Final report UGA-24171 DECEMBER 2025

Property tax in Kampala

Revenue collection, progressive rate bands, and valuation appeals

Nathaniel Badalov
Julius Mutebi
Kavya Ravindranath
Tanner Regan
Ezra Ssebuwufu

IGC

DIRECTED BY LSE UNIVERSITY OF OXFORD

FUNDED BY UKaid from the British people

Property tax in Kampala: revenue collection, progressive rate bands, and valuation appeals

Nathaniel Badalov, Julius Mutebi, Kavya Ravindranath,
Tanner Regan, & Ezra Ssebuwufu*

December 1, 2025

Executive summary

1. The KCCA has been highly successful at raising own-source revenue from property rates. Annual revenues more than doubled over 2018-2024, from 24 to 58 bn UGX. Yet, an estimated 37% of total annual liability was uncollected in 2024.

2. Revenues have typically come from properties in Central division, that have a commercial use, or are high value, but there is little remaining potential revenue from these types of properties. Future improvements to revenue will face novel challenges collecting from lower value, more residential, and more peripheral properties.

3. The KCCA recently introduced a 'rates bands' policy that lowered the tax rate from 6% to 4% on certain eligible properties valued below 5mn UGX. Surprisingly, the discounts had negligible effects on the compliance rate. So, revenues from discounted properties fell by about 20%. Overall, the policy lowered total revenue by an estimated 1.9%, or 612mn UGX annually.

4. The KCCA recently revalued properties in Central division, after which property owners could appeal the assessment in valuation court. Both processes appeared to increase regressivity in property assessment. Revaluation increased property values by 20%-40% on average, but by 50%-100% for those in the bottom third of initial value. Court hearings then reduced assessed values by an average 0.8%, but almost 6% for properties in the top two percent by initial value.

*Affiliations: Badalov – Department of Economics, GWU, Mutebi - Supervisor Research and Business Analysis at the KCCA, Ravindranath – Department of Economics, GWU, Regan – Department of Economics and Elliott School of International Affairs, GWU (tanner_regan@gwu.edu), Ssebuwufu - Deputy Director Business Support and Compliance Management at the KCCA. We thank Maria Orjuela Pava for support in the field. We gratefully acknowledge financial support from the International Growth Centre. We thank Daniel Jaqua and Paul Carrillo for helpful discussions. This project passed The George Washington University Committee on Human Research IRB review on 9/15/2024 [NCR245974]. We thank Maria Orjuela Pava and Mary Teddy Nakyejwe for helpful discussions.

1 Introduction

In 2014, the Kampala Capital City Authority (KCCA) started an ambitious expansion of their property tax roll, and by 2019, properties from all five divisions of the city had been enumerated, valued, and solicited for tax payments. Ten years on, we report on the state of this property tax which has become the most important own-source revenue for the KCCA, and yet has much room for improvement in collection. To do so we first provide descriptive statistics on how tax collection has evolved over time, which types of properties have historically raised the most revenue, and where most potential revenue remains to be collected. We then turn our focus to a recent policy change that introduced a lower tax rate on low-value properties, and analyze its affects on compliance and revenue. Finally, we describe recent property re-valuations in Central division, and the resulting objections and hearings at the city valuation courts.

In the first part of this report we give an overview of property rates and the revenue it raises for the city of Kampala. We find that the KCCA has been remarkably successful in improving tax collection since the completion of their new property registry in 2019/20. Annual revenues more than doubled from 2019 to 2023, and now bring in around 58bn UGX per year. The increase in revenues has come by raising more from properties in the most central locations, commercial properties, and the highest value properties. However, still only around 63% of potential annual revenue was collected as of 2023/24. Further, the remaining potential revenue predominantly lies in a different set of properties– those that are in more peripheral locations, residential properties, and the lowest value properties. These properties will pose new challenges to improving revenue collection since there are many more of them, they are in areas with lower earning potential, and have more protection against enforcement (residential rented properties cannot be locked up if dues are unpaid).

We then focus in on one particular recent policy change to property tax in Kampala. We analyze the 2021 'rates bands' policy that lowered the statutory tax rate from 6% to 4% on eligible low value properties. The purpose of this policy was to encourage payments from more low-value properties which tend to comply at low rates, and to address vertical equity concerns raised by the public and their representatives in government. The policy applied differential rates above and below a threshold level of property value for a large subset of properties. This allows us to estimate the effect of the policy using regression discontinuity design. We find that the 33% reduction in liability induced by the rate change led to no detectable change in the propensity of properties to make a payment, a somewhat surprising result considering the related literature tends to find substantial positive compliance effects of reducing property tax liability (Bergeron et al., 2024; Brockmeyer et al., 2023; Best et al., 2025; Ajzenman et al., 2025). The policy effect's on amount paid is negative, falling by about 19%. We estimate that, over the

three years post-policy, the rates bands has reduced total revenues by about 1.8bn UGX or about a 1.9% reduction in total revenue collected over this period.

Interestingly we find that the rates band discount policy not only reduced payments from eligible properties, but also substantially from ineligible ones (e.g. commercial use properties). We investigate this more closely by studying the rates implied by payments made ('effective rates') and find that around a quarter of apparently eligible properties continue paying the full 6% rate and around two thirds of apparently ineligible properties paying the discounted 4% rate. Given data constraints we are unable to discern exactly why this happened, however we provide evidence of examples that suggest that properties were billed in a way that was not consistent with the official eligibility criteria. Further research on this front is required to better understand how this policy was implemented.

In our final analysis we study the first revaluation of properties since the new expansion of property rates and the corresponding valuation court records. Central division was the first to be revalued and properties here were first billed their revaluation in July 2023. Properties were able to appeal the revaluation of their property at a valuation court hearing. We first describe the results of the revaluation process finding that it raised the assessed rateable value for a majority of properties (typically by about 20% or 40%) and reduced values for only very few. Further, the increase in rateable values was highest for those that had initially low rateable values, e.g. average increases of 50%-100% for properties in the bottom third of initial value. We then describe the types of properties that took their property to valuation court, the results of those court hearings, and then the aggregate effect on property values across the distribution of properties. We find that high value properties in the top decile were by far more likely to attend valuation court. The average property appears in court at a rate of about 3%, while properties in the top 2 percent by initial value appeared at a rate above 20%. Conditional on attending, most properties were adjusted to a lower rateable value (20%-50%) regardless of their initial value, though lower value properties were more likely to be fully exempted. The relatively high attendance rates of high value properties led to valuation courts lowering the average rateable value especially for high value properties. The total effect of valuation courts lowered the rateable value by less than 2% for properties in the bottom 90 percent of initial value, and by almost 6% for those in the top 2 percent by initial value.

This report is structured as follows. In Section 2 we give background on the context of property rates in Kampala and a review of related literature. Section 3 briefly describes the data used in the study. We then discuss our analyses of revenue collection and compliance in Section 4. Our analysis of the rates bands policy is in Section 5 and for revaluation and assessment appeals at valuation courts in Section 6.

2 Background

Before moving on to our main analyses we first give background on the context of the study and related literature.

2.1 Uganda context and property rates in Kampala

Uganda is a constitutional republic with two levels of government; central and local. The local governments, particularly cities and municipalities, are responsible for administering property tax, otherwise known as property rates. Their duties include identification, valuation, billing, collection, and enforcement (Franzen and McCluskey, 2017). In the case of Kampala, such duties are done by the Kampala Capital City Authority (KCCA).

The Local Government Rating Act, 2005 (LGRA) created a legal framework which empowered local governments in Uganda to impose and collect the property rates (Parliament of Uganda, 2005). The central government duties in relation to property rates is to provide the legal framework, oversight, and help local government staff, by providing the training in property valuation and tax collection (Franzen and McCluskey, 2017).[1]

One of the key features of Uganda's decentralized tax system is that property rates revenues are kept by the local authorities and are not sent to the central government (Franzen and McCluskey, 2017). Revenue from property rates are seen as a means to reduce dependence of local governments on the national government and international organizations (New Vision, 2023; Bukkede, 2023), and a necessary source of funds for better quality roads and city lighting The Cooperator (2023). Historically it has been a significant source of revenue, e.g. generating about 2% of combined tax revenues of central and local governments in 2008/2009 and about 31% of KCCA revenue in 2007/08. The local governments are obligated use at least 75% of those funds for local service delivery and infrastructure.

The LGRA details how property should be valued, taxed, and enforced (Parliament of Uganda, 2005). Valuation is determined by an assessment of annual rental value (ARV), rather than the capital value of the property.[2] The rateable value of a property is calculated from the assessed gross annual rental value minus a fixed proportion to account for vacancies. The local governments tend to outsource the valuation of the properties to contracted experts, but the KCCA does valuation themselves using their Computer-Aided

[1] Besides property rates, property owners may also be responsible for other property-related taxes, including the property transfer tax, capital gains, and rental income tax, all of which are collected by the central government. They might also pay stamp duty when buying property, and ground rent if the land is not fully owned.

[2] ARV is a widely adopted standard for property taxation in Africa, with 26 out 55 surveyed African countries using annual rental values as a base for property taxation (Franzen and McCluskey, 2017). This system is common due to several factors; it was often inherited from British colonial rule, rents are usually easier to estimate than capital value, and ARV assessment is considered to require less data than capital value assessment.

Mass Valuation (CAMV) system and database (Franzen and McCluskey, 2017). The KCCA valuers use a combination of their own field research, property level characteristics and photos collected by enumerators, and satellite imagery as in Figure A.7. Keeping property valuation records updated is a significant challenge, e.g. as of 2010 Uganda as a whole had only 32 qualified valuers. Thus, up until 2017 Kampala was still using the valuation list from 2005 with minor updates.[3]

In 2014, KCCA started an ambitious expansion of their property tax roll. The first round of property revaluations was completed for Central division in 2017 (KCCA, 2017*a*). Revaluations were completed for Nakawa division by 2018, and the remaining divisions; Kawempe, Rubaga and Makindye, were completed by 2019 (KCCA, 2018; The Independent, 2019*b*). Therefore, July 2019 was the first year that properties from all five divisions were billed using the new property values.

The LGRA has given local governments power to set their own property tax rates, so long as they do not exceed 12% of a property's "Rateable Value" (Parliament of Uganda, 2005). In Kampala, the baseline tax rate is 6%, though we will see below that recent policies have introduce value bands for which this rates differ. While all properties in Kampala are meant to be valued, not all properties are taxed. Property taxes are exempted from owner-occupied residential properties, government, religious, charitable, educational, and cultural-purpose properties.[4] Some citizens have seen owner-occupied homes being tax exempt while still enjoying the benefit of public services as an unfair policy (The Independent, 2019*a*, 2022*a*).

The LRGA requires notice of property rates; within seven days of determining the date, each local government must publish a description of the property on which the rate is levied, the rateable value of the property and the amount charged in the *Gazette* and at least one local newspaper. The KCCA also uses SMS messages to notify tax payers, see for example Figure A.6. Local governments set the deadline for payment, and can charge arrears of up to 2% per month on payments unpaid past 30 days from the deadline. The LRGA allows enforcement through warrant, recovery from tenants, or recovery by action.[5] Aside from enforcement, the KCCCA has made efforts towards increasing compliance by raising awareness about tax revenues contributing to public service delivery (Parliament

[3]Such long delays in revaluation implicitly forgo substantial increases in potential tax revenue from appreciated property values The Independent (2019*b*). Notably house prices and rents have been on the rise in Kampala (Uganda Business News, 2024; Reality Plus, 2024).

[4]Out of the 26 countries with a tax on ARV, there are four countries that fully exempt primary residence and another six countries that give partial reliefs to primary residences. There are also four African countries that at least partially exclude primary residence from property taxation from the 29 that do not have ARV-based taxes (Franzen and McCluskey, 2017).

[5]As an example of recovery by action, there are reports of the KCCA locking down the premises of properties for which property rates are past due, as seen on reported to the official KCCA twitter account last accessed on Aug 6, 2025 at x.com/KCCAUG/status/1791447309474988503. There are also reports of the KCCA locking up properties as an enforcement mechanism for ground rent arrears (KCCA, 2017*b*).

Watch, 2024).

2.1.1 New rates bands policy in Kampala

Initially, all non-owner-occupied properties in Kampala were billed liabilities at 6% of their rateable value. A new 'rates bands' policy was introduced to lower rates on certain, low value, properties. Figure A.1 shows copies of this first rate bands criteria as tabled to council (panel a), and as passed (panel b). The policy was passed in January 2020 by Lord Mayor, Erias Lukwago (The Independent, 2020). However, the new rates were not effective until July 2021 (at the start of the 2021/22 Fiscal Year). Details on the rate bands criteria are given below, but roughly the passed council resolution lowered rates to 4% on rented residential properties with rateable value below 5mn UGX and were the lowest valued property among an owner's (COIN) set of properties, while all other properties were kept at a rate of 6%.

Based on the passed council resolution in Figure A.1 panel (b), the official criteria for the first rate bands was the following: (1) If a client owns an 'owner occupied' property, all 'residential rented' and 'non residential' properties (e.g. commercial) owned by the same client are charged a rate of 6%; (2) If a client owns an 'owner occupied' property and a 'residential rented' property, both of which have a total rateable value less than UGX5,000,000, then the said 'residential rented' property in such a case is charged a rate of 4%, else a rate of 6% shall apply; (3) If a client has no 'owner occupied' property, the least valued 'residential' property whose rateable value is below UGX5,000,000 shall be charged a rate of 4% and the rest of 'residential' properties owned by the same client are charged 6%; and (4) All 'non residential (commercial)' properties are charged 6%.[6]

Despite the discount offered in the first rate bands policy, property owners still felt that their tax liability was overly burdensome (The Independent, 2023). This led to a further revision of the rate bands. The second rates bands policy imposed three bands to rented-residential properties: 6% for those with rateable value above 5mn, 4% for those with 3mn to 5mn, and 1% for those below 3mn. Again, a flat rate of 6% was to be levied on all other properties (KCCA, 2024). The second rates bands policy was approved June 2023, and effective from July 2024. Since our payments data is only available up until the 2023/24 fiscal year, we only analyze the first rates bands policy in this report.

The LGRA section 26 requires that every local government gives publication within seven days of making a rate (Parliament of Uganda, 2005). However, the official criteria for both rate bands policies are more narrow than what is often communicated in the media and even what is publicly communicated by the KCCA, e.g. ignoring the criteria

[6]Notably some of the criteria are conflicting or redundant as written. For instance, (1) conflicts with (2) because the first seems to apply a rate of 6% to any property owned by someone who owns an owner-occupied property while the second says this is conditional on the value of the owner occupied property, and (4) makes the commercial property part of (1) redundant.

based on residential status and ownership of multiple properties (The Independent, 2020; Kikubo Lane, 2023; KCCA, 2024).[7] Also, the KCCA's eCitie portal through which property rates and other municipal payments are made only mentions the 6% rate and is not yet updated to reflect these rate bands.[8]

2.1.2 Valuation courts

The LGRA part IV provides a means to object and appeal the assessment of a property's annual rental value (Parliament of Uganda, 2005). Once valuation for a local area is complete, a draft valuation list must be produced and disseminated through the *Gazette* and at least one local newspaper. If someone disagrees with their valuation in the draft list, they have 30 days to send the local government a notice of objection.[9] Timely objections are then heard by a valuation court, which summons both the objector and valuer and makes a determination on alterations to the draft valuation list. Valuation courts are meant to hear all objections within six months for the final valuations to go into effect the next fiscal year.

In Kampala, after finishing the first round of property valuations for Central division in 2017, the KCCA released all valuation amounts (KCCA, 2017*c*). Objections were then raised for 3% of the properties valued and taken to a valuation court (KCCA, 2017*c*). Central division was then revalued, with courts hearing objections, and then billed in July 2023. In this report, we analyze the valuation court records for these 2023 revaluations in Central Division. More recently, draft re-valuation lists were prepared for Nakawa division and posted on March 15, 2023.[10]

Many of the objections seen at the Kampala valuation court stem from confusion regarding the process of property valuation (KCCA, 2024; The Cooperator, 2022; The Observer, 2022; Real Muloodi, 2024). Other reported objections include vacant rooms being counted as having tenants and whether a properties are classified as owner-occupied or not (Daily Monitor, 2021; Uganda Radio Network, 2022; The Independent, 2022*b*). At

[7] For instance, the The Independent (2020) writes "4% tax burden on property generating Shillings 5 million and below and 6% for property generating above Shillings five million annually" and the KCCA (2024) writes "individuals earning over UGX 5 million per annum on their property pay 6%, those earning between UGX 3 million and UGX 5 million pay 4%, while those not earning more than UGX 3 million from their commercial houses in a year will be charged a reduced rate of 1%". Both sources also obfuscate the important distinction in the LGRA (KCCA, 2017*d*), which is that owners are taxed based on rateable value not the gross annual earnings of the property.

[8] Last accessed on August 6, 2025 at ecitie2.kcca.go.ug/portal/revenue-sources-property-rates/

[9] In Kampala, the 30 day limit has been seen as a constraint by at least several taxpayers that were unable to file their objections in time (Uganda Radio Network, 2022). Related, an annual subscription to the Ugandan Gazette costs 1.4mn UGX, more than the annual liability of the bottom 90% of properties (see uppc.go.ug/gazette last accessed Aug 7, 2025).

[10] The KCCA twitter account disseminated an invitation to property owners in Nakawa to visit the division office and verify their property's valuation. In replies to this tweet citizens complained that a physical list was inconvenient and that they should have posted digital versions. Last accessed Aug 6, 2025 at x.com/KCCAUG/status/1635946546217795586

least one publication has claimed that, out of an interest of transparency, the Kampala city valuation court has launched a website where rulings will be made accessible to the public (Real Muloodi, 2024), however, such a website does not seem to exist as of now. It is important for the KCCA to maintain clear channels of communication with taxpayers. In the past, poor communication and politicization of the city's taxes have led to declines in collection. For example, following a political speech by president Museveni admonishing the city's taxes, tax collections dropped drastically (New Vision, 2006).

2.2 Literature review

2.2.1 Property tax compliance in Africa

There is a broad literature on property tax in Africa. Some descriptive studies suggest potential improvement for property tax systems including inter-agency cooperation, regular and transparent property valuations, technology-driven property databases, and strengthening capacity (Oyalowo et al., 2021). Focusing on property valuation, Knebelmann et al. (2024) conduct an RCT in Dakar, Senegal to study the relative effectiveness of algorithmic assessment versus bureaucratic discretion. They find that bureaucrats tend to undervalue properties, particularly those with higher market value, resulting in regressive taxation.

There is extensive literature studying whether a signal, or reminder, can improve property tax compliance. Messages reminding taxpayers about enforcement measures has been shown through various RCTs to raise compliance in Kananga DRC (Bergeron et al., 2024), Dar es Salaam Tanzania (Collin et al., 2025), Kampala Uganda (Manwaring and Regan, 2025), and, when coupled with identifying information of the property, in Freetown Sierra Leone (Okunogbe, 2019). Some of this literature also explores the effects of message reminders that invoke reciprocity, or the notion that property taxes help fund public services in the city. While Blake and Kriticos (2019) argue that reforms should focus on increasing the perceived benefits of tax payment by showing taxpayers that their money goes toward better public services, the RCT evidence is more mixed. Collin et al. (2025) find reciprocity messages raise compliance in Dar es Salaam Tanzania, while Manwaring and Regan (2025) find no such effects in Kampala Uganda.

2.2.2 Tax rate bands policies

In this report we evaluate the rates bands policy effect on tax compliance and revenues using a regression discontinuity design (RDD) approach. Here we review some related papers from the literature.

The regression discontinuity method is particularly appropriate for the study of tax rate thresholds in the context of property tax due to property liability being relatively

difficult to manipulate. Brockmeyer et al. (2023) use RDD to study the effect of a property tax hike in Mexico city and demonstrate that it satisfies both no manipulation of the running variable and no discontinuity in other covariates at the threshold. They find that tax hikes reduce compliance (elasticity around -0.3 to -0.4 but increase revenue in their context.

