

**Francophone Central Africa Appendix 5:
Rwanda**

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Rwanda



<i>Basic Country Information</i>			
Geographic size	26,338 km ²	Independence	1962 (from UN/ Belgium)
Capital city	Kigali	Population	9.0 million
Secondary cities/towns	Butare, Ruhengeri, Gisenyi, Kibungo, Cyangungu, Nyanza, Gitarama, Gikongoro	Urbanisation	20%
System of government	Multi-party democracy. Held first multi-party presidential and parliamentary elections since independence in August and September 2003.	GDP (per capita)	US\$ 233 (2005)
<i>Sub-national Government</i>			
<p>The territory of Rwanda is divided into provinces, districts, cities, municipalities, towns, sectors and cells (section 3 of the Constitution).</p> <p>Expenditure responsibilities: The amount of the District's ordinary budget must be used in accordance with the law. The budget forecast includes the following categories: salaries, benefits and other costs incurred by the District for its staff in accordance with the labor code, district leaders' allowances and other benefits in accordance with the law, allowances payable to District Council members for their responsibilities, notably meetings or other official activities in accordance with the law, budget for the purchase of material and equipment; taxes and contributions paid out by the District in accordance with the law, funds for maintenance of District equipment or the equipment borrowed and rent for buildings it uses, funds for the maintenance of District's road network, water pipes, drainage and liquid waste works, power lines, training centers for the population as well as District forests, shares and contributions, grants and contributions made by the District, cost of daily activities of the different structures of the District, interests paid on loans taken by the District, staff loans, financial assistance to the needy, incidental expenditure, The amount of the budget allocated to development. Funds for staff loans must come from the annual ordinary budget and should not exceed five per cent (5%) of the District's income. Such loans have to be paid back in the same year. (articles 129 and 130 of the law N° 08/2006)</p> <p>Sources of revenue : Taxes and fees paid by District or Town, Funds obtained from the payments for certificates issued by a district or Town, Funds obtained from movable and immovable assets of tax payers in a District or Town, Profits by District or Town, and interests from their own shades and income generating activities e) Fines, Loans, Government subsidies, Legal costs and proportional rights as charged by District or Town courts, Funds obtained from services rendered or from different general activities in Districts or Towns, Donation and legacies, Funds paid for renewal of an immovable certificate, Proportional rights deducted from the value of an immovable asset under public auction, Funds accrued from dent and sale of land. (article 2 of the law n° 33/2003 of 06/09/2003)</p>			
Importance of property tax	Insignificant: less than 1 % of total tax revenue		
<i>Land Issues and the Property Market</i>			
Land tenure	The State has supreme powers to manage all national land (except the rights given to people: article 3 of the organic law n° 08/2005 of 14/07/2005)		
Land titling	Secured by the organic law aforementioned		

Land rent	Rights based on land may be transferred through different individuals (succession, lease or sale) according to requirements and procedures provided for by ordinary civil law (article 34)
Property Market	
Taxes	
National	VAT (18%), Excise duties, Import duties, tax on incomes, turn over tax (=>36 millions Frw/year turn over), pay as you earn tax (20 %), tax on loans (20 %), Corporate profit tax (35 %)
Sub-national	Property tax, rental income tax and license tax
Property-related Taxes: National	
Property Transfer Tax	6 % of the property value. No clear indication of the bylaws (or decree) instituting it.
Capital Transfer Tax	No data
Capital Gains Tax	No data
Property-related Taxes: Sub-national	

Property Tax (National/Sub-national/Local)		
Relevant Legislation: Law n° 17/2002 of 10 May 2002 (article 5)		
	Legislation	Practice
Tax Base & Taxpayer		
Tax base	Houses and land (in use or not)	
Coverage of tax base	National coverage	
Taxpayer	The owner	
Valuation & Assessment		
Valuation	The owner	
Responsibility	Local authorities	
Valuation cycle	At the beginning of each year	
Objection & appeal	Must be “motivated” and introduced within 3 months from the reception of the warning.	
Quality control measures	No data	
Tax rates	<p>1st base: Occupied houses</p> <p>Location Rates of tax/m²</p> <p>Kigali FRW 50 < FRW 210</p> <p>Other urban areas FRW 50 < FRW 130</p> <p>Trading centres FRW 25 < FRW 96</p> <p>Other places FRW 5 < FRW 55</p> <p>2nd base: Registered land (not developed)</p> <p>Location Rates of tax/m²</p> <p>Kigali city FRW 20 < FRW 50</p> <p>Other urban areas FRW 10 < FRW 20</p> <p>Trading centres FRW 1 < FRW 10</p>	

	Rural areas should not exceed FRW 1,000 /m ²	
Exemptions	<p>- Underground houses;</p> <p>- Under article 18 of law n° 17/2002 of 10/15/02 the following are exempted from the fixed asset tax :</p> <ul style="list-style-type: none"> • land used for educational, medical, research and sporting activities and proven not to be profit driven; • government, district and town's infrastructures; • land used by diplomatic missions (under reciprocity); • land used by charitable activities. 	
Tax relief measures	<ul style="list-style-type: none"> • Under article 15 of the above law, if one builds a storied house, he/she will have his/her tax rates reduced by 50 % for the 1st floor constructed and from the 2nd floor upwards, his/her tax will be reduced by 75% while for each additional floor built upwards his/her tax will be reduced by 100%; • If the taxpayer owns more than 20 hectares, he/she is taxed at a rate ranging from FRW 1,001 for every additional hectare, the first being exempted from tax (and any fraction of a hectare being disregarded). 	
<i>Tax Administration</i>		
Billing and collection	Collected by local authorities (Provinces and districts) as annual tax (apparently single payment)	
Enforcement	Local authorities may use "task force" for collection.	
<i>Additional Comments</i>	Under law 17/2002 of 10/05/02 other property taxes (other than the annual property tax and the tax on vehicles) are under the jurisdiction of the Central Government.	