. The Kosovo Cadastre Agency will be used to collect x-y coordinates of all constructions as well as record their external property characteristics. These data will then be used to develop modern real estate value models for each class of property in each municipality, which will greatly improve municipal appraisals for property taxation. The shifts in the tax burden will provide some financial relief to poorer taxpayers.

In addition the above mentioned efforts will be accompanied with a taxpayer outreach and increase tax acceptance campaign. Contact point: Haxhikadrija Fortuna fortuna.haxhikadrija@gmail.com

Local Tax Administration Software (Association of Units of Local Self-Governments of Macedonia)

This software was crucial for the successful implementation of the new local tax administration. Utilizing previous experience, USAID/Decentralization Program developed a new application for local tax administration. The first software draft was presented to representatives of the Ministry of Finance, Public Revenue Office, ZELS, and numerous municipal representatives. It was also pre-tested in a three-month USAID/LGRP municipal property tax pilot program in Veles, Sveti Nikole, Gostivar and Struga.

The software is an integrated and comprehensive solution for successful management and administration of property taxes and communal fees. It is tailored especially for Macedonian local government needs and based on the new decentralization legislative requirements. At the same time, its usability is enhanced by incorporating several features of the previous tax administration software used by the Public Revenue Office employees.

The software further satisfies user needs by being designed in Macedonian and Albanian and containing a language translation tool for several other languages.

The software is divided into five basic modules:

1. Property Tax
2. Tax on Gift and Inheritance and Tax on Real Estate Transfer
3. Communal Fees
4. Tax Administration Accounting
5. Property Tax Data Base Registers.

All modules are automatically integrated and the system can generate a variety of required reports based on specific formats such as: time adjusted, by tax payer, by property, or for all tax payers in a municipality, or based on a neighbourhood or individually. This



critical software solution is designed in a fully compatible modern IT platform that is connectable to all relevant institutions such as the treasury system, the central register, the Cadastre, the Ministry of Interior, and many others on an as-needed basis or when enabled by a legal mandate.

The software is compatible and integrated with the Finance Management Software developed by the project and rolled out to the partner municipalities. The municipal staff is able to produce revenue reports related to any kind of property tax and for any period. The software also incorporates the Methodology for Determining Real Estate Market Value that automatically presents the market values after data input.

Connecting municipal information system to Real Estate Administration (Union of Municipalities of Montenegro)

In 2007 and 2008 GTZ organised a series of seminars and prepared to connect the computer system of the Real Estate Administration and municipal databases into a unified network. This collaboration will enable the linking of particular data of the two sources and speed up the process of issuing tax obligations on forest and agricultural land, which has not yet been implemented in Montenegro

Technical assistance at the Agency of Land Relation and Cadastre (National League of Mayors of Moldova)

During the period 2006-2009, the project aims to establish a transparent, efficient and effective cadastral system, which provides cadastral and registration services at an affordable cost for all users. This objective is achieved through:

- 1) Institutional strengthening of the cadastral system and assuring its financial and institutional sustainability
- 2) Human capacity building and improvement of public access to cadastral data and information
- 3) Contribution to fiscal cadastre development through assistance in the implementation of the new system for property mass valuation and appraisal
- 4) Improving the quality and reliability of and confidence in the cadastral system and the facilitation of property transactions.

<http://www.orgut.se/referenceinfo.aspx?rid=768>

Support to Reform of the Public Finance System (Standing Conference on Towns and Municipalities, Serbia)

This project, designed to support the entire process of fiscal decentralization is implemented by the German Organization for Technical Cooperation (GTZ) and financed by the German Federal Ministry for International Cooperation BMZ. The Project provides advisory services at three levels:

- a) At the Republican level, advisory services are rendered to the competent ministries and the National Assembly in the development of legal frameworks.
- b) At the local level, support is provided to selected pilot municipalities on the occasion of taking over these new competences.
- c) In addition, the role of the Standing Conference of Towns and Municipalities is being strengthened, as an intermediary between the other two levels.

However, the main beneficiaries of this Project are local governments, given that they are to become an equal partner in the process of fiscal decentralization. Realizing more of their own revenues, local governments shall take on greater responsibility for their budgets.