Ajzenman et al. (2025) study the effect of progressive property taxes on property tax compliance in Tres de Febrero, Argentina. They use RDD exploiting sharp tax rate changes at two property value thresholds to estimate effects on compliance. They find compliance elasticities of -0.26 for the poor, and -0.48 for the rich. So again, tax hikes would increase revenues. They further implement an RCT to show that awareness of progressivity in the tax schedule increases compliance from the poor, but has insignificant negative effects on compliance of the rich.

Bergeron et al. (2024) use an RCT (rather than RDD) to study the effect of property tax hikes in Kanaga, Democratic Republic of Congo. They find a compliance elasticity around -1.246, so cutting the property tax rate results in higher revenues unlike the Mexico and Argentina contexts from the papers above. In Kananga, a 34% reduction in property tax would maximize tax revenue.

Best et al. (2025) use a spatial RDD where tax liabilities jump across geographical boundaries in Manaus, Brazil. They retrieve a naive estimate of the compliance elasticity to the tax liability of -0.62. They note however that this is likely a biased estimate since inequity also increases across the geographical borders. Their paper focuses on estimating this compliance response to inequity, finding that a 1% increase in horizontal inequity leads to a 0.12-0.25% decrease in compliance.

2.2.3 Property assessments and appeals

In this report we describe the revaluation of proeprties in Central division, the resulting selection of properties into valuation courts, and the results of the court hearings. Here we review some related papers from the literature which tends to be limited to developed countries.

Atilola et al. (2017) describe and compare the property valuation and appeal procedures in UK, Nigeria, and Malaysia. They conclude that the systems in Malaysia and Nigeria discourage people from appealing property valuations compared to the UK which allows many reasons to object and has fair and simple process with no upfront payment to file an objection. On the other hand, Malaysia and Nigeria require upfront payments of the full tax amount before appealing and Malaysia uses regular courts for disputes, which slows the process. As discussed above, Kampala has a specialized valuation court, and no obligation to pay any tax amount before appeal. However, appeals must be made within 30 days of the draft list being published, which may require attending a division

office in person in order to review the draft.

The literature on the US property assessment appeals is more developed. McMillen and Weber (2010) investigates the determinants of appeals in Cook County, Illinois finding that people are more likely to appeal, and succeed if they live in information-poor neighborhoods with few comparable recent sales for assessors to make valuations. They also find appeals to be more likely if they live in expensive areas, have larger houses, are more likely to be educated, or had neighbors who decided to appeal. Finally, those who made appeals had seen a large increase in their assessment, but this did not affect the likelihood of success. Instead, successful applicants were those that appealed on their own (without community support or legal representation). Holz et al. (2025) through an RCT find that telling homeowners how often the richest 1% or comparable households file property-tax appeals increases perceived unfairness but does not change their appeal behavior. In contrast, information about expected monetary gains from appealing significantly raises appeals. Giaccobasso et al. (2025) show that the perceptions of how tax dollars are used affect the likelihood of filing a tax appeal. Furthermore, individuals are more willing to pay taxes when they believe that the tax-funded government services will yield greater personal benefit. McMillen (2013) studies the effect of appeals on the distribution of property values in Cook County. He finds that appeals make the assessed values of homes more consistent with the actual ones, but this tends to especially benefit the high-value homes, making the property tax system more regressive. Ross (2017) conducts a similar study in Cook County, finding that post-appeal vertical equity is reduced compared to pre-appeal. Several other papers show that regressivity in the property tax schedule is common in the US; cheaper homes are typically assessed at higher value relative to their actual price, compared to more expensive homes (Berry, Christopher, 2021; McMillen and Singh, 2019; Amornsiripanitch, 2024).

Studying Miami-Dade County in Florida, Doerner and Ihlanfeldt (2014) find results that echo those from Cook County. Appeals tend to result in a more accurate reflection of sales prices, but homeowners from high-income neighborhoods are more likely to file formal appeals and win them. Similarly again, Plummer (2014) shows that appeals in Harris County, Texas improves the accuracy, but high-value homes tend to receive disproportionately large reductions.

3 Data and sample description

We use KCCA administrative data. including data extracts from the payment records and annual property rates bills from the eCitie tax database. We also combine valuation court records for Central division.

3.1 Payments

The payment histories record the amount and date of each payment made towards a property identified with an ID called `propertyno`. Payments data are extracted for the entire study period from the 2019/20 to 2023/24 fiscal year. Importantly, properties are only observed in our payments data if they make a payment so in order to study also those properties that do *not* make payments we need to match the payment data with the full set of properties. To do so we match payments by `propertyno` to the billing data described next.

3.2 Annual Bills

The bills are created every year in July for each taxable property. The billing data includes property owners identified with an ID called `COIN`. The bills record the rateable value of the property and the annual liability. In our study we came across an issue that the data extraction system always calculates the liability as 6% of the rateable value even for property-years that should have discounted rates. We discuss this issue further in Section 3.2.1 below. The billing data also includes a short set of characteristics including the property's location (e.g. parish) and type (e.g. residential, commercial, institutional, etc.). Further, while we do not use these in this report, more detailed characteristics of the property collected for the Computer-Assisted Mass Valuation (CAMV) programme can be retrieved by matching properties with an ID called `CAMVID`.

We have records of properties that were in the property tax roll when bills were sent in the July of each fiscal year 2019/20, 2020/21, 2021/22, and 2023/24 (we are missing billing records for fiscal year 2022/23). We first clean up this data a few different ways, but notably we keep only properties labeled as status 'Rented' and exclude properties labeled as type 'exempted', since these properties are not charged property rates. From the remaining properties we drop those with inconsistent records over time. Notably, there are just over 4,000 properties with a unique owner identifier (COIN) that changes over the years. To be consistent we remove any properties that do so from the dataset.

We first check how well the billing records for each fiscal year match each other. Appendix Figure A.8 plots how these billing records match up across fiscal years. First, most properties (about 189,300) appear in all four of the fiscal years for which we have data. However, there are also a substantial number of properties that only appear in the 2019 bills (about 26,800), that appear only in 2023 bills (about 24,500), or that appear in the 2020 and 2023 bills but no others (about 22,300). Of additional note, is that almost all of the properties that appear only in 2019 are from Nakawa division, while for properties that only appear in 2023 or 2020 & 2023 almost all of them come from Makindye, Rubaga, or Kawempe.

As another check on the billing records, we use the matched payments data in Figure

A.9 which plots the total amount paid each financial year, broken down by the years in which a property has been billed.[11] The vast majority of payments come from properties that appear in all billing years; for payments in FY 2023/24, about 78% of revenues come from properties that appear in all billing years. Yet, that leaves a non-negligible amount of revenues coming from other properties. Again in FY 2023/24 about 7% of revenues come from properties that were only billed in 2019, about 9% come from properties billed in other years, and about 7% of revenues come from properties that do not appear in the cleaned billing data at all. A similar proportion, 79% , of properties that make a payment can be found in bills as seen in Figure A.10. This suggests that paying properties billed in all years are not systematically higher or lower valued.

To summarise, out of roughly 265,000 unique properties that appear in at least one billed fiscal year there are 189,300 (70%) that appear in all billed fiscal years. Properties that appear in all billed years account for most payments, yet still about 20% of revenues in 2023/24 came from properties billed only in a subset of years, or that do not appear in bills at all. We proceed with these data as they are, but remind readers that some puzzles remain with the billing data. For instance, why are properties that were only billed in July 2019 still contributing so much to revenues in 2023/24? Where do the payments that do not match any of the billing records come from?

For the our analysis of potential revenues and the rates bands policy below we require a sample of properties that stays fixed over time, so we restrict the sample to only on those properties that appear in all billing years. We call this our 'Focus Sample'.

3.2.1 Defining discounted rate eligibility

The billing data that we collected from the KCCA revenue directorate had not updated the annual property liabilities following the rates bands change, they were left unchanged at a constant 6% of the property's rateable value. Therefore, for the analysis of rate changes, we do not know with certainty which properties were billed at which rates and so we must construct rate discount eligibility based on the official criteria outlined in Section 2.1.1. To do this, we focus on residential properties that were 'eligible' for the discounted rate. We define eligible properties as those rented residential properties where the property owner has one or zero owner-occupied properties and (i) the owner-occupied property (in cases where one exists) has a Rateable Value of below 5mn UGX, and (ii) the rented property has the least Rateable Value amongst all properties owned by the property owner. Notably, some of these 'eligible' properties will be below 5mn UGX (so should receive a discount) and others will be valued above 5mn UGX (so will not receive a discount). This specification facilitates our regression discontinuity design among the set of 'eligible' properties around the 5mn cutoff. All other properties are defined 'ineligible'

[11] We will see that the payments data is comprehensive from Figure 1.

which in our analysis below we further split into commercial properties, and ineligible residential properties.

3.3 Valuation court records

We collected data on valuation court rulings for Central division in 2023. These hearings resulted from objections raised following the first re-valuation of Central division properties. The data include the `CAMVID` for each property heard in a ruling, the rateable value of the property going into the ruling, and outcomes of the ruling. The outcomes include the rateable value as per the valuation court ruling, as well as notes for other sorts of rulings. From the notes we classify properties that were ruled to be merged together into a single `CAMVID`, and properties that were ruled to be exempted (due to owner-occupancy, demolished buildings, charitable use, etc.). Finally, we drop properties where the ruling was not related to a value change, e.g. a change of owner name.

4 Property rates revenues and compliance

In this section we give an overview of property rates and the revenue it raises for the city of Kampala. We first start by looking at trends in revenue and payments over the past few years. We then turn to look at which types of properties have contributed to these trends in revenue and discuss implications for the future of revenue generation from property rates in Kampala.

4.1 Trends in payments

In Figure 1, we examine the total amount of payments collected through property rates each fiscal year from 2017/18 to 2023/2024. The figure combines two series: aggregate statistics from KCCA's report on Annual Revenue Collections 2017-2022 (orange bars), and our own aggregates of property level payments from 2019-2023 (blue bars). There are two takeaways. First, the two series map each other very closely in years that they overlap (2019/20-2021/22). This suggests that the payments data that we use in subsequent analysis is complete and not missing significant portions of payments. Second, we can see that much progress has been made in property rates revenue over the years. Aside from the year of the COVID19 pandemic (2019/20), revenues increased every year from 2017/18 to 2023/24. Annual revenues in 2023/24 are close to 2.5 times those from 2017/18. In Appendix Figure A.11 we see that the number of properties making a payment is generally increasing (orange bars), but at a slower rate than revenues.

Zooming in more closely we can look at revenues and payments over months. In Figure 2 we break down the amount paid and count of payments by month as a share of the total

in each fiscal year. This shows that, keeping the annual totals fixed, we see that revenues and payments are shifting later into the fiscal year over time. For instance, in 2019/20 a large share of payments and revenues came in the first half of the fiscal year with little in the second half. This was similar for revenues in 2020/21, but in 2021/22 revenues and payments start to become more common in the later part of the year. In 2022/23 and 2023/24 revenues and payments are roughly evenly spread out throughout the year. This is an important shift as the KCCA has stated an interest in encouraging payments before their official deadline on December 31 each fiscal year, rather than before the end of the fiscal year on June 30 after which late payments accrue interest and potential penalties.

We can zoom in even further to look at the revenues and number of payments by week. To do so we focus on the weeks heading up to payment deadlines. We order weeks leading up to each of the two relevant deadlines: December 31 (official deadline for making property rates payments) and June 30 (end of financial year, after which late payments accrue interest). Figure 3 plots share of payments by week with each panel corresponding to a fiscal year. There are three takeaways here. First, we can see that part of the reason why revenues were coming in at a higher rate in the first half of the 2019/20 fiscal year was the dropoff in revenues in payments during the COVID pandemic starting in April 2020, i.e. about 12 weeks before the June 30 dewadline that year (panel a). Second, we can see a substantial increase in payments made during the six weeks leading up to June 30 deadline in 2021 (panel b) and the December 31 deadline in 2021 (panel c) when the KCCA implemented a large text message reminder experiment (Ahabwe et al., 2023). As part of the experiment, reminders to pay property rates were sent during the 6 weeks prior to each of these deadlines; it appears that these reminders substantially increased payments. Third, again it is striking how evenly spread revenue and payments have become throughout the fiscal year since 2022/23 (panels d and e).

Finally, in Appendix Figure A.12 we break down the number of payments made by the day of the week for each fiscal year. This shows that most weekdays see similar number of payments, Saturdays see few payments, and Sundays see no payments. These patterns are stable across all fiscal years.

4.2 Analysis of payments and revenue in focus sample

Using our 'Focus Sample' of properties that are billed in all years, we look at both revenues and potential revenues (the amount of annual revenue possible if all properties paid their current rateable value). Further, we break down revenues into different groups of properties.

In Figure 4 we plot the actual and potential number of paying properties (panel a) and the actual and potential revenue (panel b). In this focus sample the number of paying properties (panel a) has increased only slightly over time, as we saw before from

the full payments data. This shows that progress on the compliance rate (the share of properties making any payment) is much more limited; starting at 12.7% in 2019/20 to 14.1% in 2023/24. Further, looking across all five fiscal years 2019/20-2023/24, a full 78% of properties have never made a payment (see bottom row of Table A.2). Turning to panel b, we can see that revenues in this focus sample are also rising over time. Unlike the compliance rate, the increased share of potential revenue raised is much more substantial; starting at 35% in 2019/20 to 64% in 2023/24. In the next section we breakdown this revenue increase by different property characteristics in order to understand how revenues were increased substantially without large increases in the compliance rate.

4.2.1 Breakdown of revenues into property groups

Figure 5 breaks down revenues and potential revenues into groups of properties.

Looking at divisions (panel a) first, we can see that Central has always contributed the most to revenues (from 15bn in 2019/20 to 20bn in 2023/24). However, the gains in revenues over this period have come from all divisions: Central and Makindye have both seen annual revenues increase by 5-6bn while Nakawa, Rubaga, and Kawempe have seen increases of 2-3bn over the study period. Furthermore, as of 2023/24, Central and Nakawa have only 6bn (2+4) in remaining potential revenues, while the other three divisions have 21bn (6+7+8) in remaining potential revenues. Therefore potential future gains in revenue collection will mostly need to come from the later three divisions.

Turning to property types (panel b), commercial and residential properties have been the largest contributors to revenues. Focusing on these two types, commercial property revenues have increased from 13bn to 24bn and residential property revenues from 6bn to 13bn. However, as of 2023/24, the vast majority of remaining potential revenues come from residential properties (20bn), whereas commercial and other properties represent only 1bn and 5bn in remaining potential revenues respectively.

The breakdowns by rateable value (panel c) show similar patterns. The higher value properties tend to have brought in more revenue. For example, in 2023/24, properties with RV > 30mn contributed 27bn (15+12) which is 60% of total revenue (27/45) even though this group of properties represents less than 3% of all properties (as can be seen in Table A.1). Comparatively, the bottom 97% of properties (those valued below 30mn), contributed the other 18bn (4+5+9) in revenues. The high value properties have also seen large gains with their annual contributions rising by 10bn from an initial 17bn (8+9) in 2019/20. The annual contributions of lower value properties have also increased by 10bn from an initial 8bn (2+2+4) in 2019/20. However, the group of properties with an RV < 30mn represent the largest source of remaining potential revenue as of 2023/24, amounting to 24bn (14 + 6 + 4), while properties valued at an RV > 30mn have less than 2bn (0+1) remainder.

To summarize, the KCCA has been remarkably successful in improving tax collection since the completion of their new property registry in 2019/20. This has been a story of raising more from properties in the most developed locations (e.g. Central and Nakawa divisions), commercial properties, and the highest value properties. However, as we saw in figure 4, still only around 63% of potential revenue was collected as of 2023/24. Further, the remaining potential revenue predominantly lies in a different set of properties– those that are in lesser developed locations (e.g. Makindye, Kawempe, and Rubaga divisions), residential properties, and the lowest value properties. These properties will pose new challenges to improving revenue collection since there are many more of them, they are in areas with lower earning potential, and have more protection against enforcement (residential rented properties cannot be locked up if dues are unpaid).

5 New property rates bands

In this section we analyze the effect of the first rates bands policy on payments and revenues. First, we study whether the policy had an effect on the tax rate that properties paid. While this may appear trivial, we find evidence that properties were billed in a way that was not consistent with the official eligibility criteria. Second, we study the effect of the policy on the overall payment propensity and amount paid, and use these estimates to quantify the policy's effects on revenue. We find that the policy had no detectable effect on the propensity to make payments, but due to the reduction in rates, revenues fell. Throughout we will we employ a regression discontinuity design around the 5mn UGX rate bands cutoff to study the effect of being 'treated' with a discounted rate.

5.1 Policy effects on the tax rate: analysis of 'effective rates'

Here we investigate whether the policy had an effect on the tax rate that properties paid. This may appear to be a trivial question, but it is not straightforward because the IT system that extracts the data to conduct reports was not updated to reflect the rate bands changes. To do so, we will aim to infer the billed tax rates based on what we call the 'effective rate' that we can observe in the data. We again rely on our focus sample of properties that appear in every year of billing data that we have collected. With this sample we create a balanced panel where each observation is a property-year.

The 'effective rate' is calculated as the amount paid by a property in a given year as a share of the property's rateable value, i.e. $t_{it} = \frac{\text{paid}_{it}}{\text{RV}_i}$ for property i and year t. So, for example, prior to the rates bands change, properties that are compliant with the tax should have an effective rate of 0.06 matching the policy rate of 6%, and following the rates bands change, eligible properties that are compliant should have an effective rate of 0.04 matching the policy rate of 4%. In reality, properties may pay effective rates that

differ from their policy rate. For instance, they may be misinformed about the policy rate they owe, or they may pay for accumulated past debts, penalties and accrued interest in addition to their annual liability. Also, notably, many properties pay nothing at all and so their effective rate is zero. Since this is not informative of the underlying tax rate, we cut down our sample to only properties that make a payment in every year (therefore they never make a zero payment, and rarely pay interest, fines, or accrued debts) from our analysis in this section.

5.1.1 Effective rates largely correspond to policy rates

To start our analysis, we take only properties that always make a payment, i.e. dropping any properties with at least one property-year with zero payments made. We then create a dummy equal to one when the effective rate rounded to the nearest percent is x%, i.e. $D_{x\%} = \mathbb{1}(x - 0.5 \leq t_{it} < x + 0.5)$.

Figure 6 shows the average propensity to pay for the distribution of effective rates from 1% to 20%, for properties above and below the 5mn UGX cutoff and for each year. As an example, take properties below 5mn in 2019 (panel a) where a large majority of properties paid an effective rate of 6%, as expected. This pattern is also clear for properties above 5mn in 2019 (panel b), and similarly in 3030 (panels c & d). This pattern changes moving into years post-policy. Notably we start to see many properties below 5mn paying the discounted 4% rate from 2021-2023 (panels e, g, & i), but for properties above 5mn they continue to pay the full 6% (panels f, h, & j). Finally, in most years we can see that properties sometimes pay neither 4% nor, 6%, most notably 12% tends to be the third most common effective rate. This is largely due to properties paying late payment fees or making back payments on accrued debt that totals more than 6%, which we discuss in Section 5.1.2 below.

So, we can see clearly from this set of 'always payer' properties that the discounted rate takes effect below 5mn from 2021 onwards. However, many properties below 5mn continue to pay the full 6%. These could be the properties that are ineligible for the discount (e.g. properties for commercial use), however the light grey bars show that this is not the case. A large chunk of properties paying 4% should be ineligible (dark grey), and a large amount of properties paying 6% should be eligible (light grey). Finally, among this set of always payers below 5mn post-policy, on average 62% pay a 4% effective rate while only 36% are eligible for a discount.

