



RWANDA REVENUE AUTHORITY
TAXES FOR GROWTH AND DEVELOPMENT

IMMOVABLE PROPERTY TAX

HERE FOR YOU TO SERVE

WHAT IS IMMOVABLE PROPERTY TAX?

Immovable Property Tax means a tax levied on property that has a fixed location and cannot be moved elsewhere and improvements thereto.

TAXPAYERS SUBJECT TO IMMOVABLE PROPERTY TAX

- The immovable property tax is assessed and paid by the owner, the usufructuary or any other person considered to be the owner.
- The owner who lives abroad can have a proxy in Rwanda. Such a proxy must fulfil the tax liability that this Law requires from the owner. Misrepresentation is considered as if it is done by the owner.
- The tax liability on immovable property is not terminated or deferred if the owner of immovable property has disappeared without leaving behind a proxy or other person to manage the immovable property on his or her behalf.

IMMOVABLE PROPERTY TAX BASE

The immovable property tax is assessed and paid by the owner, the usufructuary or any other person considered to be the owner.

The immovable property tax is levied basing on the following:

- The market value of a building and related plot;
- The surface of land designated for construction but without any construction
- The surface of land not designated for residential use
- The surface of a plot of land with a building exempted from immovable property tax.

However, if the immovable property consists of a plot of land, a building and its improvements, the tax on immovable property is calculated on the market value of both the building and the related plot of land if the two are subject to tax.

TAX RATE ON IMMOVABLE PROPERTY

The tax rate on immovable property is determined as follows:

- Zero to FRW 80 per square meter of the surface of land
- 0.5% of the market value of both the building and related plot of land for residential use;
- 0.3% of the market value of both building and related plot of land for commercial use;
- 0.1% of the market value of both the building and related plot of land for industrial use, building and plot belonging to micro-enterprises and small business.

However, special consideration is given to the following:

- A plot and a building for residential use of three floors are taxed at the rate of 0.25% of their market value;
- A plot and a building for residential use with more than three floors are taxed at the rate of 0.1% of their market value;
- In determining the taxable value of a commercial or industrial building, machinery and other equipment attached to the building are not considered.

TAX ON SALE OF IMMOVABLE PROPERTY

There is established a tax on sale of immovable property levied in accordance with the following rates and modalities:

- A rate of 2% is levied on the sale value of an immovable property for commercial use if the seller is a taxpayer registered for income tax
- A rate of 2.5% is levied on the sale value of an immovable property sold by a person not registered for income tax

This tax is levied on the balance of the sale value of the property after deduction of FRW 5,000,000 which is not subject to tax.

IMMOVABLE PROPERTY EXEMPTED FROM IMMOVABLE PROPERTY TAX

The following immovable properties are exempted from the immovable property tax:

- One building intended by the owner to be occupied as his or her dwelling and its annex buildings located in a residential plot for one family. That building remains considered as his or her dwelling even when he/she does not occupy it for various reasons;
- Immovable property determined by the district Council or the Council of the City of Kigali as owned by vulnerable persons;
- Immovable property owned by the State, decentralized entities and public institutions, except if they are used for profit-making activities or for leasing;
- Immovable property belonging to foreign diplomatic missions in Rwanda if their countries do not levy tax on immovable property of Rwanda's diplomatic missions;
- Land used for agricultural, livestock or forestry activities whose area is equal to or less than two hectares;
- Land reserved for construction of residential houses but where no basic infrastructure has been erected;
- Plot of land on which a condominium is built or meant for construction of a condominium.

This exemption applies equally to each individually owned portion of a condominium if the portion is the only family dwelling.

However, commonly owned portions of the building are totally exempted from the tax.

TAX DECLARATION ON IMMOVABLE PROPERTY BY THE TAXPAYER

A declaration of immovable property tax is filed and paid by not later than 31st December of the year that corresponds to the first tax period.



**For more information, please
contact us on the following address:**

Call Center: 3004

Website: www.rra.gov.rw



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