Four pilot municipalities have been selected to work with experts and receive financial assistance. Local tax offices have been established, and new software has been introduced, designed by the Mihailo Pupin Institute in Belgrade, which was financed by the National Investment Plan of the Government of Serbia. The pilot municipalities were completely equipped, whereas the staff designated for performance of the respective activities was provided with diverse support in form of various trainings, study visits to Germany and familiarization with the operation of their local tax administration, accompanied by consultancy support of both local and international tax experts.

The required expertise from the fiscal decentralization field has been built within the Standing Conference of Towns and Municipalities. The work of its Finance Committee has received ongoing support. Best practices were gathered from the heads of all local tax administrations throughout Serbia. This body was also created as a place to gather questions, problems, solutions, examples of good practice, as well as cooperation with the Tax Administration. The first network of municipal tax departments also decided to negotiate various contracts under more favourable terms and conditions with the Serbian Post, the Agency for Business Registries, etc..

For additional information and all questions related to this Project, interested parties can address the following contacts: Dr. Anke Scholz, Project Leader, anke.scholz@gtz.de or Aleksandar Bu i, Assistant to the SCTM Secretary General for Finance as the person in charge of this Project on behalf of the SCTM aleksandar.bucic@skgo.org. More information about the project is available on SCTM's website www.skgo.org

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ANNEXES



ANNEX 1.

TAX RETURN FOR RESIDENTIAL DWELLINGS AND UNITS



REPUBLIC OF MONTENEGRO
MUNICIPALITY OF NIKŠIĆ
Secretariat of Economy and Finance

I Taxpayer identification

1.	Name and surname	
2.	Unique identification number	
3.	Address (street, number, local community)	
4.	Phone number	
5.	Is this property owned by more than one owner?	yes no

In case of several holders of proprietary rights, please list the rights' holders and their respective shares in Question 5a:

Name and surname	Unique identification number	Share	Address

II Family members living in this property

6. Please list members of the family who live in this property

Name and surname	Unique identification number	Family relation	Date of birth

7. Is this property the taxpayer's primary (basic) place of residence?

yes no



III Property description

8. Property address (street, number, number of building, entrance, i.e. place and local community) _____
_____.

9. Has this residential dwelling already been registered with the Real Estate Directorate?

yes no

10. Property size _____m² (interior area of residential unit).

11. Is this residential dwelling/unit a..... (please check the box in front of the most suitable answer)

separate residential dwelling for one family
 unit within a residential building comprising more units
 weekend house

12. Number of bedrooms: _____

13. Number of balconies or loggias? _____ balconies _____ loggias _____
terraces

14. Total area of _____ balconies _____ loggias _____ terraces

15. Number of bathrooms? _____

16. Number of other premises? _____

17. How many apartments are there in this building (in case of a house)? _____

18. Does this building have a basement?

yes no

19. Does this building have an attic?

yes no

20. If this residential unit is located in a multi-floor building comprising more units, please state the exact location

ground floor Basement Loft Floor



21. In case of a building under construction, please list what has been completed to date:

<input type="checkbox"/> yes	<input type="checkbox"/> no	<input type="checkbox"/> only walls and roof	
			list items yet to be completed
			list parts and area of completed portion

IV Quality of the property

22. Construction material the property is built of is

<input type="checkbox"/> wood	<input type="checkbox"/> concrete slabs	<input type="checkbox"/> other material
<input type="checkbox"/> stone	<input type="checkbox"/> reinforced concrete slabs	
<input type="checkbox"/> baked brick	<input type="checkbox"/> construction steel	

23. In which year was the building constructed? _____

24. What is the roof structure like? _____ flat roofs _____ pitched roofs

25. Is the facade on this building completed?

<input type="checkbox"/> yes	<input type="checkbox"/> no
------------------------------	-----------------------------

26. Mark the facade quality

<input type="checkbox"/> poor	<input type="checkbox"/> average	<input type="checkbox"/> good
-------------------------------	----------------------------------	-------------------------------

27. Are there elevators in the building?

<input type="checkbox"/> yes	<input type="checkbox"/> no
------------------------------	-----------------------------

28. Does the building have its own parking space?

<input type="checkbox"/> yes	<input type="checkbox"/> no
------------------------------	-----------------------------

29. Type of material doors and windows in this residential unit are made of

<input type="checkbox"/> eloxated metalworks
<input type="checkbox"/> Wood
<input type="checkbox"/> Other