We explore this further by looking along the rateable values of properties to make sure that the discount is applied exactly around the 5mn cutoff. In Figure 7 we plot, for each fiscal year, the mean of the $D_{4\%}$ (blue) and $D_{6\%}$ (red) indicators by bins of rateable value around the 5mn UGX policy rate cutoff.[12] Panels (a) and (b) are the fiscal years before

[12]Since our focus is on properties near the 5mn cutoff, we only plot properties with rateable values

the rates band policy was implemented, and panels (c)-(e) are those after the policy was implemented. In the post-policy years we can confirm that the discount is applied right at the 5mn cutoff. For example, in 2021 (panel c) we see jumps in the propensity to pay around the 5mn UGX cutoff. That is, for those just above the 5mn cutoff the propensity to pay an effective rate of 6% rises and the propensity to pay an effective rate of 4% falls to roughly zero. These jumps are to be expected as they suggest that at least some properties below 5mn were induced to switch from paying 6% to paying 4%. The same pattern arises also in the other post-policy years 2022 and 2023 (panels d and e).

In sum, the evidence suggests that the policy induced many properties below 5mn to pay a rate of 4% rather than 6%. However, even in this restrictive 'always payers' sample, many (around 20-40%) of the properties below 5mn continue to pay 6% rather than the discounted 4%. We explore this further in section 5.1.3.

5.1.2 Effective rates partly reflect payments towards accrued debt

In order to further demonstrate why we conduct this analysis with always payers. We extend our sample to include any property-year with a positive payment, i.e. even if that property made a zero payment in some other year. We redo the analysis above for the sample of property-years with a positive payment, with results in Appendix Figures A.14 and A.15.

In Appendix Figure A.14 it becomes clear that many properties pay effective rates that are neither 4% nor 6%, and that this becomes more common over time. This may reflect taxpayers being misinformed about the rate they owe, or that these patterns are explained by properties making payments to cover their current annual liability and also to make up for past unpaid liabilities.[13] As an example, take properties below 5mn in 2019 (panel a) where a large majority of properties paid an effective rate of 6%, as expected, but the next most common effective rate was exactly double this at 12%. Our conjecture is that this 12% comes from properties that are paying for both the current year and the previous year's overdue liability. This pattern is also clear for all pre-policy years in panels b-d) where 6% and 12% are both much more common than all other effective rates. Further, for properties below 5mn post-policy in panels (e), (g) and (i) we see that effective rates of 4% and 10% start to become common too. Notably, that is not the case for properties above 5mn where the policy did not apply. All of this suggests that properties are making payments for past debts and highlights why we rely on the always payers sample for our analysis of effective rates.

from 0 to 10mn UGX.

[13] Other discrepancies will arise when payments are made for interest charges, penalties, or when rateable values are re-valued in 2023/34 for Central Division.

5.1.3 Many ineligible properties pay a discounted rate

Based on our analysis of effective rates, it is clear that many properties valued below the 5mn cutoff pay an effective rate that corresponds to the policy discounted rate of 4%. However, many other properties below 5mn also continue to pay the 6% rate. Partly, this can be explained by the official eligibility criteria that were outlined in Section 2.1.1. However, as we saw in Figure 6, even ineligible properties are observed paying effective rates that correspond to the discounted rate, and vice-versa.

Moving on from this graphical exposition, we conduct a related analysis in a regression framework. Specifically, we run regression discontinuity specifications of the form:

$$\begin{aligned} y_{it} =& \beta \mathbb{1}(r_i < 5) + \delta_{1t}(r_i - 5) * \mathbb{1}(r_i < 5) * year_t \\ &+ \delta_{2t}(r_i - 5) * \mathbb{1}(r_i > 5) * year_t + year_t + \epsilon_{it} \end{aligned} \tag{1}$$

where r_i is the rateable value of property i, $year_t$ is a vector of dummies for each year t, and y_{it} is a compliance outcome. The key parameter is β which provides an estimate of the policy treatment (a rate discount to 4%) causal effect on outcome y_{it}. We will conduct our analysis for year pre-policy separate from those post-policy, and also look case by case for different categories of eligibility.

In Table 1 we present results. We start our focus on panel A where both eligible and not-eligible properties are included. In column 1 with always payers in pre-policy years, we see that there is a small decrease (about 1.1 percentage points) in the propensity to pay an effective rate of 4% for 'treated' properties just below 5mn. Still on panel A, in column 3 we see that these same properties post-policy are now substantially more likely to pay a 4% rate (about 63.5 percentage points). The results are mirrored for those paying an effective rate of 6% (even numbered columns). In columns (5-8) we repeat the analysis for the positive payments sample, and find similar yet muted effects. Altogether, panel A largely confirms what we have already seen graphically, i.e. the policy led many properties just below 5mn UGX to lower their effective rate from six to four percent, as intended.

Moving to panels B through D, we ask a different question. In panel B we focus only on residential properties that are eligible for a discount based on the official policy outlined in Section 2.1.1, in panel C we restrict to residential properties that were not eligible based on these criteria, and in panel D we restrict to commercial properties that are never eligible by the official criteria. Comparing across these panels, a more surprising pattern emerges.

First, results in panel B show that many properties below 5mn that are eligible for the discounted rate continue to pay the high 6% rate. For example, in column 3 about one percent of properties between 5mn and 10mn pay an effective rate of 4% in this sample (control mean), this rate is 70 percentage points higher for those just below 5mn, but this

leaves almost 30 percent paying some other rate. Further, in column 4, there are about 26 percent ($0.84 - 0.58$) of these properties paying 6%.

Second, results in panels C and D show that many properties below 5mn that are *not* eligible for the discounted rate do in fact pay only 4%. In these panels there is no real distinguishable treatment effect in the pre-policy period, but post-policy there is a substantial gap between effective rates paid by properties just below vs just above the 5mn UGX cutoff. For not-eligible residential and commercial properties alike, moving just below 5mn raises the likelihood of paying the discounted 4% rate by over 60 percentage points (always payers sample), and 20 percentage points (positive payments sample).

Therefore a puzzle arises: why do many commercial, and otherwise ineligible, properties react to the policy as if the cutoff applies to them? Why do eligible properties pay a rate higher than the official policy says they should?

5.1.4 Resolving the effective rate and eligibility puzzle

We observed that a substantial amount of eligible properties below the 5mn cutoff continue to pay the high 6% rate and that the discounted 4% rate is much more likely for properties just below 5mn even for ineligible properties. We explored possible explanations for this puzzle. It may be that individual liabilities were not effectively communicated. This is reasonable given that the official criteria for the rates bands policy was not clearly communicated and notices inconsistent with official criteria were disseminated through official channels and local news organizations (see Section 2.1.1). However, a property's liability is always digitized in the eCitie system through which taxpayers make their payment, and therefore it is unlikely that someone would make a payment without knowing what they have been charged.

Exploring this further we discovered that properties were not invoiced discounted rates in a way that was consistent with the official criteria in Section 2.1.1. Instead, we found examples of ineligible properties that were billed the 4% discounted rate (see e.g. Appendix Figure A.4) and eligible residential properties billed the 6% rate (see e.g. Appendix Figure A.5). Notably, we never found properties valued above 5mn that were billed a discounted rate, consistent with our empirical study of the effective rates above. Therefore, it appears that either the official criteria was misapplied in the billing system or that an alternative set of criteria have been applied that we are unaware of. Since we were unable to get more comprehensive data on these billed rates, we leave this for future research.

5.2 Analysis of rate change bands on payments and revenues

The previous subsection established that, when properties do make payments, many of them are affected by the policy rate. This can be thought of as the 'mechanical effect'

of the policy rate change. That is, when properties are taxed at a lower policy rate, their contributions will tend to fall in line with this reduction. A second, theoretically important, mechanism is the 'behavioural effect'. That is, when properties are taxed at a lower policy rate, this will encourage some previously delinquent (or in other words, zero-paying) properties to begin complying. In this section we will investigate evidence for this behavioural effect and the overall effect of the policy on revenue collection.

Our empirical approach is similar to above, where we run regressions using specification 1. Notably we know include all property-years, while in the previous section we excluded any property-years where no payments are made. We use the full, balanced panel of property-years and focus on two outcomes. The first outcome is an indicator if any payment was made for a given property-year, i.e. $P_{it} = 1(\text{paid}_{it} > 0)$. The second outcome is the amount paid as a share of the property's rateable value, i.e. $t_{it} = \frac{\text{paid}_{it}}{\text{RV}_i}$. Note that t_{it} is equivalent to the effective rate, but to keep concepts clear we label this outcome 'share rateable value paid' as we now include property-years with zero payments.

5.2.1 The rates bands policy does not induce properties to make payments

We first explore the behavioural effect, that is does the reduction in the policy rate induce more properties to pay? The full results are in Table 2. Starting in panel A, we consider the full sample of properties regardless of eligibility. Column 1 and 3 use the indicator for *any* payment being made. Column 1 shows the RD estimate in the pre-policy period, which is a precisely estimated null effect, suggesting our empirical RD strategy works as intended. In column 3, we see that even post-policy there is a tiny and not significantly different from zero effect on payments. To visualize these findings, we also plot the corresponding estimates for panel A, broken down by years, in Appendix Figure A.17 and A.18. So, the behavioural effect of the policy seems limited; it does not appear to induce eligible properties to make payments. Similar patterns hold for the other panels that restrict to samples of properties by their eligibility status.

The finding that there is no behavioural response is somewhat puzzling given that the policy reduced liabilities by a substantial 33% (from 6% to 4%). Several explanations are possible which we leave up to future research. First, it could be that the reduction in rates was not well communicated to those people who tend not to pay their property rates and so they were unaware of the new discounted liabilities. Second, it could be that the lower annual rate was not enough to incentivize people to become fully compliant which would have required also paying past liabilities at the full 6%. Third, it may simply be that this group of taxpayers is very inelastic to the tax rate and even a 33% reduction on the annual liability is not enough to affect their payment decision.

5.2.2 The overall effect of the rates bands policy is to lower revenue

Moving to columns 2 and 4 in panel A of Table 2, we look at the 'Share of RV Paid' outcome. As before, column 2 serves as a check on our RD identification strategy and we see that there is no detectable effect of the policy in the pre-policy period. In column 4, we see that the overall effect of the policy on the amount paid is negative and significantly different from zero. This is what we would expect given that the mechanical effect of the policy lowered the effective rate on payments, and the behavioural effect had no effect on the propensity to make a payment. Thus, the policy caused properties just below 5mn to reduce the share of their rateable value they contribute by -0.0033 on average. In the next section we give quantify the effect of the policy on overall revenues using the estimates presented here.

Why doesn't a large, 33%, discount to annual liability encourage more property owners to pay? Recall that many property owners have not paid in the previous years. For example in Appendix Table A.2 we see that as of the 2021/22 fiscal year, a full 82% of properties had never made a payment in the preceding two years and only 6% had paid in both years. So it may be that typical property owners have accumulated so much tax debt that the annual discount is a relatively small incentive or they are just inattentive to liability changes. However, in Appendix Table A.3 we break down our analysis of the response to the discount by the payment histories of the properties. Even among properties that had paid in both prior years (panel A) there is no significant effect of the discount on the propensity to pay (columns 1 and 3). So it seems unlikely that the accumulated debt or simply inattention is leading to the muted effect of discounts.

5.2.3 Quantifying the effect of the rate bands policy on revenues

The previous section highlighted that the policy caused properties valued just below 5mn to lower their average amount paid. Here we quantify this effect in terms of revenue raised overall and from specific groups of properties.

In order to quantify the total lost revenue we need a counterfactual, that is, how much revenue would have been raise by properties below 5mn if the policy had not existed. To do so, we must make some assumptions. In particular, we assume that the relative response to the policy is constant for all property values below 5mn. This is important since the estimates of β in Table 2 column 4 are only applicable to properties right near the 5mn cutoff. In order to get the relative effect of the policy on the share of rateable value paid, we take our estimate of β and divide it by the average share paid of properties just above the cutoff (between 5mn and 6mn). Under our assumption that this ratio is constant for all properties below 5mn, we can calculate counterfactual effects on revenue.

The results of the revenue counterfactuals are in Table 3. In Panel A we see that the policy resulted in an overall loss of revenues of about 1.8bn UGX over the three post-policy

years (column 1), this led to a 19% reduction in the amount of revenues contributed by properties below 5mn (column 2), and a 1.9% reduction in the amount of total revenues collected (column 3). The panels B through D make the same calculation for sets of properties based on their official eligibility. As we have seen already, both eligible and ineligible properties alike contributed less due to the policy, though eligible properties do reduce their contributions more substantially than ineligible properties (22% vs 17% and 10% in column 2).

So in sum, the policy did lower revenues especially from low-value properties, but as a share of total revenue intake the lost revenue is modest.

5.2.4 Counterfactual revenue effects of billing and eligibility discrepancy

We saw in section 5.1.1 that, while 36% of 'always payer' properties below 5mn are eligible for the discounted 4% rate, about 62% of these properties are observed paying an effective rate of 4%. First, note that the share of all properties below 5mn that are eligible is higher than for always payers, at 47%. Second, note that we do not know for certain how many properties were billed a 4% rate. However we do know that our effect of the discount on compliance was about zero, the effect on amount paid was about -19%, and the mechanical reduction in liability was -33% for a share α of properties billed the discount (and 0% for $1-\alpha$). Together this would imply a share $\alpha \approx 0.58$ (19/33), very similar estimate to the 62% observed from effective rates in the always payer sample.

One natural follow up question is; what would be the revenue effects if only those eligible were billed the discount? The simplest way to evaluate this would be to assume that property owners will react in the same way, but that the total number of properties billed at a discount falls from around 60% to 47%. This simple exercise suggests that the discounts that were billed, compared to those implied by the eligibility rules, resulted in a loss of 234mn UGX $((0.6-0.47)*1800$. Of course, we had to make strong assumptions to do this calculation and so the true effect may differ. For instance, properties that were billed at 6%, but were eligible for the 4% discount, may be less likely to make any payment at all. In such a case, the revenue cost of billing discrepancies from eligibility would have been larger.

6 Analysis of revaluations and valuation court records

In this section we study the first revaluation of properties since the new expansion of property rates and the corresponding valuation court records. Central division was the first to be revalued and properties here were first billed their revaluation in July 2023. Properties were able to appeal the revaluation of their property at a valuation court hearing. We first describe the results of the revaluation process finding that it raised the

assessed rateable value for a majority of properties and reduced values for only very few. Further, the increase in rateable values was highest for those that had initially low rateable values. We then describe the types of properties that took their property to valuation court, the results of those court hearings, and then the aggregate effect on property values across the distribution of properties. We find that high value properties in the top decile were by far more likely to attend valuation court. Conditional on attending, most properties were adjusted to a lower rateable value regardless of their initial value, though lower value properties were more likely to be exempted. The relatively high attendance rates of high value properties led to valuation courts lowering the average rateable value especially for high value properties.

6.1 Property revaluation in Central division

Leading up to July 2023 properties in Central division were revalued and given an opportunity to appeal these new rateable values which were ultimately billed in July 2023. In Appendix Table A.4 we describe this sample; there are 15,388 properties in Central division and about 77% of these were revalued in 2023, 13% had their value unchanged, and 9% were newly added to the valuation roll. This table also shows that initially higher valued properties are more likely to be revalued; the mean initial rateable value was 27mn UGX for revalued properties and 19mn UGX for unchanged properties. These revalued properties then increased in value; the average property went up by 62% to 34mn UGX. Finally, the properties that were added in 2023 are the highest valued group with an average of 56mn UGX. The full distributions for each of these groups of properties is summarized in Figure 8 panel (a).

We next focus on just the set of properties that were revalued so that we can compare their rateable value before and after revaluation. In Figure 8 panel (b) we plot the distribution of changes in property value for these properties. We can see that properties commonly face increases of around 20 or 40%, with a few properties getting a much larger value, and very little properties with a lower rateable value (note the x-axis is on a log scale). Moving to panel (c) we examine whether these changes in valuation are systematically related to the initial property value. We plot the mean percentage change in rateable value by 20 equal sized bins of initial property value for two samples; only the properties that were revalued in 2023 (blue dots), and both properties that were unchanged and revalued in 2023 (red dots). In both series we can see that relatively low value properties faced the largest percentage increases in rateable value. This is less pronounced for the sample that includes properties that were unchanged (red dots) reflecting the fact that unchanged properties were more likely to be low value. There is also a slight tendency for properties in the upper middle range (e.g. around the 50mn mark) to face slightly higher increases than those in the middle ranges. Overall the pattern

is clear that, while property values rise everywhere, they rise more for the initially lowest value properties.

Finally, in Appendix Figure A.16 we plot all properties, not just their means by bin. Here we can see that there is a lot of heterogeneity, with some properties facing value increases of over 200% and disproportionately so for low value properties. Also noticeable are the dots that appear as straight lines on the graphs which suggest two types of revaluation regularities; first, the downward sloping diagonal lines suggest that many properties that were initially valued below 5mn were valued up to one or two constant levels, and second the horizontal lines suggest that many properties are simply revalued by a constant percentage increase, as we saw in the histograms earlier with spikes at 20% and 40%.

So, to summarize, the 2023 revaluations of properties in Central division tended to raise property values proportionately more for the lowest value properties. This likely resulted in an increase of property tax regressivity, however we cannot tell for sure without further data. For instance, it may be that the lowest value properties were those that appreciated most quickly since their initial valuation was conducted.

6.2 Valuation court records

After properties were revalued, and before they were billed, the owners were able to appeal the revaluations at the valuation court. Returning to Appendix Table A.4 we see that about 393 properties overall (2.6%) were seen at valuation court. This rate is slightly higher for those that were revalued (2.9%) and somewhat lower for those that were unchanged (0.9%).[14] So properties that saw a change in their rateable value were more likely to take their new valuation to court.

In Appendix Table A.5 we explore more generally the determinants of valuation court attendance. To do so we regress an indicator for whether the property appears in court records on baseline characteristics of that property (revaluation status, initial rateable value, and property type). In the first column, we see that properties are more likely to appear in court if they were revalued or newly added compared to being unchanged. Somewhat surprisingly, properties that were revalued up by less than 100% or even revalued down are more likely to attend court than those revalued up by more than 100%. In columns 2 and 3 high value properties are much more likely than low value properties to attend court, and in column 3 commercial properties are more likely and condos and institutional properties less likely to attend than residential properties. In column 5 we put all of these potential determinants in the regression together, and the general patterns tend to persist. Perhaps most striking is that very high value properties (in the top five

[14]The table also shows counts of properties by different court outcomes (revalued, merged and revalued, and exempted) which will explore further below.

percent) are much more likely to attend all else equal. We explore this further in Figure 9 panel (a). This figure plots the mean rate of valuation court attendance by 50 equal sized bins of pre-court rateable value. The lowest value properties (e.g. below 5mn) are very unlikely to attend while those in the middle range (e.g. up to 50mn) attend court at rates around 2 or 3%. In the top ten percent of properties (five dots furthest to the right) however the rate is much higher, with the top six percent attending court at a rate above 10%, and the top two percent at a rate above 20%.

Next we describe the outcomes of the valuation courts. Again starting with Appendix Table A.4, out of the 393 properties appearing in the valuation court records, 295 of these are revalued as a result of the court hearing, 58 are merged together with other properties and assigned a joint revaluation, and 32 are fully exempted (e.g. on grounds of being owner occupied, demolished, schools, etc.). In panel (b) of Figure 9 we plot the percentage change in rateable value from the court decision against the pre-court rateable value. We break this out by the type of decision; revalued (red dots), merged (blue dots), exempted (green dots).[15] Here we see that almost every property attending was assigned a lower rateable value by the court. Further, many properties were assigned an exactly 20% reduction in their value (as can be seen by the dots concentrated along the horizontal line at -20%). Further, the lower value properties were more likely to be fully exempted. So, among the properties attending court, the relatively lower value properties tend to receive larger reductions in value.

In order to look at the full effect of the valuation courts on the distribution of rateable values we need to account for both the attendance at court (panel a) and the outcomes of attending court (panel b). In panel (c) we make this combination, again by taking 50 equal sized bins of pre-court rateable value. For each bin we plot the mean reduction in rateable value due to court decisions. Here, the lowest value properties (e.g. below 1mn) face essentially no mean change in rateable value, while those in the middle range (e.g. below 50mn) face mean reductions around 1% of the initial rateable value. However, due to the much higher likelihood of attending court, those properties in the top six percent of pre-court value get the largest average reductions in property values (around 4%) and the top two percent receiving an average reduction of about 6%.