30. Level of bathroom finalization

<input type="checkbox"/> completed
<input type="checkbox"/> partly completed
<input type="checkbox"/> no bathroom



31. Is this building connected to

water supply network water tank
 water well

32. Is there a booster pump in this residential unit/ building?

yes no

33. Is this property connected to the power supply network?

yes no

34. Is this property connected to the telephone network?

yes no

35. Heating system

<input type="checkbox"/>			<input type="checkbox"/>	power	<input type="checkbox"/>	other
	steam	→	<input type="checkbox"/>	Other		
<input type="checkbox"/>	electric heaters (thermal, heaters)	→	<input type="checkbox"/>	Woods		

36. Is there an air conditioning system in this building?

yes no

37. Is there a swimming pool in this building?

yes no

38. Does this building have inclined ceilings?

number of Area
rooms

39. Please list the premises with inclined ceilings _____

40. Does this building have auxiliary facilities considered as part of the building?

storage room Garage other

41. If there are any specific issues related to the quality of this property, please list them below.

deficiencies yes no average quality

V Description of land considered as an integral part of the property

42. Land area in m²:

<input type="text"/>	Yard
<input type="text"/>	Garden
<input type="text"/>	Orchard
<input type="text"/>	Other

43. Does the yard have elements that characterise it as architected?

<input type="text"/>	greens	<input type="text"/>	Fountains	<input type="text"/>	other
<input type="text"/>	paths	<input type="text"/>	sports courts		

VI Description of changes in ownership and of other changes related to the respective residential unit.

44. Was the property until now registered with the competent tax authority in the current owner's name?

<input type="text"/>	yes	<input type="text"/>	no
----------------------	-----	----------------------	----

45. In case of any changes, please fill in the name of the previous owner and if possible, EDP (electronic data processing) property number from the tax bill. _____

46. Basis for acquiring rights to the respective property.

<input type="text"/>	Inheritance
<input type="text"/>	Gift
<input type="text"/>	Purchase
<input type="text"/>	Other

(submit copy of evidence)

47. If the property was renovated, please fill in the year of renovation: _____

Hereby I declare this Tax Return is duly and accurately completed!

For any errors or omitted information the taxpayer shall be a subject to penalties!

Name of the person who completed the tax return *(in block letters)*

Signature

Signature

TAX RETURN FOR THE 2008 LEGAL ENTITIES' PROPERTY TAX ASSESSMENT



REPUBLIC OF MONTENEGRO
MUNICIPALITY OF NIKŠIĆ
Secretariat of Economy and Finance

I TAXPAYER DATA

NAME OF COMPANY	
CORPORATE REGISTERED OFFICE	
STREET AND NUMBER	
PHONE NUMBER	

REGISTRATION NUMBER	TIN (tax identification number)	PERSONAL NUMBER
BUSINESS ACTIVITY CODE	GIRO ACCOUNT NUMBER	

NAME AND ADDRESS OF THE PERSON RESPONSIBLE FOR PAYMENTS AND NAME OF THE BANK THE GIRO ACCOUNT IS OPENED WITH

II PROPERTY DATA

Ordinal number	Place where the property is located	Street and number	Property description*	Book value as at 31.12.2007.**
1.				
2.				
3.				
4.				
5.				

III TAXPAYER'S NOTE

* should more space be required, a page with property description may be attached

** fill in the values from annual financial statements for 2007.

(please attach copies of the Balance Sheet, Balance Sheet- supporting form and book card for real estates)

SIGNATURE OF THE TAXPAYER

Nikšić, _____ 2008.

authorised person

ANNEX 2.

EVALUATION OF THE MARKET VALUE OF THE PROPERTY AND PROCEDURE FOR PAYMENT OF THE TAX

In the practical example is enclosed calculation of the tax for property transfer, in this case- an apartment in Skopje. Tax is calculated according to the Methodology for evaluating the realty market value. Enclosed is the warning for unpaid tax, as well as a decision for debt enforcement- the instrument that is used by the tax administration.

City of Skopje



street X.
Number. 1/2

	66,00	m2
apartment	0,00	m2
basement	0,00	m2
terrace	0,00	m2
balcony	0,00	m2
pantry	0,00	m2
auxiliary premises	0,00	m2

Calculation of market value for apartment

1 Type of construction	Unit costs Points		m2		EUR
reinforced concrete	100	x	66,00	=	6.600,00
Non-reinforced concrete	80	x	0,00	=	0,00
prefabricated construction	70	x	0,00	=	0,00
2 Instalations					
			m2		
plumbing	60	x	6,00	=	360,00
sewerage	40	x	6,00	=	240,00
electrical					
monophase	2	x	46	=	0,00
polyphase	4	x	46	=	184,00
modern	7	x	46	=	0,00
central heating	25	x	66,00	=	1.650,00
gas	15	x	0,00	=	0,00
security system	2	x	0,00	=	0,00
telephone	5	x	66,00	=	330,00
3 Elevator					
			m2		
	15	x	0,00	=	0,00



4 Floor surface

parquet		m2		
beech	20 x	60,00 =		1.200,00
oak	30 x	0,00 =		0,00
other	50 x	0,00 =		0,00
floor	20 x	0,00 =		0,00
lamine	15 x	0,00 =		0,00

tiles

		m2		
standard-ceramics-terracotta	15 x	6,00 =		90,00
modern	25 x	0,00 =		0,00
luxurious	40 x	0,00 =		0,00

5 sanitary

		m2		
classical	100 x	4,00 =		400,00
modern	200 x	0,00 =		0,00
exclusive	800 x	0,00 =		0,00

6 facade carpentry

wooden - classic		quantity		
small	50 x	3 =		150,00
big	70 x	2 =		140,00
wood - termopan				
small	150 x	0 =		0,00
big	200 x	0 =		0,00
PVC windows				
small	200 x	0 =		0,00
big	250 x	0 =		0,00
aluminium				
small	180 x	0 =		0,00
big	220 x	0 =		0,00

7 Doors

Inside		quantity		
plywood	60 x	5 =		300,00
vener	150 x	0 =		0,00
outside				
Wooden	250 x	1 =		250,00



aluminium	300 x	0 =	0,00
PVC	400 x	0 =	0,00
armoured	600 x	0 =	0,00

8 facade	m2		
classical	2 x	66,00 =	132,00
travertine	4 x	0,00 =	0,00
surge	6 x	0,00 =	0,00
dimit	3 x	0,00 =	0,00
Marble tiles	9 x	0,00 =	0,00
facade tiles	8 x	0,00 =	0,00

9 Isolation	m2		
hydro	3 x	6,00 =	18,00
sound	8 x	0,00 =	0,00
thermo	10 x	0,00 =	0,00

12.044,00

10 Year of construction	1973
--------------------------------	------

11 exclusivity	m2		
750 x	0,00 =	0,00	

12.044,00 €

12 amortization		
Number of years for calculation of the amortization	24	years
Deducted percentage for amortization	12,00	%

13 Total construction value:	10.598,72 €
-------------------------------------	-------------

14 Floors	m2		
Ground floor	30 x	0,00 =	0,00
floor	25 x	0,00 =	0,00
II floor	15 x	0,00 =	0,00
III floor	5 x	66,00 =	330,00
			330,00
Basement -1 0%	-1 0%		0,00
attic -20%	-20%		0,00
mansard -1 5%	-1 5%		0,00

10.928,72

Total construction value with floors:	10.928,72 €
--	-------------

15 micro location		m2		
Commercial centre	45	0,00	=	0,00
hospital	35	0,00	=	0,00
Elementary schools	35	66,00	=	2.310,00
communication	35	66,00	=	2.310,00
Parking space	15	66,00	=	990,00
Playgrounds for children	25	0,00	=	0,00
				5.610,00

16 Unreachable terrain -30% 0,00

17 Macro location in Skopje (Zones are defined in the Methodology for evaluation of the market value of the property)

zone		m2		
1	550	0,00	=	0,00
2	500	0,00	=	0,00
3	450	66,00	=	29.700,00
4	400	0,00	=	0,00
5	350	0,00	=	0,00
6	300	0,00	=	0,00
7	250	0,00	=	0,00
8	200	0,00	=	0,00
9	150	0,00	=	0,00
10	100	0,00	=	0,00
				29.700,00

18 100 0,00 = 0,00

TOTAL 46.238,72 €

* 61,50 = 2.843.681,28 denars.