So, to summarize, while the revaluations in 2023 raised values proportionately more for low-value properties, the valuation courts reduced revaluations most for the highest value properties. This likely has led to an increase in regressivity, though again, without more data it is difficult to be sure. For instance, it may be that the highest value properties were the most inconsistently estimated properties, and therefore the valuation courts led to a distribution that was more aligned with the actual property value.

[15] For the merged properties we plot one observation for each collection of properties. So, the pre-court valuation is the sum of all properties in the merged group, and the post-court value is calculated similarly.

7 Conclusion

In this report we analyzed the state and recent history of KCCA's property rates and revenues. We studied two important policies that have recently been applied in Kampala. The first, a 'rates bands' policy lowered the tax rate on some properties valued below 5mn UGX. A new rates bands policy, not studied, was implement more recently that reduces the tax rate even further (to 1%) on properties below 3mn UGX). The second, 'valuation courts' were empowered through the Local Government (Ratings) Act to allow property owners to appeal their assessment, but only recently conducted for a large amount of properties at once during the first revaluation of properties since the 2019 tax base expansion.

We find that the KCCA has increased revenues substantially, more than doubling, since the latest expansion of their property tax base completed in 2019. Most of these gains have come from a particular set of properties that are located near the city centre, are high value, or are in commercial use. Despite these large gains, there remains a substantial amount (about 37%) of annual potential revenue going uncollected in 2024. Most of this uncollected revenue comes from properties that the KCCA has historically struggled to collect from, and so they will face novel challenges to increase revenues by collecting from peripheral, low-value, and residential use properties.

The KCCA's 'rates bands' policy had no detectable effect on the compliance rate, and therefore reduced amounts paid below 5mn by about 19%. Total revenues loss is estimated to be 612mn UGX annually or 1.9% of the total. It is not exactly clear why there was no compliance response. We explored whether the limited response was due to large accrued debts, but even properties with little accrued debts reacted to the discounts. Instead, we have suggestive evidence that discrepancies between the eligibility rules and actual billed discounts maybe be substantial. While data availability constrains our analysis, we estimate that about 60% of properties below 5mn were given a discounted bill, while only 47% were meant to be eligible. A simple calculation suggests these discrepancies cost about 80mn UGX annually. However, it is plausible that the actual cost was larger if, for instance, properties that were eligible for 4% but billed 6% were less likely to pay than otherwise similar ineligible properties. Potentially this story of reduced tax morale could also explain why the average compliance effect was zero. Though further data collection and research is needed to understand this better.

Our study of valuation courts first explores property revaluation. This was the first round of revaluation since the tax base expansion and only took place in Central division. We find that properties were revalued to higher rates by 20%-40% on average, but by 50%-100% for the properties with in the lowest third of initial property value. This could accurately reflect changes in the market rents, if low value properties appreciated much faster over this period than did higher value properties. However, another explanation

is that the assessment process was biased in a regressive way. Examining appeals and valuation court hearings that took place following revaluation we find that they generally reduced the property assessment for all properties that attended, but that the most highly valued properties were much more likely to attend court. On net the valuation court process decreased rates only very slightly on average, but by almost 6% for properties in the top two percent by initial value.

We conclude with a few suggestive policy recommendations. First, in order to continue raising annual revenues, the KCCA will need to target lower-value, residential and peripheral properties. We recommend a targeted compliance strategy that focuses outreach and enforcement to these types of properties. An effective campaign will start with field research to better understand why these types of properties remain delinquent, and sensitization to better communicate property rates policies, especially the rates bands reduction that targets low-value properties specifically. Second, aside from improved sensitization to raise awareness of the rate reductions induced through the rates bands policy, the KCCA should invest in aligning practice and policy by updating eCitie and communications so eligibility and rate-band rules are applied consistently. Finally, improving attendance of lower-value properties at valuation court. This could be achieved by lowering costs to appeal, e.g. posting draft valuations online or sharing directly to property owners via SMS, or allowing more than 30 days for properties to formally file an appeal.

References

Ahabwe, J., Manwaring, P., Mutebi, J. and Regan, T. (2023), Public disclosure and property tax compliance: A field experiment in Kampala, Uganda. IGC policy brief UGA-20088.

Ajzenman, N., Cruces, G., Perez-Truglia, R., Tortarolo, D. and Vazquez-Bare, G. (2025), From Flat to Fair? The Effects of a Progressive Tax Reform. NBER Working Paper No. 33286. Revised version.
URL: *http://www.nber.org/papers/w33286*

Amornsiripanitch, N. (2024), Why are residential property tax rates regressive? Philadelphia Fed Working Paper. Preliminary research circulated for discussion purposes.
URL: *https://ssrn.com/abstract=3729072*

Atilola, M. I., Kamalahasan, A., Bujang, A. and Kamarudin, N. (2017), 'Evaluation of Rating Valuation Appeal Procedure: A Comparative Study of United Kingdom, Nigeria and Malaysia', *International Journal of Real Estate Studies* **11**(2), 93–101.

Bergeron, A., Tourek, G. and Weigel, J. L. (2024), 'The state capacity ceiling on tax rates: Evidence from randomized tax abatements in the drc', *Econometrica* **92**(4), 1163–1193.
URL: *https://www.econometricsociety.org/publications/econometrica/2024/07/01/The-State-Capacity-Ceiling-on-Tax-Rates-Evidence-from-Randomized-Tax-Abatements-in-the-DRC*

Berry, Christopher (2021), Reassessing the Property Tax. This draft: March 1, 2021.
URL: *https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3800536*

Best, M. C., Caloi, L., Gerard, F., Kresch, E. P., Naritomi, J. and Zoratto, L. (2025), Greener on the Other Side: Inequity and Tax Compliance. This version: February 16, 2025.
URL: *https://www.nber.org/papers/w34062*

Blake, M. and Kriticos, S. (2019), Enhancing property tax compliance in Mandalay. IGC Policy Brief.

Brockmeyer, A., Estefan, A., Arras, K. R. and Serrato, J. C. S. (2023), Taxing Property in Developing Countries: Theory and Evidence from Mexico. [Online; accessed 26-July-2025].
URL: *https://www.nber.org/papers/w28637*

Bukkede (2023), Fort Portal mayor Ruyonga urges Ugandans to embrace property tax. [Online; accessed 10-July-2024].

URL: *www.bukedde.co.ug/politics/NV_171416/www.newvision.co.ug/*

Collin, M., Maro, V. D., Evans, D. K. and Manang, F. (2025), 'Property tax compliance in tanzania: Can nudges help?', *Economic Development and Cultural Change* **73**(4), 2064–2085. [Online; accessed 26-July-2025].
URL: *https://www.journals.uchicago.edu/doi/10.1086/734186*

Daily Monitor (2021), What you need to know about property tax. [Online; accessed 10-July-2024].
URL: *www.monitor.co.ug/uganda/magazines/homes-and-property/what-you-need-to-know-about-property-tax-1783010*

Doerner, W. M. and Ihlanfeldt, K. R. (2014), 'An Empirical Analysis of the Property Tax Appeals Process', *Journal of Property Tax Assessment & Administration* **11**(4), 5–34. [Online; accessed 1-August-2025].
URL: *https://doi.org/10.63642/1357-1419.1167*

Franzen, R. and McCluskey, W. (2017), *Property Tax in Africa: Status, Challenges, and Prospects*, Lincoln Land Institute of Land Policy, Cambridge, Massachusetts.

Giaccobasso, M., Nathan, B., Perez-Truglia, R. and Zentner, A. (2025), 'Where do my tax dollars go? tax morale effects of perceived government spending', *American Economic Journal: Applied Economics* **17**(4), 223–259.

Holz, J. E., Perez-Truglia, R. and Zentner, A. (2025), Does Tax Avoidance Trickle Down? Evidence from a Field Experiment. NBER Working Paper No. 34209.
URL: *http://www.nber.org/papers/w34209*

KCCA (2017*a*), Are You A Property Owner In Kampala Central? [Online; accessed 10-July-2024].
URL: *www.kcca.go.ug/news/204/Are-You-A-Property-Owner-In-Kampala-Central?#.WOLOZVMrLgE*

KCCA (2017*b*), KCCA Closes Buildings over Ground Rent Arrears. [Online; accessed 11-July-2024].
URL: *https://realmuloodi.co.ug/kcca-closes-buildings-over-ground-rent-arrears*

KCCA (2017*c*), KCCA Has Not Increased Property Rates. Press statement released on 27-May-2017.

KCCA (2017*d*), PROPERTY RATES. [Online; accessed 10-July-2024].
URL: *www.kcca.go.ug/uDocs/Property_Rates_FAQs.pdf*

KCCA (2018), Is your property valued by KCCA? [Online; accessed 10-July-2024].
URL: *https://kcca.go.ug/news/262/Is-your-property-valued-by-KCCA?#.Wm9U10uIYUE*

KCCA (2024), KCCA VALUATION COURT ADDRESSES PROPERTY TAX GRIEVANCES IN NAKAWA DIVISION. [Online; accessed 10-July-2024].
URL: *www.kcca.go.ug/news/791*

Kikubo Lane (2023), KCCA Council revises property tax rates. [Online; accessed 12-July-2024].
URL: *https://kikubolane.com/2023/06/24/kcca-council-revises-property-tax-rates*

Knebelmann, J., Pouliquen, V. and Sarr, B. (2024), Discretion versus Algorithms: Bureaucrats and Tax Equity in Senegal. Working paper, October 16, 2024.
URL: *https://drive.google.com/file/d/1EAPqRR7GWkP8PrOVV-uUItsB09NGx7uq/view*

Manwaring, P. and Regan, T. (2025), No shame in my name: Public disclosure and tax compliance in a low-capacity state. GWU mimeo.

McMillen, D. (2013), 'The Effect of Appeals on Assessment Ratio Distributions: Some Nonparametric Approaches', *Real Estate Economics* **41**(1), 165—-191.

McMillen, D. and Singh, R. (2019), Assessment Regressivity and Property Taxation. Published online: 20 July 2019. [Accessed 10-July-2024].
URL: *https://link.springer.com/article/10.1007/s11146-019-09715-x*

McMillen, D. and Weber, R. (2010), 'Ask and ye shall receive? Predicting the successful appeal of property tax assessments', *Public Finance Review* **38**(1), 74—101.

New Vision (2006), Clarifying Property taxes. [Online; accessed 10-July-2024].
URL: *www.newvision.co.ug/news/1152307/clarify-property-taxes*

New Vision (2023), Property tax inevitable during development. [Online; accessed 10-July-2024].
URL: *www.newvision.co.ug/category/blogs/property-tax-inevitable-during-development-NV_161848*

Okunogbe, O. (2019), Technology, Taxation, and Transparency: Evidence from a Natural Field Experiment in Liberia. Working paper, May 2019.
URL: *https://documents1.worldbank.org/curated/en/589171637 1*

56813173/pdf/Becoming-Legible-to-the-State-The-Role-of-Identification-and-Collection-Capacity-in-Taxation.pdf

Oyalowo, B. A., Shittu, D. and Abdul, E. (2021), 'Property Taxation Imperatives for Africa: A Study of Four Cities', *Journal of African Real Estate Research* **6**(1), 121–148.

Parliament of Uganda (2005), 'The Local Governments (Rating) Act, 2005'. Last accessed Aug 5, 2025 at: https://www.kcca.go.ug/uploads/acts/local%20gorvenment%20rating%20Act%202005.pdf.

Parliament Watch (2024), KCCA Under Scrutiny Over UGX 198.5Bn in Uncollected Property Tax Arrears. [Online; accessed 10-July-2024].
URL: *www.kcca.go.ug/news/791*

Plummer, E. (2014), 'The Effects of Property Tax Protests on the Assessment Uniformity of Residential Properties', *Real Estate Economics* **42**(4), 900–937. [Online; accessed 1-August-2025].
URL: *https://onlinelibrary.wiley.com/doi/abs/10.1111/1540-6229.12080*

Real Muloodi (2024), KCCA Valuation Court Commences Operations to Resolve Property Tax Queries. [Online; accessed 10-July-2024].
URL: *https://realmuloodi.co.ug/kcca-valuation-court-commences-operations-to-resolve-property-tax-queries/*

Reality Plus (2024), UGANDA'S KAMPALA HOUSING PRICES SEE BIGGEST RISE SINCE 2021. [Online; accessed 10-July-2024].
URL: *www.rprealtyplus.com/international/ugandas-kampala-housing-prices-see-biggest-rise-since-2021-113690.html*

Ross, R. (2017), The Impact of Property Tax Appeals on Vertical Equity in Cook County, IL. Working Paper.
URL: *https://harris.uchicago.edu/files/ross-vertical_equity_in_cook_county_0.pdf*

The Cooperator (2022), KCCA opens court to receive property rate cases. [Online; accessed 10-July-2024].
URL: *https://thecooperator.news/kcca-opens-court-to-receive-property-rate-cases/*

The Cooperator (2023), KCCA needs Shs 800bln annually to work on roads, says minister Kabuye. [Online; accessed 10-July-2024].
URL: *https://thecooperator.news/kcca-needs-shs-800-bln-annually-to-work-on-roads-says-minister-kabuye/*

The Independent (2019*a*), Experts welcome plan to waive tax on low value property. [Online; accessed 10-July-2024].
URL: *www.independent.co.ug/experts-welcome-plan-to-waive-tax-on-low-value-property/*

The Independent (2019*b*), KCCA releases valuation lists for property tax. [Online; accessed 10-July-2024].
URL: *www.independent.co.ug/kcca-releases-valuation-lists-for-property-tax/*

The Independent (2020), Mixed reactions as KCCA passes new Property tax rates. [Online; accessed 10-July-2024].
URL: *www.independent.co.ug/mixed-reactions-as-kcca-passes-new-property-tax-rates/*

The Independent (2022*a*), Lukwago wants property rate tax reduced. [Online; accessed 10-July-2024].
URL: *www.independent.co.ug/lukwago-wants-property-rate-tax-reduced/*

The Independent (2022*b*), Over 1,000 cases settled by KCCA valuation court in six months. [Online; accessed 10-July-2024].
URL: *www.independent.co.ug/over-1000-cases-settled-by-kcca-valuation-court-in-six-months/*

The Independent (2023), Gov't to revise property tax rates – Lands minister. [Online; accessed 10-July-2024].
URL: *www.independent.co.ug/govt-to-revise-property-tax-rates-lands-minister/*

The Observer (2022), Property tax: KCCA approves Valuation court. [Online; accessed 10-July-2024].
URL: *https://observer.ug/news/headlines/73413-property-tax-kcca-approves-valuation-court*

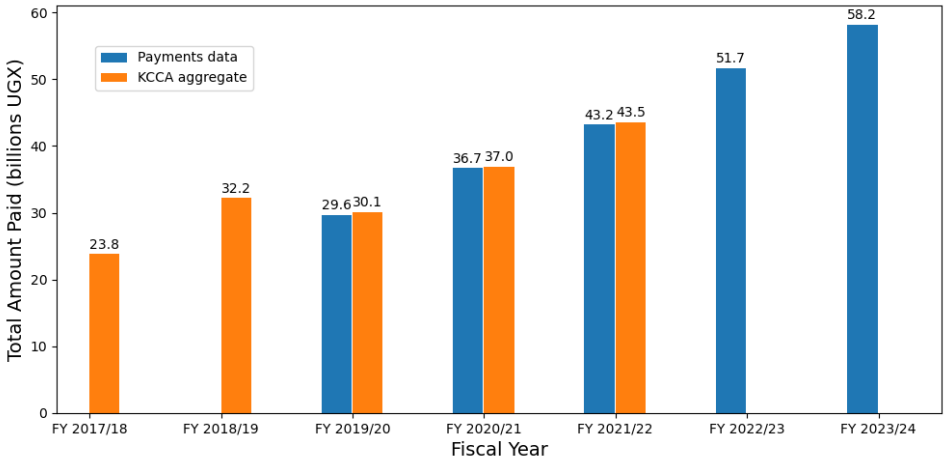
Uganda Business News (2024), Kampala property market improves on robust economy. [Online; accessed 10-July-2024].
URL: *https://ugbusiness.com/2024/01/property/kampala-property-market-second-half-2024-improves-on-robust-economy*

Uganda Radio Network (2022), Kampala Valuation Court Calls for Amendment of Local Government Act. [Online; accessed 10-July-2024].
URL: *https://ugandaradionetwork.net/story/kampala-valuation*

-court-calls-for-amendment-of-local-government-act?districtId=486

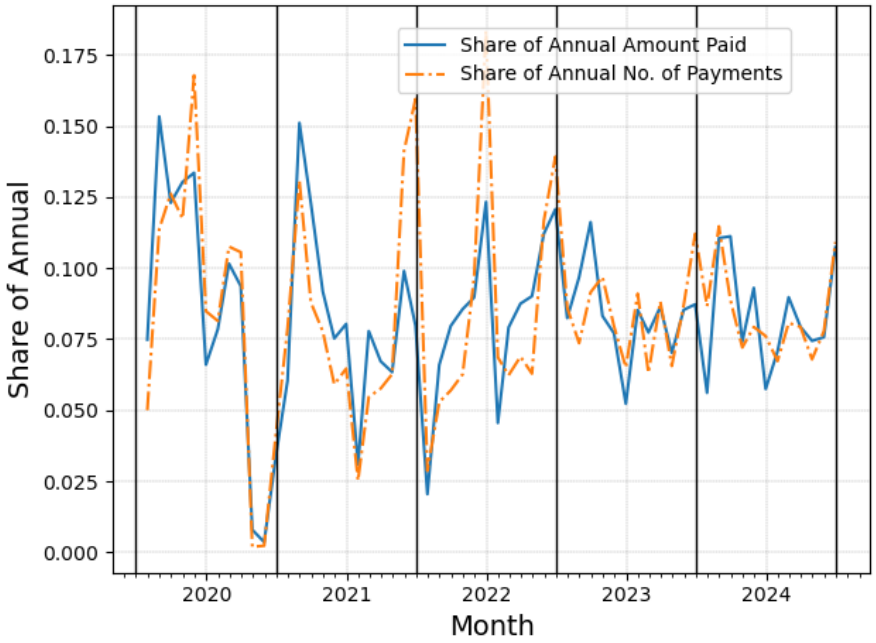
Figures

Figure 1: Revenues from Property Rates by Fiscal Year



Notes: This figure plots total payments by financial year for two series; the orange bars represent aggregate figures reported in the KCCA's report on Annual Revenue Collections 2017-2022. The blue bars represent the authors' calculations based on payment-level microdata aggregated to the fiscal year

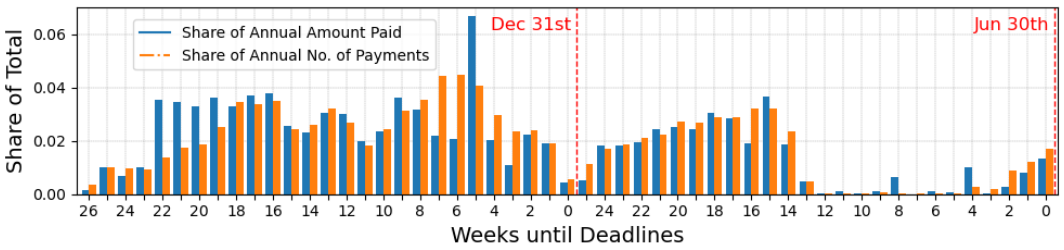
Figure 2: Monthly revenues and payments



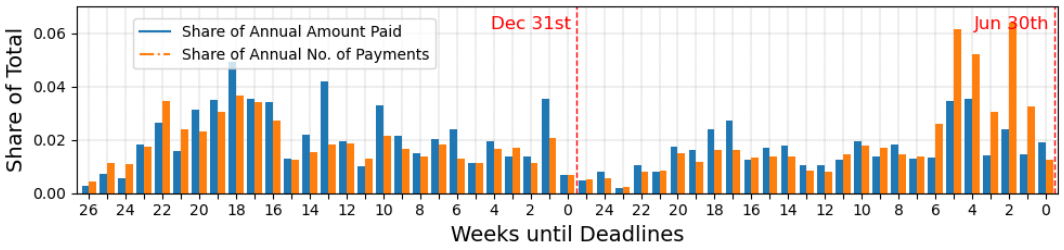
Notes: This figure plots monthly amount paid as a share of the total for the fiscal year, and the monthly number of payments as a share of the total number of payments made in the fiscal year. The vertical black lines demarcate the start and end of each fiscal year.