/ 66,00 = 43.086,08 denars./
2

~ 43.086,00 denars./
2

* 66,00 = **2.843.676,00 denars**



	m2	%	
basement	0,00	0,30	43.086,00
=	0,00	12.926,00	
=	0,00	denars.	
terrace	0,00	0,25	43.086,00
=	0,00	10.772,00	
=	0,00	Denars	
balcony	0,00	0,50	43.086,00
=	0,00	21.543,00	
=	0,00	Denars	
pantry	0,00	0,75	43.086,00
=	0,00	32.315,00	
=	0,00	denars.	
Auxiliary premises	0,00	0,25	43.086,00
=	0,00	10.772,00	
=	0,00	denars.	

Total sum: 2.843.676,00 denars.

Or: 46.238,63 €

tax (3%): 85.310,28 denars.
tax (3%): 1.387,16 €

ANNEX 3.

CALCULATION OF THE BUILDING TAX
BASE FOR INDIVIDUALS IN ROMANIA

Type of building	Taxable value, RON /m ²	
	With water, drainage, electric and heating installations (cumulative conditions)	Without water, drainage, electricity or heating installations
A. Building with concrete steel frames or with outside walls from burnt bricks or from other materials resulting from a thermal and / or chemical treatment.	669	397
B. Building with wood outside walls, from natural stone, from non-burnt brick, from cylinders or from other materials not-submitted to a thermal and / or chemical treatment.	182	114
C. Outbuilding with concrete steel frames or with external walls from burnt brick or from any other materials resulting from a thermal and / or chemical treatment.	114	102
D. Outbuilding with wood walls, natural stone, non-burnt brick, from cylinder or any other materials not submitted to any thermal and / or chemical treatment.	68	45

Correction coefficients by locality type and area

Zone within the locality	Locality set by law					
	0 Bucharest	I	II	III	IV	V
A	2,60	2,50	2,40	2,30	1,10	1,05
B	2,50	2,40	2,30	2,20	1,05	1,00
C	2,40	2,30	2,20	2,10	1,00	0,95
D	2,30	2,20	2,10	2,00	0,95	0,90

Further corrections building type, age and size

"...(6) In the case of an apartment located in a block of flats with more than 3 levels and 8 apartments, the correction coefficient provided in paragraph (5) is reduced with 0.10.

(7) The taxable value of a building, established after the application of the provisions of paragraphs (1) - (6), is reduced according to the year of its completion, as follows:

- a) 20%, for buildings 50 years or older, on January 1st of the referenced fiscal year;
- b) 10%, for buildings 30 to 50 years old, inclusively, on January 1st of the referenced fiscal year.

(8) In the case of buildings used as dwellings, whose constructed surface exceeds 150 square meters, the taxable value, established after the application of the provisions of paragraphs (1) - (7), is increased by 5% for each 50 square meters or fraction thereof."

ANEXA I 2008 - IMPOZITE ȘI TAXE PREVĂZUTE DE CODUL FISCAL

I. IMPOZITUL PE CLĂDIRI PERSOANE FIZICE – 0,1% la valoarea impozabilă a clădirii

TABEL NR.1 Valorile impozabile pe metru pătrat de suprafață construită desfășurată la clădiri și alte construcții aparținând persoanelor fizice

Nr. crt.	Tipul clădirii	VALOAREA IMPOZABILĂ (Lei/mp)															
		cu instalații								fără instalații							
		Blocuri sub 3 niveluri și 8 apartamente				Blocuri peste 3 niveluri și 8 apartamente				Blocuri sub 3 niveluri și 8 apartamente				Blocuri peste 3 niveluri și 8 apartamente			
A B C D				A B C D				A B C D				A B C D					
1.	Clădire																
a)	cu cadre din beton armat sau cu pereți exteriori din cărămidă arsă sau din orice alte materiale rezultate în urma unui tratament termic și/sau chimic	1686	1616	1546	1475	1616	1546	1475	1405	1001	959	917	876	959	917	876	834
b).	cu pereți exteriori din lemn, piatră naturală, cărămidă nearsă, vălătuc sau din orice alte materiale nespuse unui tratament termic și/sau chimic	459	440	420	401	440	420	401	382	288	275	264	251	275	264	251	239
2.	Clădire – anexă																
a).	cu cadre din beton armat sau cu pereți exteriori din cărămidă arsă sau din orice alte materiale rezultate în urma unui tratament termic și/sau chimic	288	275	264	251	275	264	251	239	257	247	235	225	247	235	225	214
b).	cu pereți exteriori din lemn, piatră naturală, cărămidă nearsă, vălătuc sau din orice alte materiale nespuse unui tratament termic și/sau chimic	171	164	158	150	164	158	150	143	113	109	104	100	109	104	100	99
3.	Pentru locuințe situate la subsol, demisol sau la mansardă	75 % DIN SUMA CARE S-AR APLICA CLĂDIRII															
4.	Pentru spații cu altă destinație, situate la subsol, mansarda, sau demisolul clădirii	50 % DIN SUMA CARE S-AR APLICA CLĂDIRII															