Figure 3: Weekly number of payments

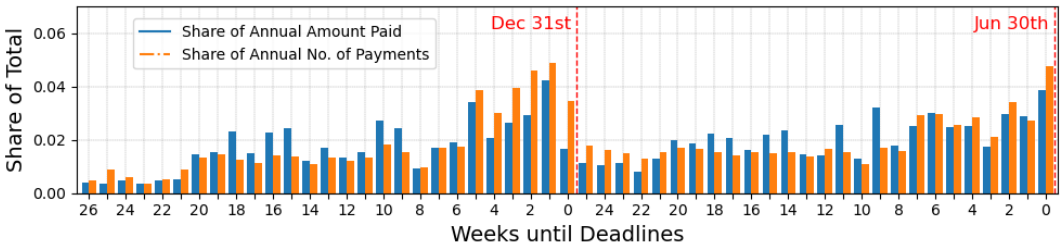
(a) Fiscal year 2019/20



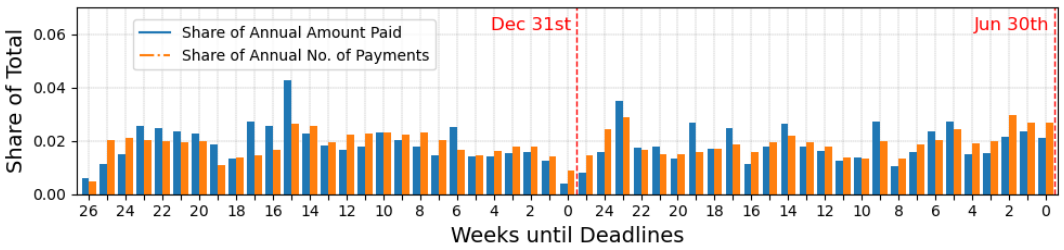
(b) Fiscal year 2020/21



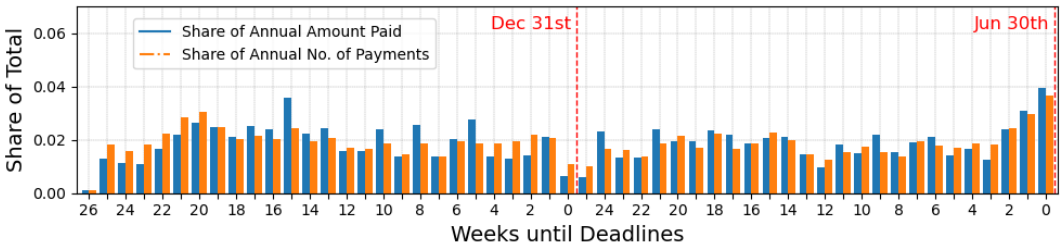
(c) Fiscal year 2021/22



(d) Fiscal year 2022/23



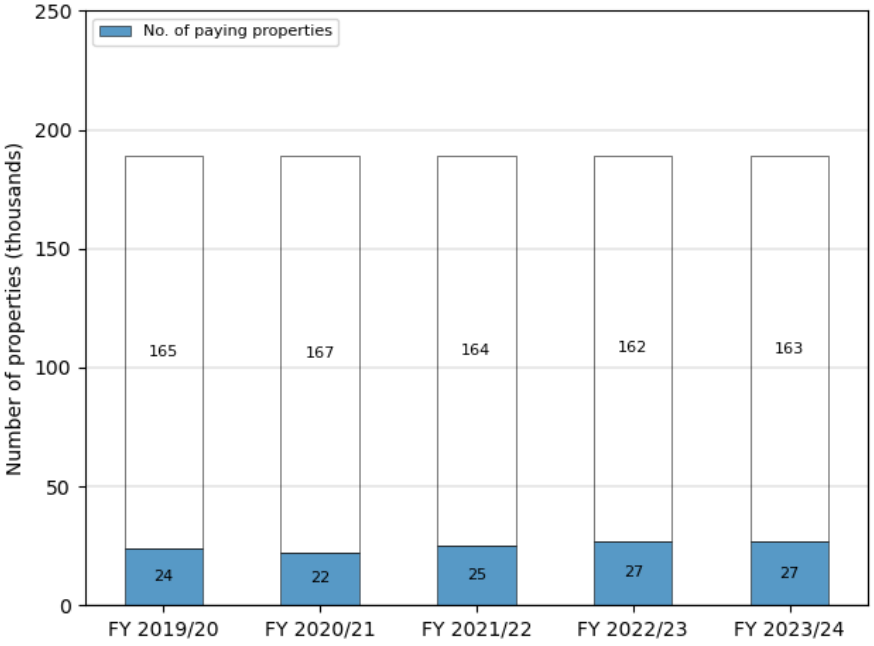
(e) Fiscal year 2023/24



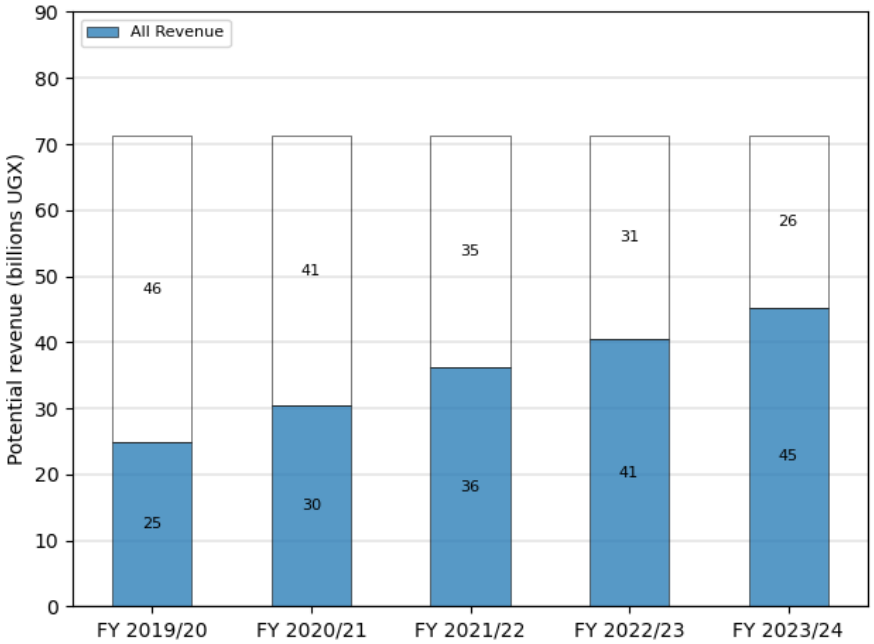
Notes: This figure plots weekly amount paid as a share of the total for the fiscal year, and the monthly number of payments as a share of the total number of payments made in the fiscal year. Weeks are numbered up to the next deadline; either December 31st or June 30th.

Figure 4: Actual and potential paying properties and revenues

(a) Actual and potential number of paying properties



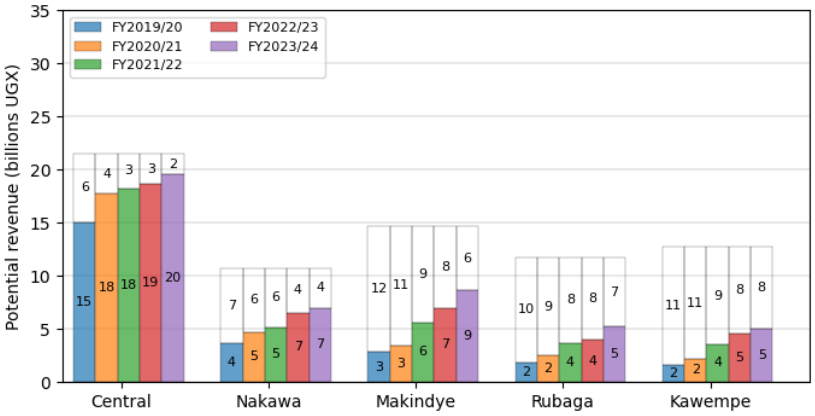
(b) Actual and potential revenue



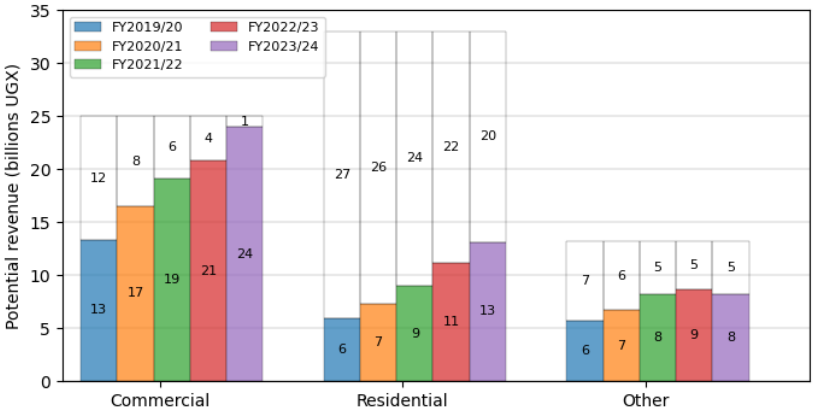
Notes: This figure plots the total number of properties and the number of properties making a postive payment each fiscal year (panel a) and the potential revenue and amount paid each fiscal year (panel b). Potential revenue is calculated as the sum of current rateable value across properties. The sample is restricted to properties that appear in all billing years.

Figure 5: Potential revenue breakdowns by fiscal year

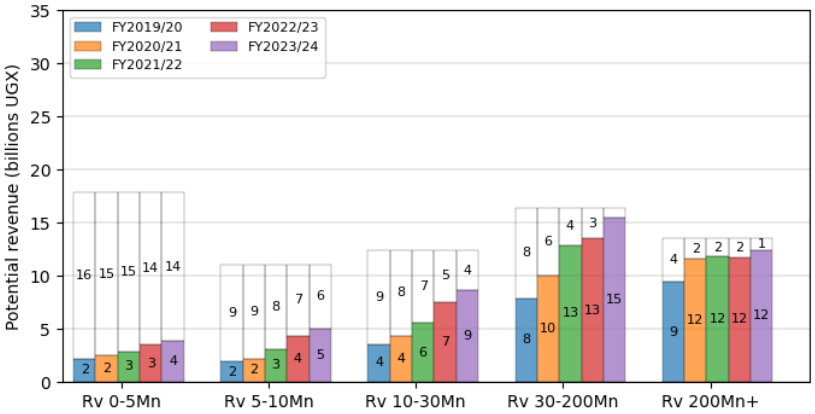
(a) Divisions



(b) Property types



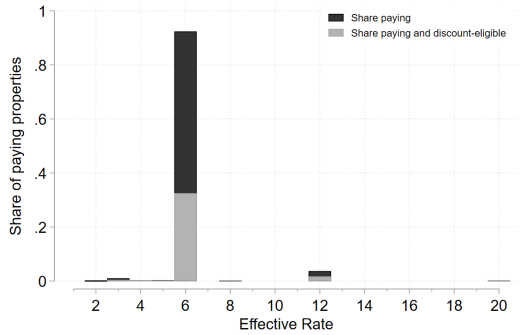
(c) Rateable value



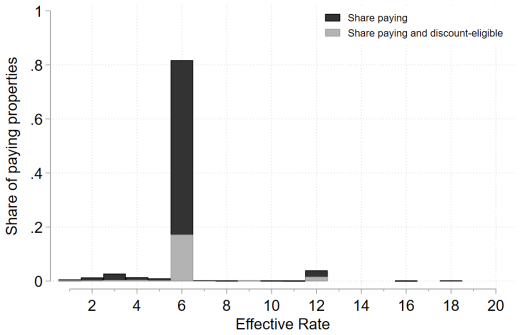
Notes: This figure plots the potential revenue and amount paid each financial year broken into divisions (panel a), property types (panel b), and bins of rateable value (panel c). The property type 'other' combines institutional, industrial, special, condominium, and mixed use. Potential revenue is calculated as the sum of current rateable value across properties. The sample is restricted to properties that appear in all billing years.

Figure 6: Effective rate distributions (always payer sample)

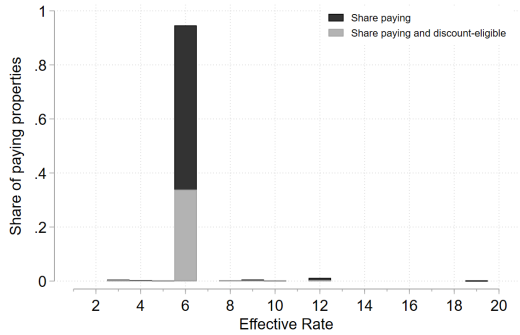
(a) 2019 (< 5mn UGX)



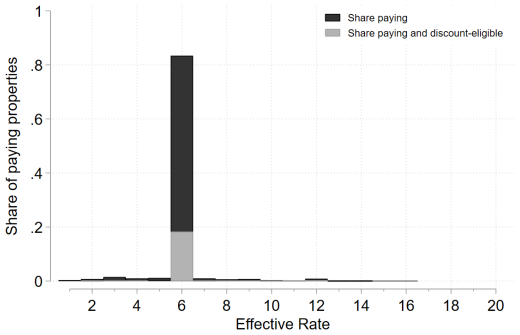
(b) 2019 (≥ 5mn UGX)



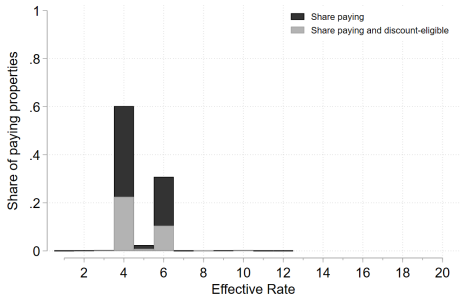
(c) 2020 (< 5mn UGX)



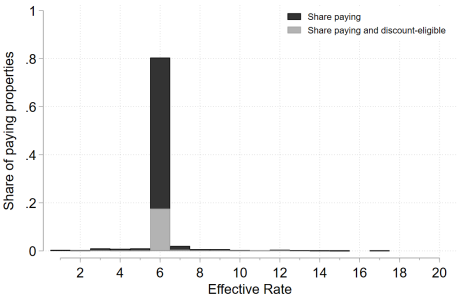
(d) 2020 (≥ 5mn UGX)



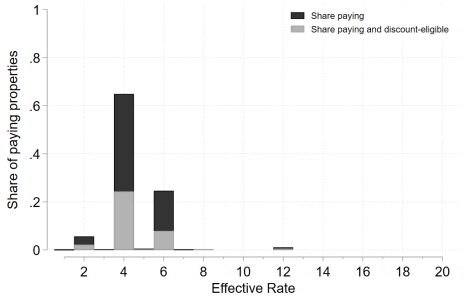
(e) 2021 (< 5mn UGX)



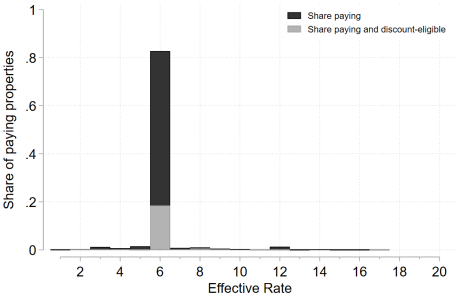
(f) 2021 (≥ 5mn UGX)



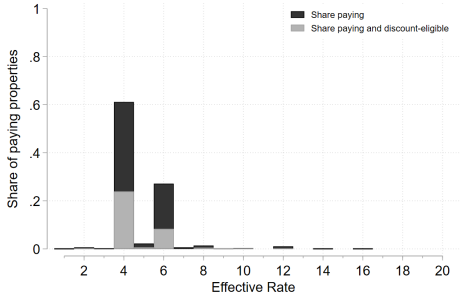
(g) 2022 (< 5mn UGX)



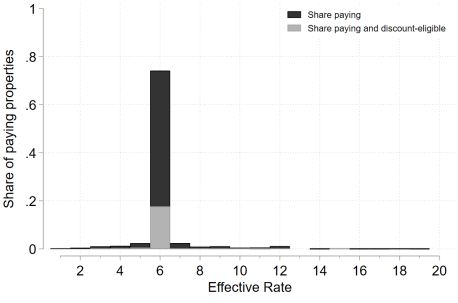
(h) 2022 (≥ 5mn UGX)



(i) 2023 (< 5mn UGX)



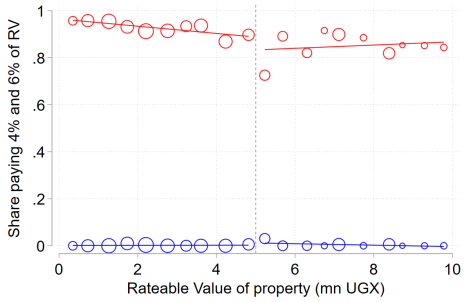
(j) 2023 (≥ 5mn UGX)



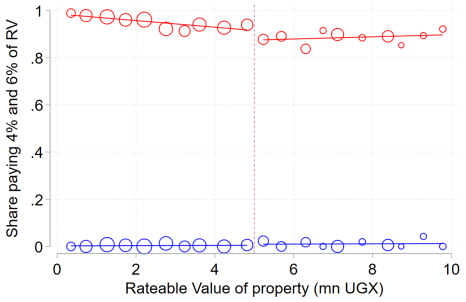
Notes: This figure plots the distribution of effective rates for property-years with positive payments.

Figure 7: Share paying 6% or 4% effective rates (always payer sample)

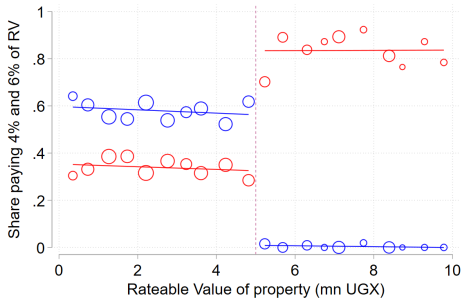
(a) 2019 (pre-policy)



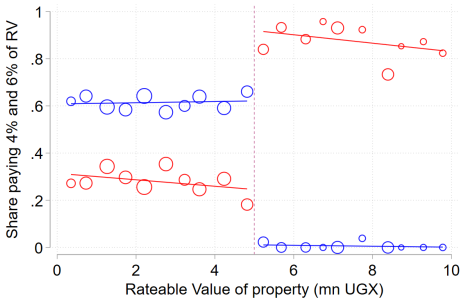
(b) 2020 (pre-policy)



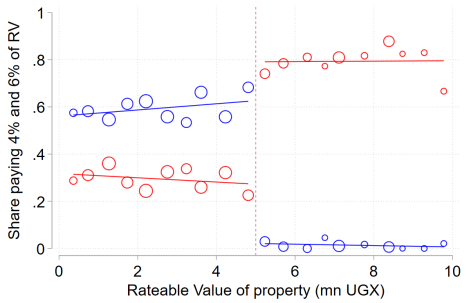
(c) 2021 (post-policy)



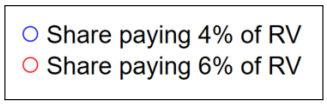
(d) 2022 (post-policy)



(e) 2023 (post-policy)



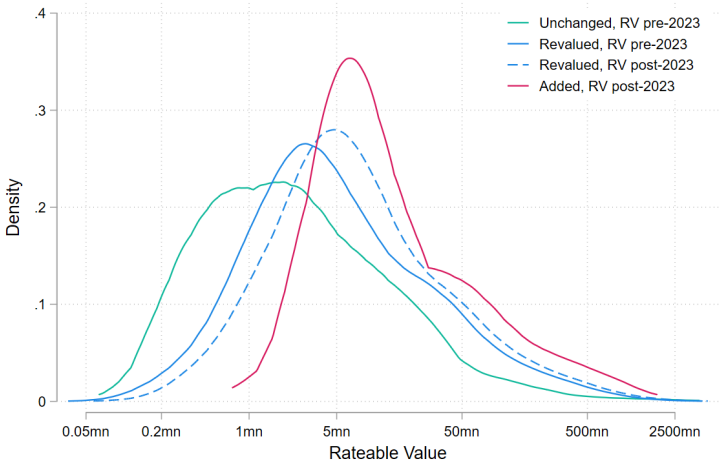
(f) Legend



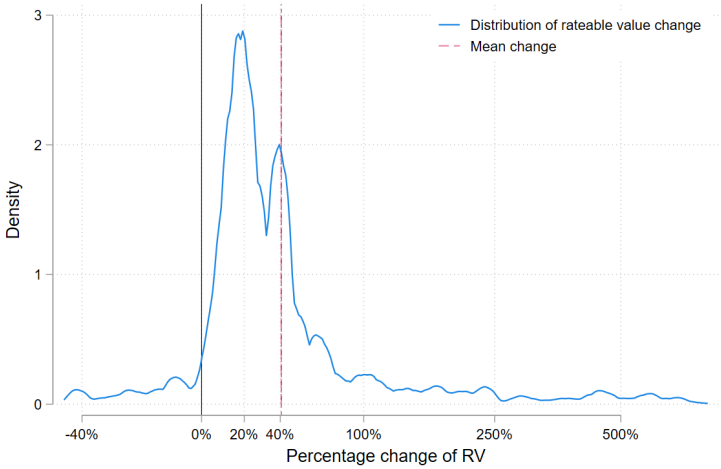
Notes: This figure plots the share of properties paying a rate of 4% and 6% in 2019 (Panel a), 2020 (Panel b), 2021 (Panel c), 2022 (Panel d) and 2023 (Panel e). pre-Policy years are 2019 and 2020, and post-policy years are 2021, 2022, and 2023. Each scatter point is weighted by the number of properties in that bin. The sample used is of properties that always pay.

Figure 8: Distribution of revalued properties in Central division 2023/24

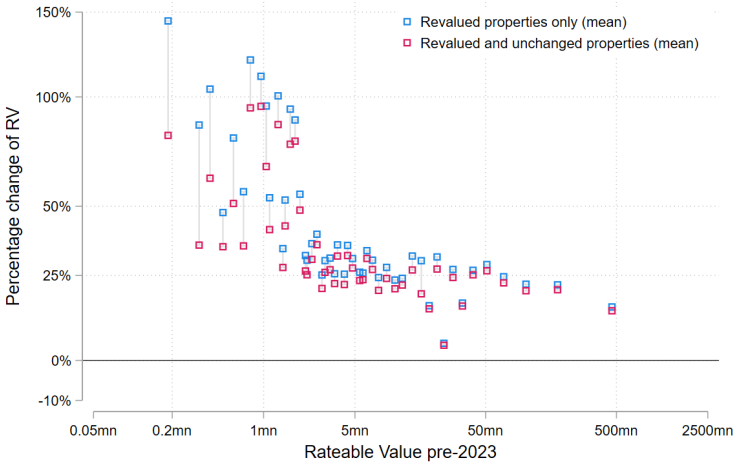
(a) Rateable value by revaluation status



(b) Change in rateable value for revalued properties



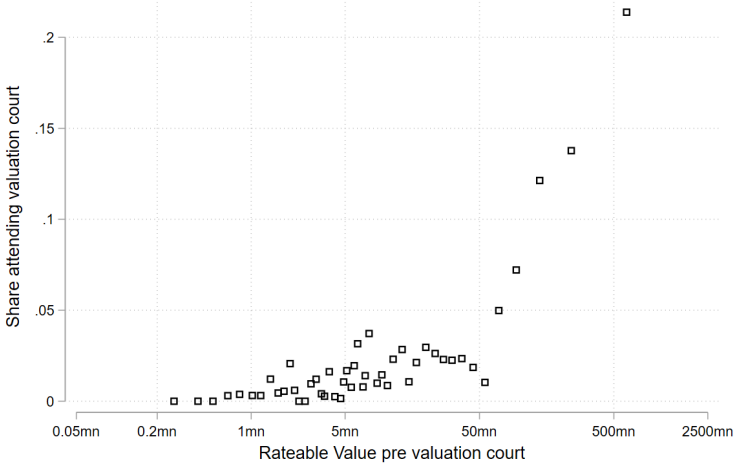
(c) Bin-scatter rateable value change vs initial rateable value



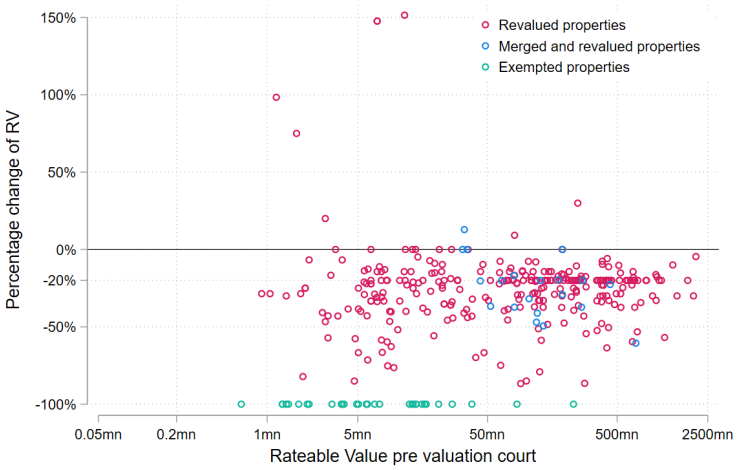
Note: This figure plots distributions of properties in Central division based on their revaluation in 2023/24. For ease of visualization we drop the bottom 1% and top 1% of properties. Panel (a) plots the distribution of rateable value for properties with an unchanged rateable value, that were revalued, and that were added for the first time in 2023/24. The revalued group is further split by their rateable value before and after the revaluation. In panel (b) we plot the distribution of rateable value change for the sample of revalued properties only. This figure plots scatters of rateable value change and initial rateable value for properties in Central division. In panel (c) we plot a bin scatter for 20 quantiles. We plot separately; revalued and unchanged properties (red dots), and revalued properties only (blue dots). Properties that were only added in 2023/24 are dropped. Note that the axes are both on log scales.

Figure 9: Valuation Courts in Central division 2023/24

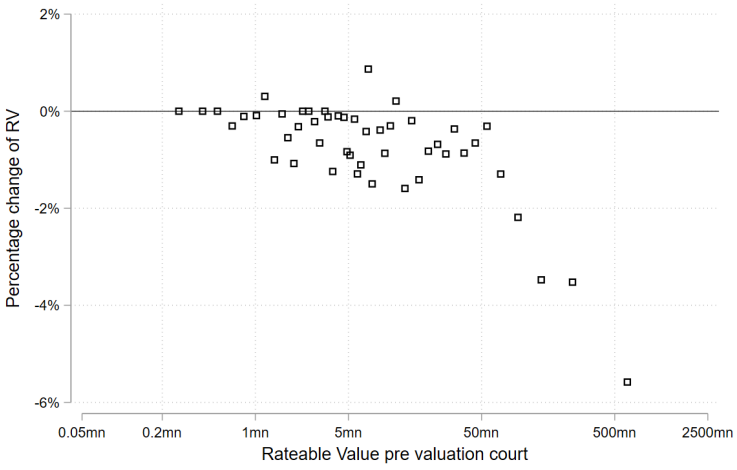
(a) Court attendance vs pre-court value (binned)



(b) Value change vs pre-court value (attending properties)



(c) Value change vs pre-court value (binned)



Note: This figure plots attendance at valuation courts and rateable value change due to court decisions vs pre-court rateable value. Panel (a) plots the attendance rate for 50 equal sized bins of pre-court value. Panel (b) plots value change vs pre-court value for properties attending court, including properties assigned a revaluation (red dots), merged groups of properties (blue dots), and exempted properties (green dots). Panel (c) plots the average value change for all properties including non-attending by 50 equal sized bins of pre-court value. For ease of visualization, we dropped the 2 revalued properties with the highest percent change in RV. This included a 19mn property with a 215% increase; a 36mn property with a 1233% increase. Note that the x-axis is on a log scale.

Tables

Table 1: Rate bands policy impact on 4% and 6% effective rates

	Always Payers Sample				Positive Payments Sample			
	Pre-Policy		Post-policy		Pre-Policy		Post-policy	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	4% of RV	6% of RV	4% of RV	6% of RV	4% of RV	6% of RV	4% of RV	6% of RV
Panel A: *All properties*								
Treated (< 5mn)	-0.0113*	0.0644*	0.635***	-0.594***	-0.00525	0.0358**	0.222***	-0.182***
	(0.00658)	(0.0350)	(0.0312)	(0.0417)	(0.00329)	(0.0168)	(0.00990)	(0.0139)
N prop-years	4610	4610	6860	6860	28686	28686	46189	46189
N clusters	1252	1252	1252	1252	12554	12554	15307	15307
Control Mean	0.01	0.86	0.01	0.84	0.01	0.67	0.01	0.36
Panel B: *Eligible residential properties*								
Treated (< 5mn)	-0.0237*	0.135*	0.705***	-0.584***	-0.0104	0.0539	0.252***	-0.197***
	(0.0142)	(0.0783)	(0.0563)	(0.0715)	(0.00686)	(0.0344)	(0.0186)	(0.0295)
N prop-years	1634	1634	2445	2445	11027	11027	15865	15865
N clusters	639	639	639	639	7486	7486	7894	7894
Control Mean	0.01	0.84	0.01	0.84	0.01	0.66	0.01	0.40
Panel C: *Not-eligible residential properties*								
Treated (< 5mn)	0.00536	0.0168	0.610***	-0.602***	-0.00383	0.0221	0.219***	-0.174***
	(0.00406)	(0.0428)	(0.0572)	(0.0642)	(0.00472)	(0.0262)	(0.0174)	(0.0250)
N prop-years	1408	1408	2104	2104	9621	9621	15268	15268
N clusters	415	415	416	416	4561	4561	5383	5383
Control Mean	0.00	0.88	0.01	0.87	0.01	0.69	0.01	0.37
Panel D: *Commercial properties*								
Treated (< 5mn)	-0.0143	0.0234	0.646***	-0.665***	-0.00341	0.0346	0.208***	-0.188***
	(0.0128)	(0.0400)	(0.0443)	(0.0489)	(0.00530)	(0.0250)	(0.0140)	(0.0177)
N prop-years	1568	1568	2311	2311	8038	8038	15056	15056
N clusters	511	511	511	511	4144	4144	6288	6288
Control Mean	0.01	0.87	0.01	0.82	0.01	0.67	0.01	0.31

Note: This table presents RD estimates of the effective rate around the official 5mn cutoff value. Panels separate samples by discount eligibility (property characteristics independent of the rateable value). A bandwidth of 5mn UGX, a first order polynomial and controls for year are used. Columns (1)-(4) use always payer properties and (5)-(8) use property-years with positive payments. In columns (1), (2), (5), and (6) only pre-policy (FYs 19/20 and 20/21) years are used, and in columns (3), (4), (7), and (8) only post-policy years (FYs 21/22, 22/23 and FY 23/24) are used. The outcome is an indicator for the property-year paying an effective rate equal to 4% (odd numbererd columns) or 6% (even numbererd columns). The mean outcome in the control group is given at the bottom of each column. Each observation is a property-year. Standard errors in parentheses are clustered at the property owner level. *$p < 0.05$, **$p < 0.01$, ***$p < 0.001$.

Table 2: Rate bands policy impact on payments made

	Pre-Policy		Post-policy	
	(1) Indicator if Paid	(2) Share of RV Paid	(3) Indicator if Paid	(4) Share of RV Paid
Panel A: *All properties*				
Treated (< 5mn)	0.00286	-0.0000790	-0.00544	-0.00332***
	(0.00530)	(0.000422)	(0.00558)	(0.000592)
N prop-years	302186	302186	452955	452955
N clusters	78446	78446	78454	78454
Control Mean	0.15	0.01	0.20	0.02
Panel B: *Eligible residential properties*				
Treated (< 5mn)	-0.00524	-0.000803	-0.00899	-0.00347**
	(0.0125)	(0.000976)	(0.0132)	(0.00136)
N prop-years	136086	136086	204097	204097
N clusters	61751	61751	61755	61755
Control Mean	0.15	0.01	0.18	0.02
Panel C: *Not-eligible residential properties*				
Treated (< 5mn)	0.00823	0.000582	0.000134	-0.00228***
	(0.00638)	(0.000513)	(0.00658)	(0.000693)
N prop-years	108632	108632	162895	162895
N clusters	29418	29418	29420	29420
Control Mean	0.12	0.01	0.15	0.02
Panel D: *Commercial properties*				
Treated (< 5mn)	0.0146	0.000572	0.00603	-0.00289***
	(0.00926)	(0.000766)	(0.00943)	(0.00111)
N prop-years	57468	57468	85963	85963
N clusters	19152	19152	19157	19157
Control Mean	0.20	0.01	0.31	0.03

Note: This table presents RD estimates of the rates bands policy on payments around the official 5mn cutoff value. Panels separate samples by discount eligibility (property characteristics independent of the rateable value). A bandwidth of 5mn UGX, a first order polynomial and controls for year are used. In columns (1) and (2) only pre-policy (FYs 19/20 and 20/21) years are used, and in columns (3) and (4) only post-policy years (FYs 21/22, 22/23 and FY 23/24) are used. The outcome is an indicator for the property-year making a positive payment (odd numbererd columns) or the share of the property's rateable value paid in the year (even numbererd columns). The mean outcome in the control group is given at the bottom of each column. Each observation is a property-year. Standard errors in parentheses are clustered at the property owner level. $^{*}p < 0.05$, $^{**}p < 0.01$, $^{***}p < 0.001$.

Table 3: Quantifying the rates bands policy effect on revenues raised

(1) Change in revenue over post-period (millions UGX)	(2) Change in revenue as a share of treated group revenue	(3) Change in revenue as a share of total revenue
Panel A: *All properties*		
-1835	-0.19	-0.019
Panel B: *Eligible residential properties*		
-730	-0.22	-0.049
Panel C: *Not-eligible residential properties*		
-562	-0.17	-0.033
Panel D: *Commercial properties*		
-281	-0.10	-0.004

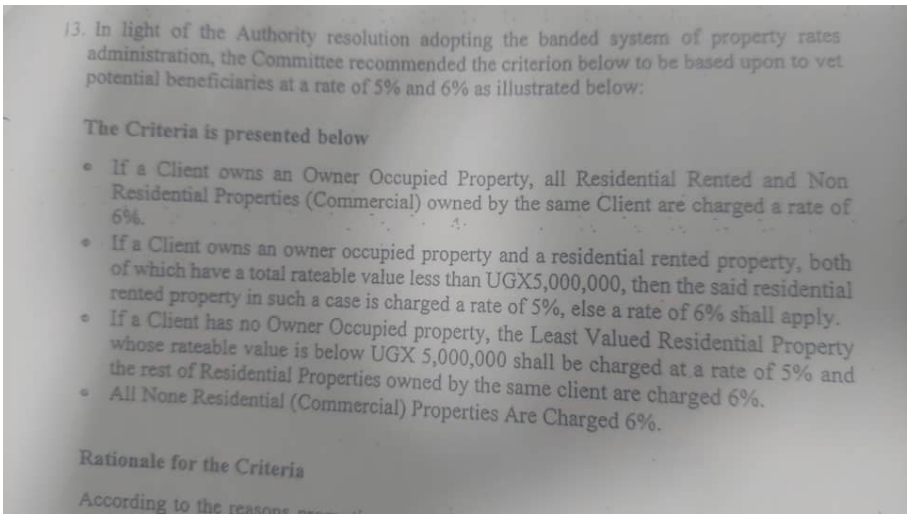
Note: This table quantifies the effect of the policy on revenues raised. Each panel restricts the sample based on eligibility criteria. Column 1 presents the change in revenue due to the average treatment effect, column 2 presents this change as a share of the revenue collected by all treated properties annually post treatment, and column 3 presents this change as a share of total revenue collected annually, post treatment.

Appendices

A Appendix Figures

Figure A.1: First Property Rate Bands Eligibility Criteria

(a) Proposal of rates bands adjustment



13. In light of the Authority resolution adopting the banded system of property rates administration, the Committee recommended the criterion below to be based upon to vet potential beneficiaries at a rate of 5% and 6% as illustrated below:

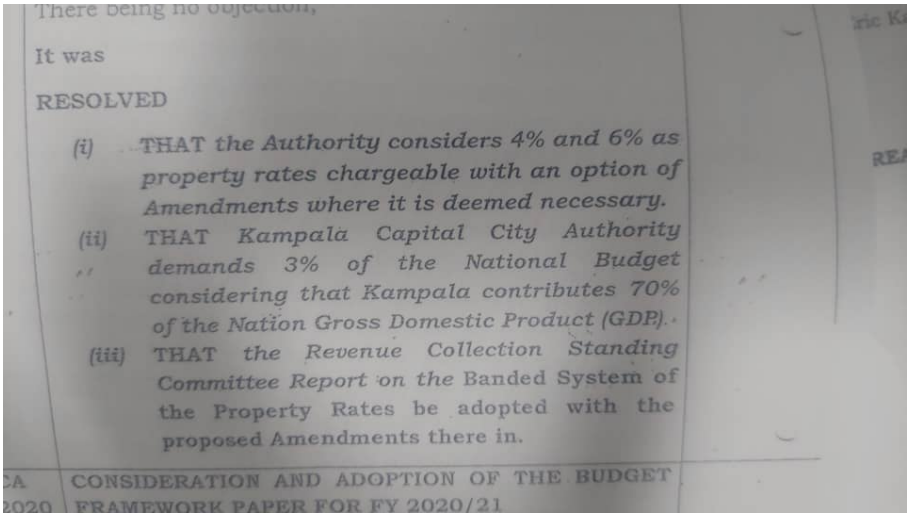
The Criteria is presented below

- If a Client owns an Owner Occupied Property, all Residential Rented and Non Residential Properties (Commercial) owned by the same Client are charged a rate of 6%.
- If a Client owns an owner occupied property and a residential rented property, both of which have a total rateable value less than UGX5,000,000, then the said residential rented property in such a case is charged a rate of 5%, else a rate of 6% shall apply.
- If a Client has no Owner Occupied property, the Least Valued Residential Property whose rateable value is below UGX 5,000,000 shall be charged at a rate of 5% and the rest of Residential Properties owned by the same client are charged 6%.
- All None Residential (Commercial) Properties Are Charged 6%.