Municipiul Zalău se situează în cadrul localităților de rangul II, iar satele aparținătoare (Stâna) fac parte din categoria localităților de rangul V.

Coefficienții de corecție pozitivă pe zone sunt:

Zona	Rangul II		Rangul V
	pentru blocuri sub trei niveluri și opt apartamente	pentru blocuri peste trei niveluri și opt apartamente	
A	2,40	2,30	1,05
B	2,30	2,20	1,00
C	2,20	2,10	0,95
D	2,10	2,00	0,90

Sumele menționate în tabelul nr.1 sînt corectate cu coeficienții de corecție prevăzuți anterior.

Președinte de ședință,
Trif Dan Simona Gabriela



Contrasemnarea,
Secretar,
Petroviță Ștefan

ANNEX 4.

TAX VALUATION OF BUILDINGS, BULGARIA

$$TV = BV * CI * Ci * Cc * Ch * Cd * A,$$

where:

TV is the tax value in Bulgarian levs;

BV - basic value of one square meter in levs;

CI - coefficient for location;

Ci - coefficient for infrastructure;

Cc - coefficient for individual characteristics;

Ch - coefficient for height;

Cd - coefficient for depreciation;

A - area of the building or part of it in square meters.

Basic value

The basic tax value in Bulgarian levs of one square meter:

Construction	Residential buildings		Non- residential buildings
	Apartment	house	
FB	4,40	3,70	4,80
SS	7,50	6,40	8,20
S1	11,00	9,40	12,10
S2	14,00	12,00	15,40
S3	17,00	14,50	18,70

Code	Type of construction
FB	frame-built
SS	semi-solid
S1	solid without reinforced concrete elements or sectional asbestos and other boards (bungalows), solid with partially reinforced concrete elements
S2	solid - large panel
S3	solid with bearing brick walls and entirely monolithic or sectional reinforced concrete floor structures, solid - sectional, skeleton and frame reinforced concrete constructions, package-lifted slabs, large area and sliding formwork shuttering, skeleton - beamless constructions, special constructions (steel etc.)



The coefficient for location (C_l)

Location category (defined by the law)	Zone					Built (inner) areas	Out-side built areas	Villa zone	
	I	II	III	IV	V			Cat. I.	Cat. II.
Sofia	62,4	49,9	42,1	28,1	18,7	17,2	15,6	43,7	25,0
Varna	59,3	46,8	37,4	28,1	18,7	17,2	15,6	40,6	21,8
Bourgas	45,2	39,0	34,3	23,4	15,6	14,0	12,5	34,3	15,6
Stara Zagora	42,1	35,9	29,6	22,6	15,6	14,0	12,5	29,6	15,6
Plovdiv	39,0	32,8	25,0	21,8	15,6	14,0	12,5	25,0	15,6
I, 1 group	32,8	25,0	20,3	15,6	14,0	12,5	10,9	18,7	14,0
I, 2 group	21,0	15,0	10,6	7,6	-	6,0	4,6	9,0	7,6
II	14,4	8,6	7,2	5,8	-	4,3	3,6	5,8	4,3
III	7,9	5,8	4,3	-	-	3,6	2,9	4,3	3,6
IV, V	4,3	2,9	-	-	-	2,9	2,2	3,6	2,9
VI, VII, VIII	2,2	-	-	-	-	1,6	1,4	1,9	1,7