Rationale for the Criteria

According to the reasons

(b) Approved rates bands adjustment



There being no objection,

It was

RESOLVED

(i) THAT *the Authority considers 4% and 6% as property rates chargeable with an option of Amendments where it is deemed necessary.*

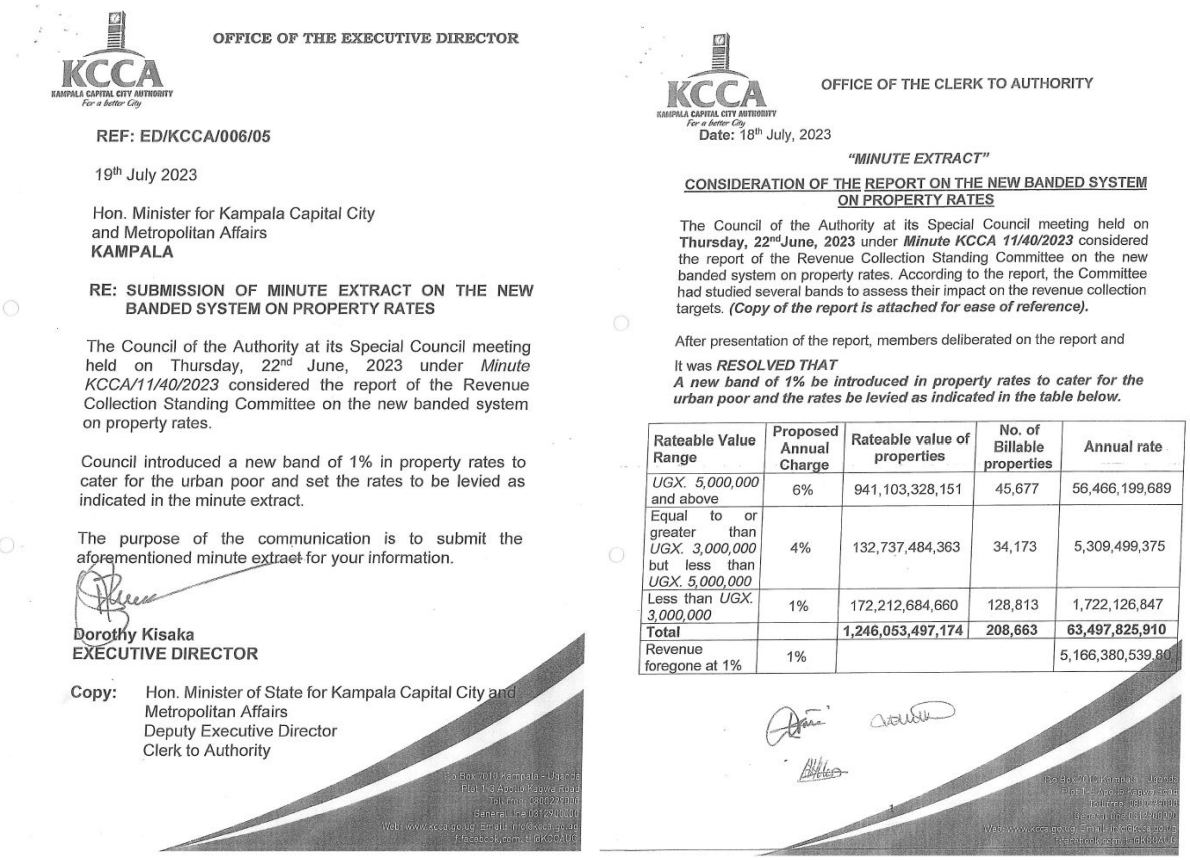
(ii) THAT *Kampala Capital City Authority demands 3% of the National Budget considering that Kampala contributes 70% of the Nation Gross Domestic Product (GDP).*

(iii) THAT *the Revenue Collection Standing Committee Report on the* Banded System of the Property Rates be adopted with the proposed Amendments there in.

CONSIDERATION AND ADOPTION OF THE BUDGET FRAMEWORK PAPER FOR FY 2020/21

Notes: This figure shows copies of the first rate bands criteria. This policy was tabled to council as shown in panel a), and then passed with amendments shown in panel b). The final criteria were signed on 14th January 2020 by the KCCA council (which includes the Mayor and other councillors).

Figure A.2: Council Resolution on Property Rates Bands, July 2023



OFFICE OF THE EXECUTIVE DIRECTOR

KCCA
KAMPALA CAPITAL CITY AUTHORITY
For a better City

REF: ED/KCCA/006/05

19th July 2023

Hon. Minister for Kampala Capital City
and Metropolitan Affairs
KAMPALA

RE: SUBMISSION OF MINUTE EXTRACT ON THE NEW BANDED SYSTEM ON PROPERTY RATES

The Council of the Authority at its Special Council meeting held on Thursday, 22nd June, 2023 under *Minute KCCA/11/40/2023* considered the report of the Revenue Collection Standing Committee on the new banded system on property rates.

Council introduced a new band of 1% in property rates to cater for the urban poor and set the rates to be levied as indicated in the minute extract.

The purpose of the communication is to submit the aforementioned minute extract for your information.

Dorothy Kisaka
EXECUTIVE DIRECTOR

Copy: Hon. Minister of State for Kampala Capital City and Metropolitan Affairs
Deputy Executive Director
Clerk to Authority

KCCA
KAMPALA CAPITAL CITY AUTHORITY
For a better City

OFFICE OF THE CLERK TO AUTHORITY

Date: 18th July, 2023

"MINUTE EXTRACT"

CONSIDERATION OF THE REPORT ON THE NEW BANDED SYSTEM ON PROPERTY RATES

The Council of the Authority at its Special Council meeting held on **Thursday, 22nd June, 2023** under ***Minute KCCA 11/40/2023*** considered the report of the Revenue Collection Standing Committee on the new banded system on property rates. According to the report, the Committee had studied several bands to assess their impact on the revenue collection targets. ***(Copy of the report is attached for ease of reference).***

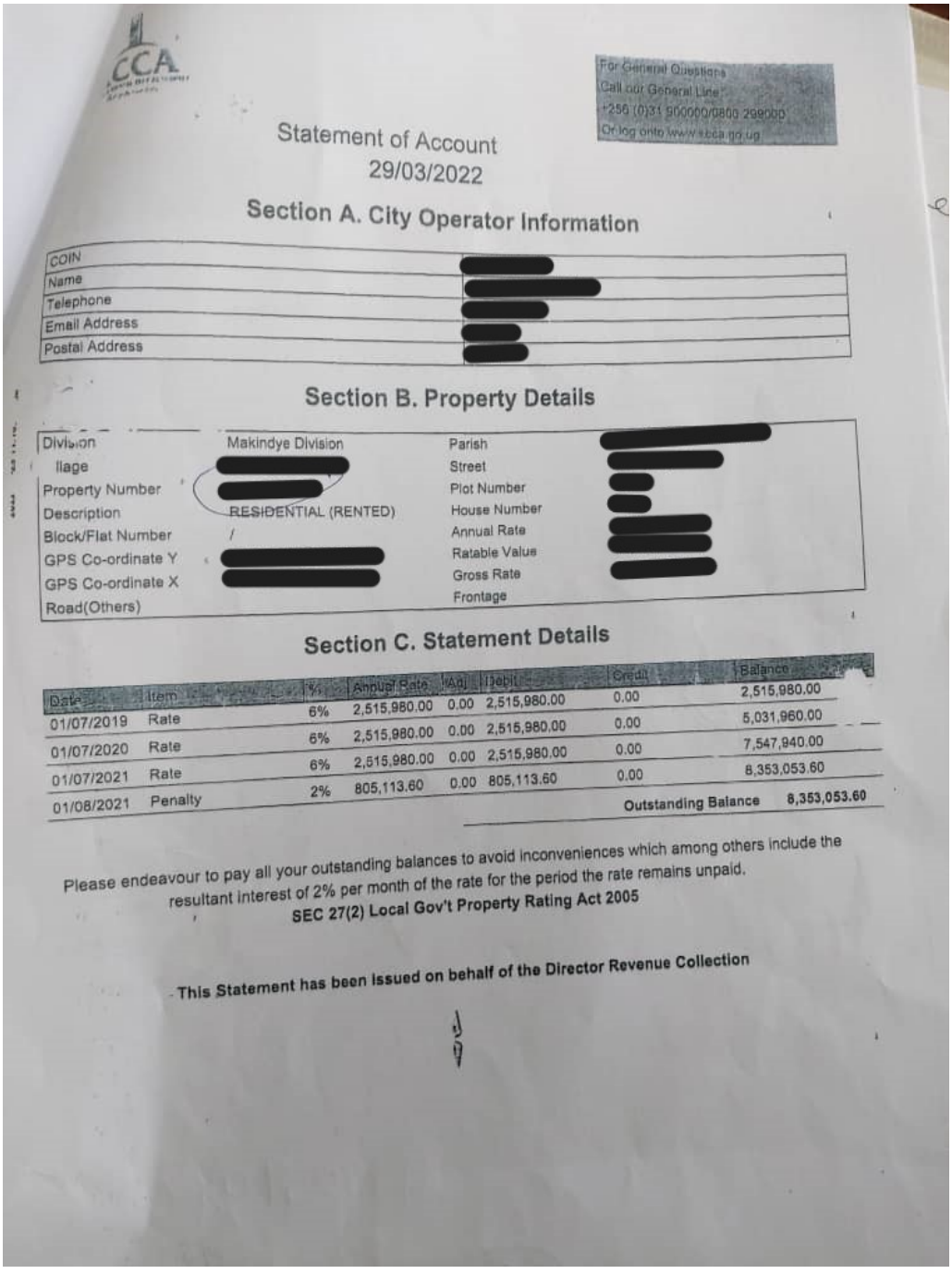
After presentation of the report, members deliberated on the report and

It was ***RESOLVED THAT***
A new band of 1% be introduced in property rates to cater for the urban poor and the rates be levied as indicated in the table below.

Rateable Value Range	Proposed Annual Charge	Rateable value of properties	No. of Billable properties	Annual rate
UGX. 5,000,000 and above	6%	941,103,328,151	45,677	56,466,199,689
Equal to or greater than *UGX. 3,000,000* but less than *UGX. 5,000,000*	4%	132,737,484,363	34,173	5,309,499,375
Less than *UGX. 3,000,000*	1%	172,212,684,660	128,813	1,722,126,847
Total		**1,246,053,497,174**	**208,663**	**63,497,825,910**
Revenue foregone at 1%	1%			5,166,380,539.80

Notes: This figure shows copies of the second rate bands criteria. This memo is dated July 2023 and was made effective as of July 2024. This information was shared by Ezra Ssebuwufu the Deputy Director Business Support and Compliance Management at KCCA and Julius Mutebi, Supervisor Research and Business Analysis.

Figure A.3: Example of Statement of Account



CCA

For General Questions
Call our General Line
+256 (0)31 900000/0800 299000
Or log onto www.ccca.go.ug

Statement of Account
29/03/2022

Section A. City Operator Information

COIN	[redacted]
Name	[redacted]
Telephone	[redacted]
Email Address	[redacted]
Postal Address	[redacted]

Section B. Property Details

Division	Makindye Division	Parish	[redacted]
Village	[redacted]	Street	[redacted]
Property Number	[redacted]	Plot Number	[redacted]
Description	RESIDENTIAL (RENTED)	House Number	[redacted]
Block/Flat Number	/	Annual Rate	[redacted]
GPS Co-ordinate Y	[redacted]	Ratable Value	[redacted]
GPS Co-ordinate X	[redacted]	Gross Rate	[redacted]
Road(Others)		Frontage	

Section C. Statement Details

Date	Item	%	Annual Rate	Adj	Debit	Credit	Balance
01/07/2019	Rate	6%	2,515,980.00	0.00	2,515,980.00	0.00	2,515,980.00
01/07/2020	Rate	6%	2,515,980.00	0.00	2,515,980.00	0.00	5,031,960.00
01/07/2021	Rate	6%	2,515,980.00	0.00	2,515,980.00	0.00	7,547,940.00
01/08/2021	Penalty	2%	805,113.60	0.00	805,113.60	0.00	8,353,053.60
						Outstanding Balance	8,353,053.60

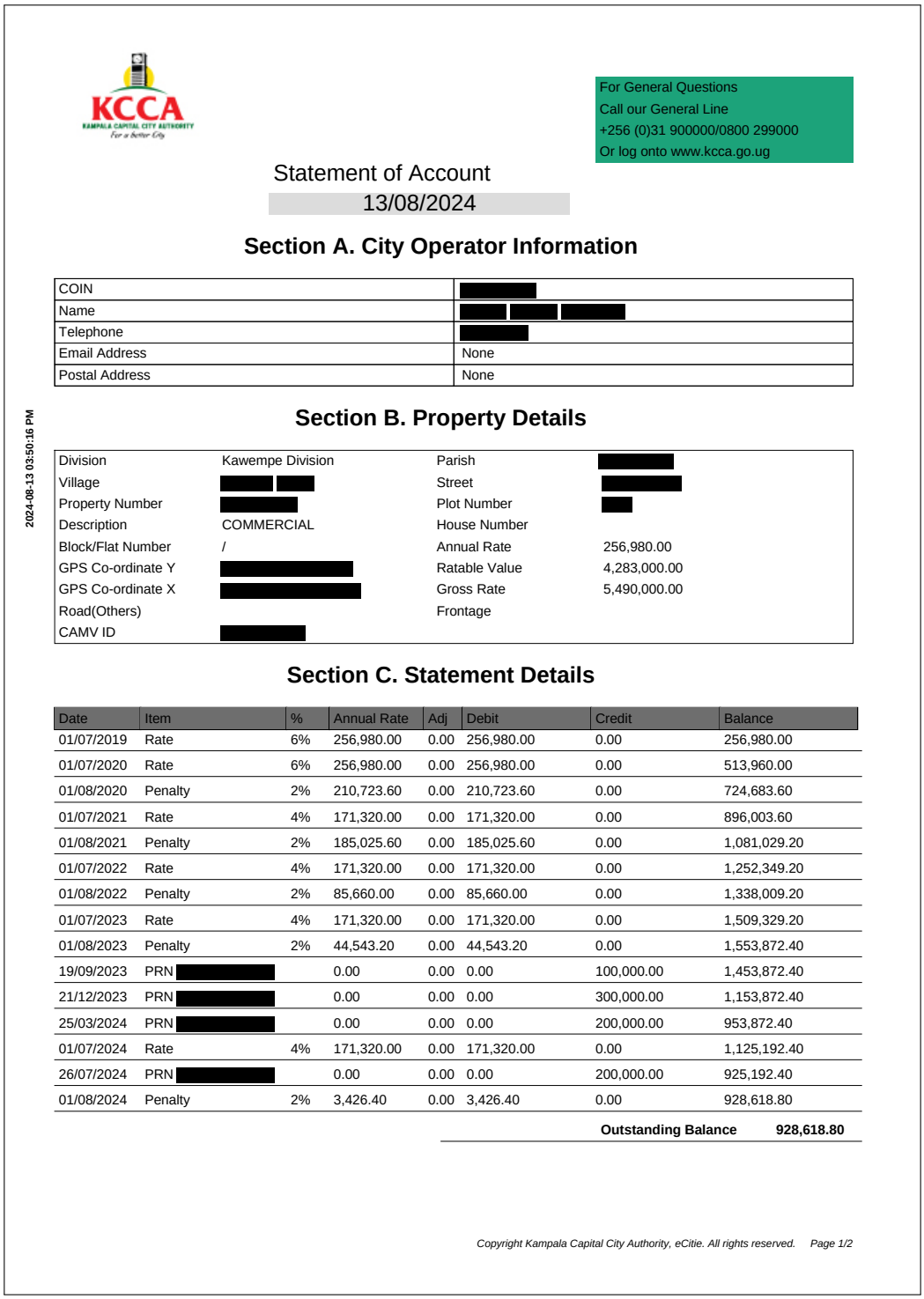
Please endeavour to pay all your outstanding balances to avoid inconveniences which among others include the resultant interest of 2% per month of the rate for the period the rate remains unpaid.

SEC 27(2) Local Gov't Property Rating Act 2005

This Statement has been issued on behalf of the Director Revenue Collection

Notes: Example of a property rates Statement issued for a specific property as of March 29, 2022. The statement provides information about the property owner in Section A, information about the property in Section B, and details of the outstanding balance in Section C.

Figure A.4: Example of Statement of Account (discount-ineligible paying 4%)



KCCA
KAMPALA CAPITAL CITY AUTHORITY
For a better City

For General Questions
Call our General Line
+256 (0)31 900000/0800 299000
Or log onto www.kcca.go.ug

Statement of Account
13/08/2024

Section A. City Operator Information

COIN	[redacted]
Name	[redacted]
Telephone	[redacted]
Email Address	None
Postal Address	None

2024-08-13 03:50:16 PM

Section B. Property Details

Division	Kawempe Division	Parish	[redacted]
Village	[redacted]	Street	[redacted]
Property Number	[redacted]	Plot Number	[redacted]
Description	COMMERCIAL	House Number	
Block/Flat Number	/	Annual Rate	256,980.00
GPS Co-ordinate Y	[redacted]	Ratable Value	4,283,000.00
GPS Co-ordinate X	[redacted]	Gross Rate	5,490,000.00
Road(Others)		Frontage	
CAMV ID	[redacted]		

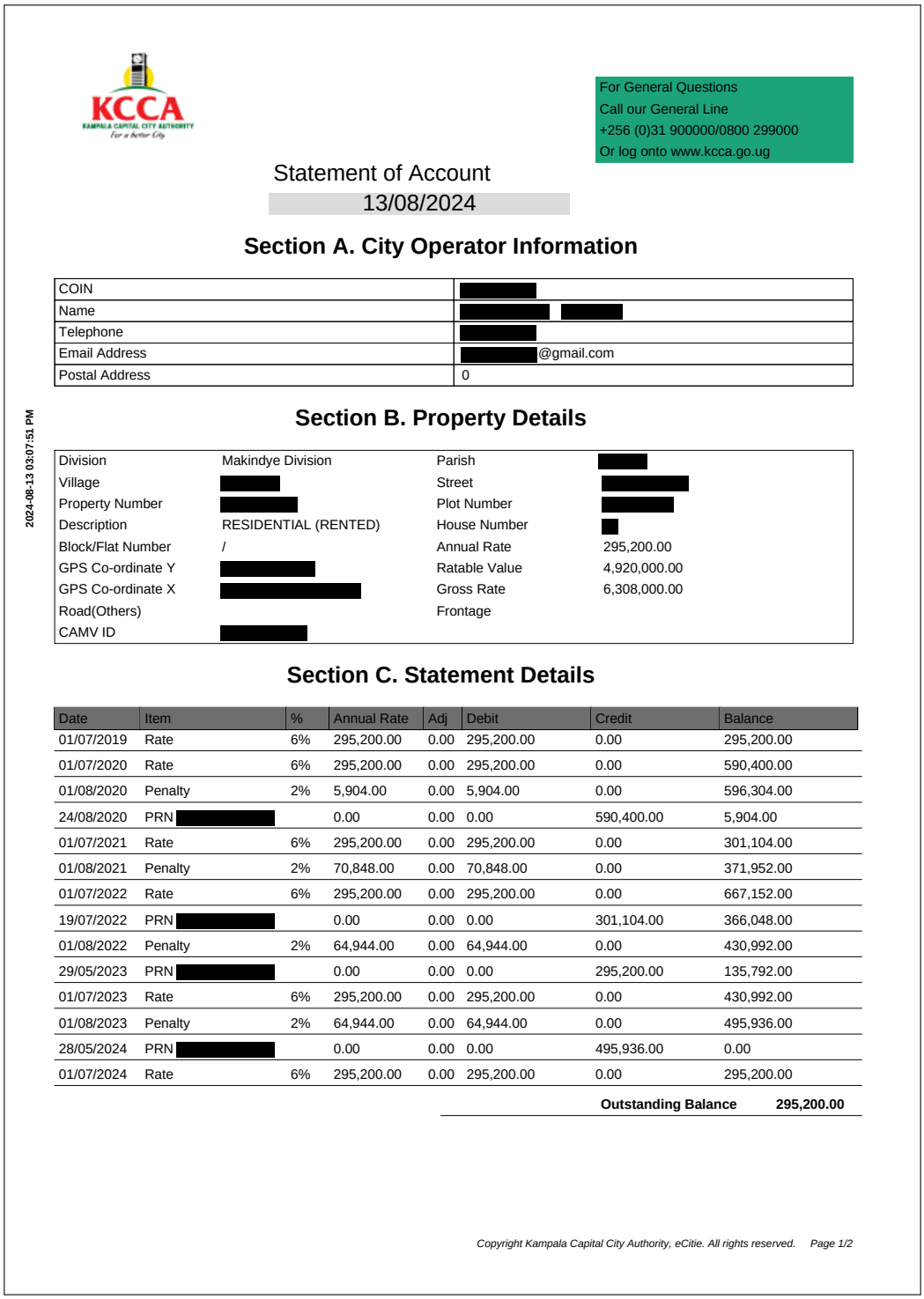
Section C. Statement Details

Date	Item	%	Annual Rate	Adj	Debit	Credit	Balance
01/07/2019	Rate	6%	256,980.00	0.00	256,980.00	0.00	256,980.00
01/07/2020	Rate	6%	256,980.00	0.00	256,980.00	0.00	513,960.00
01/08/2020	Penalty	2%	210,723.60	0.00	210,723.60	0.00	724,683.60
01/07/2021	Rate	4%	171,320.00	0.00	171,320.00	0.00	896,003.60
01/08/2021	Penalty	2%	185,025.60	0.00	185,025.60	0.00	1,081,029.20
01/07/2022	Rate	4%	171,320.00	0.00	171,320.00	0.00	1,252,349.20
01/08/2022	Penalty	2%	85,660.00	0.00	85,660.00	0.00	1,338,009.20
01/07/2023	Rate	4%	171,320.00	0.00	171,320.00	0.00	1,509,329.20
01/08/2023	Penalty	2%	44,543.20	0.00	44,543.20	0.00	1,553,872.40
19/09/2023	PRN [redacted]		0.00	0.00	0.00	100,000.00	1,453,872.40
21/12/2023	PRN [redacted]		0.00	0.00	0.00	300,000.00	1,153,872.40
25/03/2024	PRN [redacted]		0.00	0.00	0.00	200,000.00	953,872.40
01/07/2024	Rate	4%	171,320.00	0.00	171,320.00	0.00	1,125,192.40
26/07/2024	PRN [redacted]		0.00	0.00	0.00	200,000.00	925,192.40
01/08/2024	Penalty	2%	3,426.40	0.00	3,426.40	0.00	928,618.80
						Outstanding Balance	**928,618.80**

Copyright Kampala Capital City Authority, eCitie. All rights reserved.