The coefficient for infrastructure (C_i)

$$C_i = 1 + A + B + C + D + E + F.$$

Infrastructure elements	Value of the elements		
	available	not available	not in the building but in the quarter
A. Water supply	0,0	-0,05	-0,03
B. Sewerage	0,0	-0,05	-0,03
C. Electricity	0,0	-0,07	-0,05
D. Telephone	0,0	-0,02	-0,02
E. District heating	+0,06	0,00	0,00
F. Street network	0,0	-0,08	-0,08

Coefficient for individual characteristics (C_c)

$$C_c = 1 + k_1 + k_2 + k_3$$

The site is located on	Correction (k ₁)			
	Buildings with 6 or more floors without lift		Other buildings	
	non-residential	apartment	non-residential	apartment
1. First floor	+ 0,10	- 0,05	+ 0,10	- 0,05
2. Floor 2.-5.	- 0,03	+ 0,03	0,00	+ 0,03
3. Floor 6.-	- 0,10	- 0,03	- 0,08	0,00

<i>Physical status</i>	<i>Correction (k2)</i>
No major repair has been done for more than 20 years	- 0,05
Bad physical status	from - 0,10 to - 0,60

Correction for improvements: k3 = A + B + C + D + E + F

<i>Type of improvement</i>	<i>Correction (k3)</i>	
	<i>Does not exist</i>	<i>Exist</i>
A. Heating installation	0,00	0,04
B. Air conditioning	0,00	0,06
C. Luxurious or aluminium window frames	0,00	0,04
D. Noise or heat insulation	0,00	0,03
E. Roof covers	0,00	0,03
F. Decorative elements	0,00	0,02

Coefficient for height (Ch)

For production and farm sites, when the height of the floor is greater than 4 m with the following formula: $Ch = (H - 3) 0.05$ where H is the actual height of the floor in meters with precision 0.5 m.

Coefficient for depreciation (Cd)

$$Cd = [100 - (NY - 5) * P] / 100$$

where, NY: number of years

P: annual percentage of depreciation of the building according to type of construction

<i>Code of construction</i>	<i>P: annual % of depreciation.</i>
FB	1,0
SS	0,8
S1	0,7
S2	0,6
S3	0,5

ANNEX 5.

NOTICE OF PAYMENTS

City of Skopje
Finance department
Tax unit
No. _____ from _____2008.
Skopje

To:
N. N.
X. street number.123
Skopje

WARNING

According to article 54 of the Law on property taxes (Official gazette no.80/93, 61/04) and article 38 of the Law on property taxes (Official gazette no.80/93, 61/04), and according to the tax accounting administration, you are required within 8 days to pay the following tax debt and the interest:

Number of tax bill	From date	Sum	Account
10-1-1000	_____2008 g.	85.310,00	as stated in the bill

Bank of the receiver: National Bank of the Republic of Macedonia.

Account **10000000063095** Under INCOME CODE as specified in the tax bill on the side of the ORDERER write in your TAX NUMBER

Opposite, if there is a failure to comply, the payment will be executed by debt enforcement, according to article 53 of the Law on property taxes (Official gazette 80/93, 61/04).

Mayor of the City of Skopje

ANNEX 6.

BLOCKING NON-PAYER'S ACCOUNT

According to articles 55 and 73 the Law on property taxes (Official gazette of R.M. 80/93, 61/04) and article 26 of the Law on property taxes (Official gazette of R.M. 80/93, 61/04), the Mayor of the City of Skopje brings the following:

DECISION

FOR DEBT ENFORCEMENT OF INHERITANCE TAX AND PROPERTY TRANSFER TAX

BAN OF THE USE OF FINANCIAL RESOURCES

N. N.

EMBG: 1234567891234

Address: X. Street 123, Skopje

account of the tax payer : 2345678901234

deposit bank: stopanska banka ad skopje

until full payment of the property transfer tax in total sum of **85.310,00 denars.**

It is ordered to Stopanska banka AD Skopje to pay the debt sum of **85.310,00 denars** for tax for property transfer in favour of:

1. Acceptor: Municipality Karpos

Bank of the receiver: National Bank of the Republic of Macedonia

Account **100000000063095**

Account: 840 - 179 - 02400, INCOME CODE : 713311, Programme : 00

Amount: _____ denars

2. Acceptor: City of Skopje

Bank of the receiver: National Bank of the Republic of Macedonia.



Account 100000000063095

Account: 840 - 185 - 02580, INCOME CODE: 713312, Programme : 00

Amount: _____ denars

3. Acceptor: Municipality Karpos

Bank of the receiver: National Bank of the Republic of Macedonia

Account 100000000063095

Account: 840 - 179 - 02580, INCOME CODE: 713312, Programme : 00

Amount: _____ denars

Any appeal against this bill does not postpone its execution!

EXPLANATION

Tax payer N. N. owes the total amount of 85.310,00 for unpaid tax for property transfer according to tax bill number _____ from _____ denars __ 2008

Because the property tax has not been paid in the term specified in the warning, debt enforcement is enacted, according to articles 55 and 73 of the Law on property taxes.

INSTRUCTION: Against this decision the tax payer can appeal within 8 days from the day of delivery. Appeals are addressed to the Ministry of Finance with payment of 250, 00 denars for administrative taxes.

Mayor of the City of Skopje

ANNEX 7.

LOCAL PROPERTY TAX LAWS ON THE INTERNET (IN LOCAL LANGUAGES AND IN ENGLISH)

Bulgaria

Law for local taxes and fees: http://www.bcnl.org/doc_en.php?DID=322

Bosnia and Herzegovina:

Property tax law of Republika Srpska: <http://www.poreskaupravars.org/english/pdf/prt.pdf>

Kosovo

REGULATION NO. 2003/29 ON TAXES ON IMMOVABLE PROPERTY IN KOSOVO

http://www.unmikonline.org/regulations/2003/RE2003_29.pdf

Complete list of regulations:

http://www.unmikonline.org/regulations/index_reg_2003.htm

Moldova

The laws are available only in Romanian and Russian: www.justice.md.

The Fiscal code of Moldova, regulating the property tax: <http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=326971>

Montenegro

Law on real estate tax ("Sl. list RCG" No 65/01 and 69/03):

<http://www.gov.me/files/1084889278.doc>

Decree on closer criteria and methodology for determination of real estate market value ("Sl. list RCG" No 23/03, 25/04, 40/04, 60/04 and 31/05):

<http://www.gov.me/minfin/vijesti.php?akcija=vijesti&id=16009>

Republic of Macedonia

Law on property taxes (Official Gazette of the Republic of Macedonia, No. 80/93, corrections No. 3/94, amendments in No. 71/96 and No. 54/2000)

http://www.finance.gov.mk/gb/laws/property_tax_law.pdf

Serbia

Property tax law

http://www.skgo.org/upload/SITE/Pravni_okvir/Property%20Tax%20Law.pdf

<http://www.skgo.org/code/navigate.php?Id=11629>



NOTES





NOTES

PARTNER ORGANISATIONS

Organizations that have given significant support to NALAS and its Member Associations are recognized as NALAS Partners. Their support may include, but is not limited to lobbying for NALAS and its members, expertise support and financial support. In addition, NALAS proved to be a valued asset for many of these partners, by providing regional experience, guidelines or coordination of activities conducted in the member countries



Council of Europe
Congress of Local and Regional Authorities of the Council of Europe,
Strasbourg
Tel: +33 388413018, Fax: + 33 388413747 / 27 51
Internet: www.coe.int/congress



Swiss Agency for Development and Cooperation
Internet: www.sdc.admin.ch



Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ) GmbH
Internet: www.gtz.de



Bundesministerium für wirtschaftliche Zusammenarbeit und Entwicklung (BMZ)
Internet: www.bmz.de



Open Society Institute
Internet: www.osi.hu



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352.076.3 (4-12) (036)

336.226.2:352(4-12) (036)

IMPROVEMENT of local property tax administration in South-East Europe: Guidelines on local property tax administration / [editor and chief Kelmend Zajazi]. – Skopje : Network of Associations of Local Authorities of South East Europe – NALAS, 2009. – 62 стр. : тебели; 23 cm

Фусноти кон текстот. - Notes: str. 59-62. - Содржи и: Annex 1-7

ISBN 978-9989-2928-2-8

а) Данок на имот, општински - Југоисточна Европа - Водичи

COBISS.MK-ID 77993994



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