Notes: Example of a property rates Statement issued for a property that was ineligible for the discounted rate yet has been billed at 4% post-policy.

Figure A.5: Example of Statement of Account (discount-eligible paying 6%)



KCCA
KAMPALA CAPITAL CITY AUTHORITY
For a better City

For General Questions
Call our General Line
+256 (0)31 900000/0800 299000
Or log onto www.kcca.go.ug

Statement of Account
13/08/2024

Section A. City Operator Information

COIN	[redacted]
Name	[redacted]
Telephone	[redacted]
Email Address	[redacted]@gmail.com
Postal Address	0

2024-08-13 03:07:51 PM

Section B. Property Details

Division	Makindye Division	Parish	[redacted]
Village	[redacted]	Street	[redacted]
Property Number	[redacted]	Plot Number	[redacted]
Description	RESIDENTIAL (RENTED)	House Number	[redacted]
Block/Flat Number	/	Annual Rate	295,200.00
GPS Co-ordinate Y	[redacted]	Ratable Value	4,920,000.00
GPS Co-ordinate X	[redacted]	Gross Rate	6,308,000.00
Road(Others)		Frontage	
CAMV ID	[redacted]		

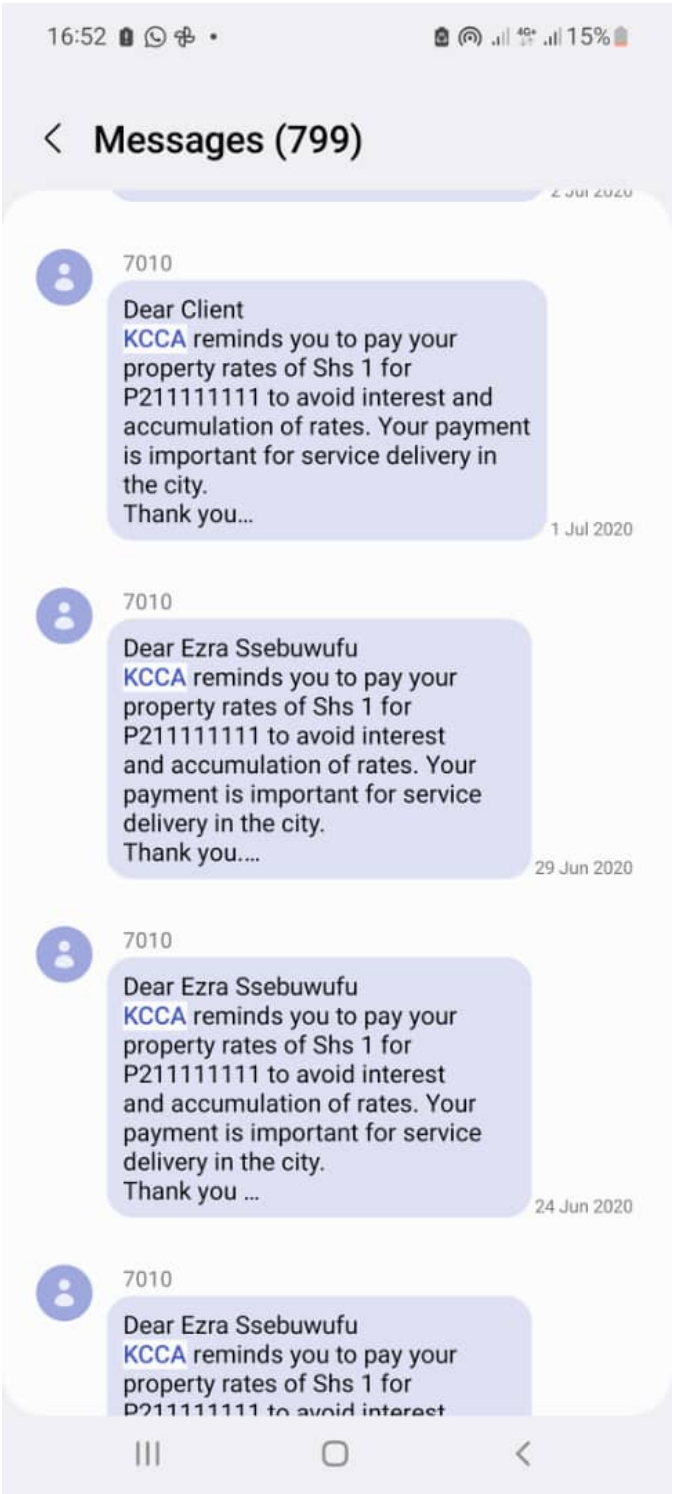
Section C. Statement Details

Date	Item	%	Annual Rate	Adj	Debit	Credit	Balance
01/07/2019	Rate	6%	295,200.00	0.00	295,200.00	0.00	295,200.00
01/07/2020	Rate	6%	295,200.00	0.00	295,200.00	0.00	590,400.00
01/08/2020	Penalty	2%	5,904.00	0.00	5,904.00	0.00	596,304.00
24/08/2020	PRN [redacted]		0.00	0.00	0.00	590,400.00	5,904.00
01/07/2021	Rate	6%	295,200.00	0.00	295,200.00	0.00	301,104.00
01/08/2021	Penalty	2%	70,848.00	0.00	70,848.00	0.00	371,952.00
01/07/2022	Rate	6%	295,200.00	0.00	295,200.00	0.00	667,152.00
19/07/2022	PRN [redacted]		0.00	0.00	0.00	301,104.00	366,048.00
01/08/2022	Penalty	2%	64,944.00	0.00	64,944.00	0.00	430,992.00
29/05/2023	PRN [redacted]		0.00	0.00	0.00	295,200.00	135,792.00
01/07/2023	Rate	6%	295,200.00	0.00	295,200.00	0.00	430,992.00
01/08/2023	Penalty	2%	64,944.00	0.00	64,944.00	0.00	495,936.00
28/05/2024	PRN [redacted]		0.00	0.00	0.00	495,936.00	0.00
01/07/2024	Rate	6%	295,200.00	0.00	295,200.00	0.00	295,200.00
					Outstanding Balance		**295,200.00**

Copyright Kampala Capital City Authority, eCitie. All rights reserved. *Page 1/2*

Notes: Example of a property rates Statement issued for a property that was eligible for the discounted rate but continues to be billed at 6% post-policy.

Figure A.6: Example of SMS reminders

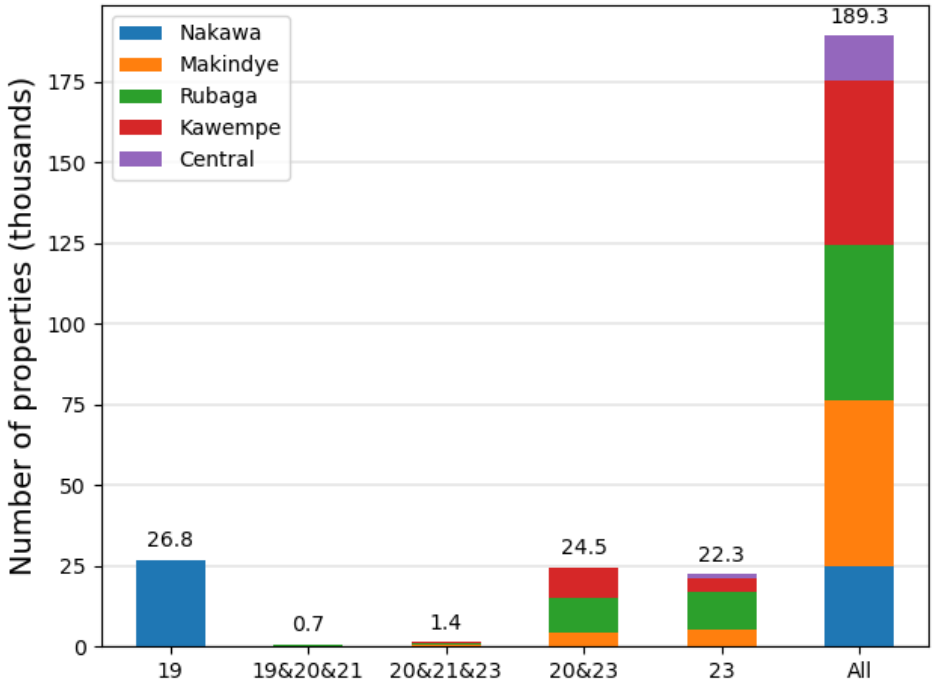


Notes: Example of SMS messages sent to taxpayers to remind payments to be made. Each of these are template messages sent to Ezra for verification purposes.

Figure A.7: Example of Aerial Imagery resource available at KCCA

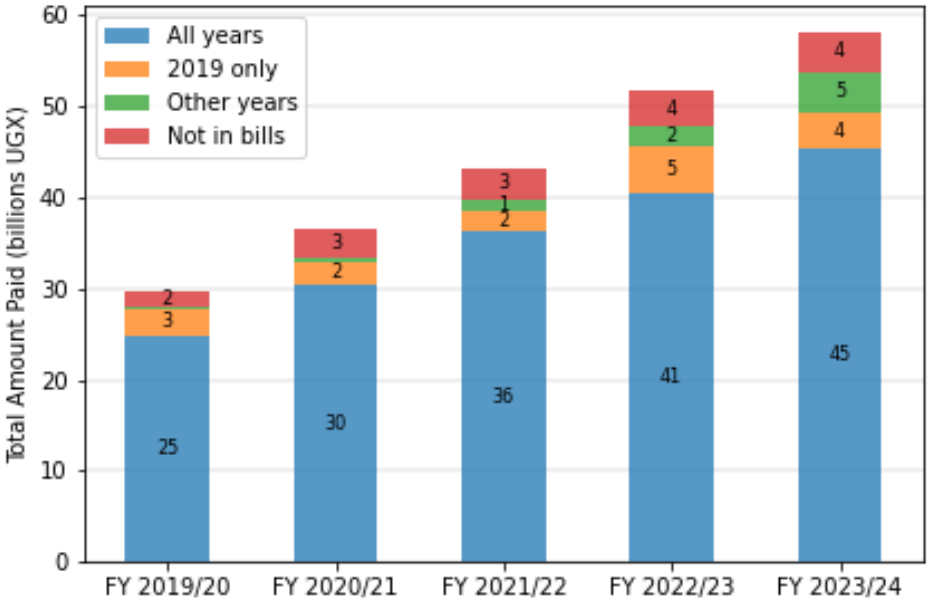
Notes: This figure is an example of some of the data that the IT department at KCCA holds. These data are used for property valuation, among other things.

Figure A.8: Number of properties by years in which billed



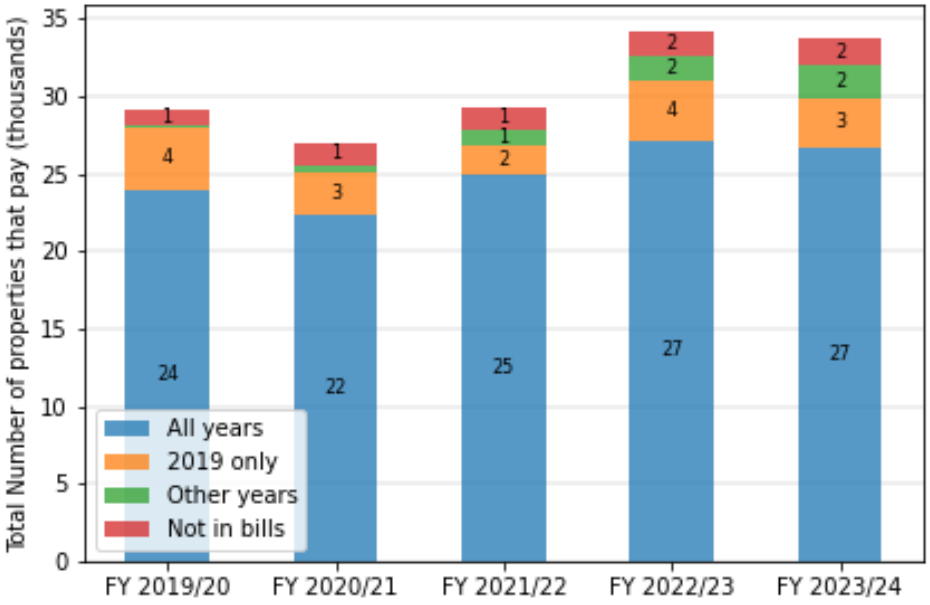
Notes: This figure plots monthly amount paid as a share of the total for the fiscal year, and the monthly number of payments as a share of the total number of payments made in the fiscal year. The vertical black lines demarcate the start and end of each fiscal year.

Figure A.9: Total amount paid per FY by years in which billed



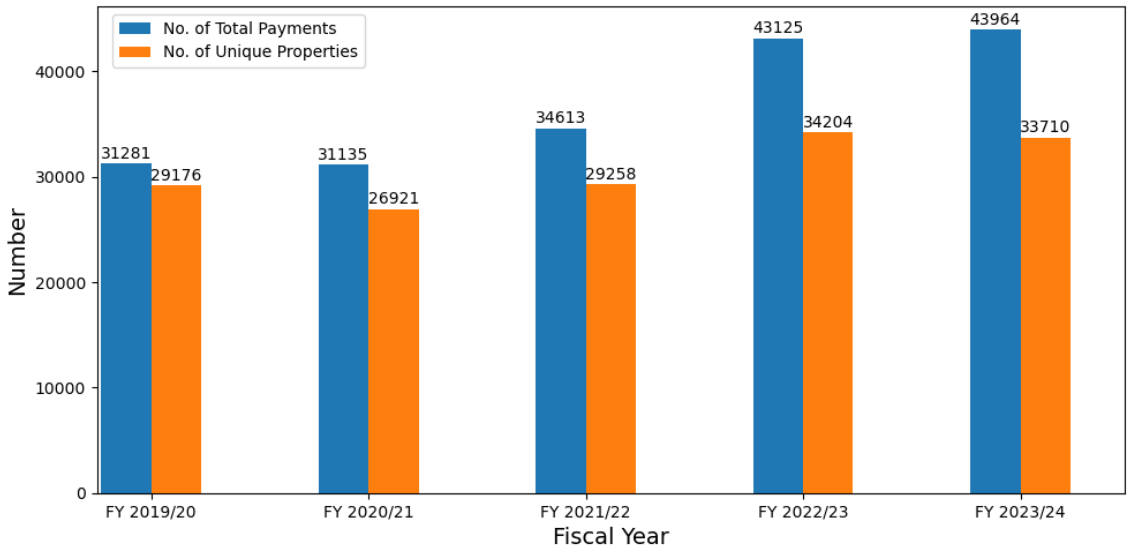
Notes: This figure plots the total amount paid each financial year, broken down by the years in which a property has been billed. The blue bars represent total payments recieved from properties that appear in all billed years, orange from properties that appear in only 2019 bills, green from properties that appear in all other years, and red are from properties that never appear in any of the (cleaned) bills.

Figure A.10: No. of properties making a payment per FY by years in which billed



Notes: This figure plots the total number of properties that made a positive payment in each financial year, broken down by the years in which a property has been billed. The blue bars represent total payments recieved from properties that appear in all billed years, orange from properties that appear in only 2019 bills, green from properties that appear in all other years, and red are from properties that never appear in any of the (cleaned) bills.

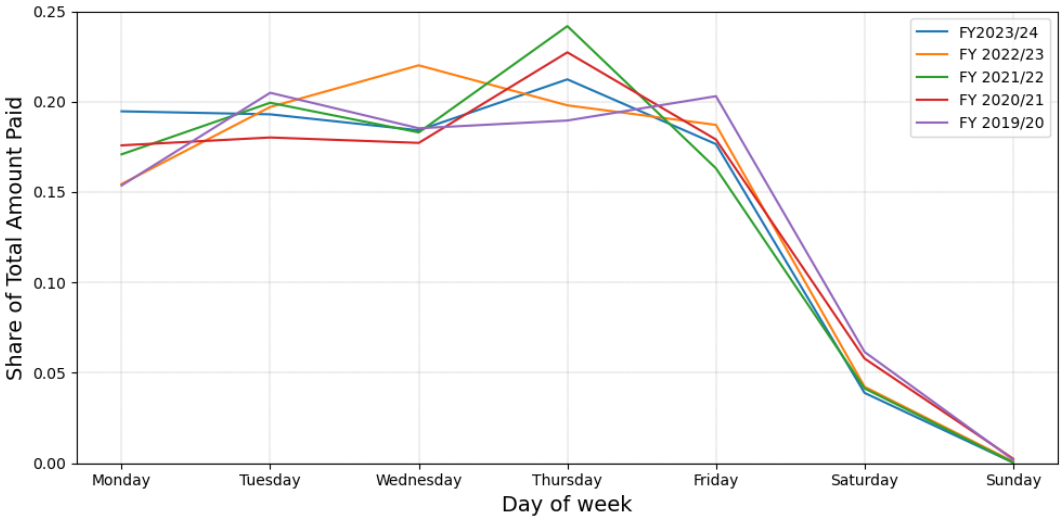
Figure A.11: Total payments



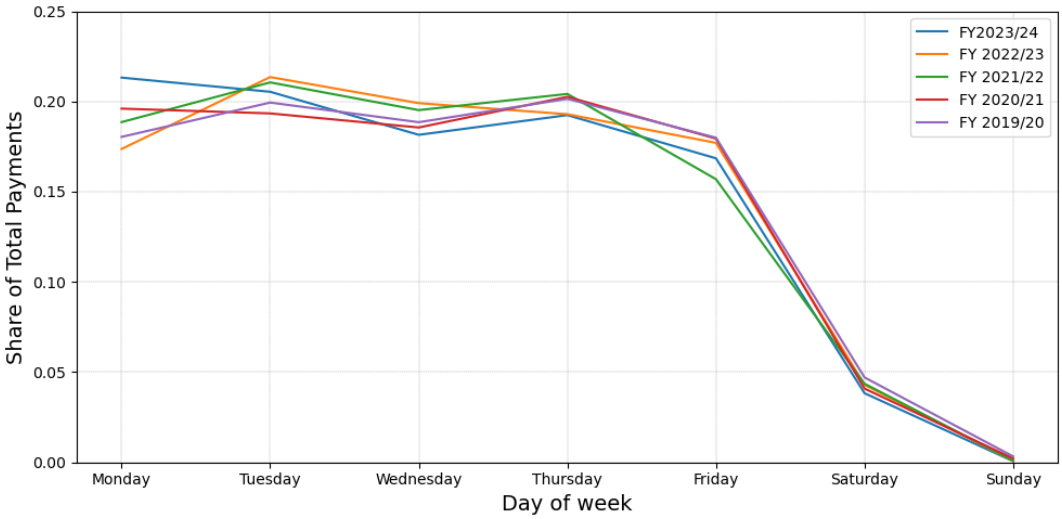
Notes: This figure plots the number of payments by financial year for two series. The orange bars represent the number of uniqye properties and the blue bars represent the number of total payments.

Figure A.12: Payments by day of the week

(a) Fiscal year 2019/20



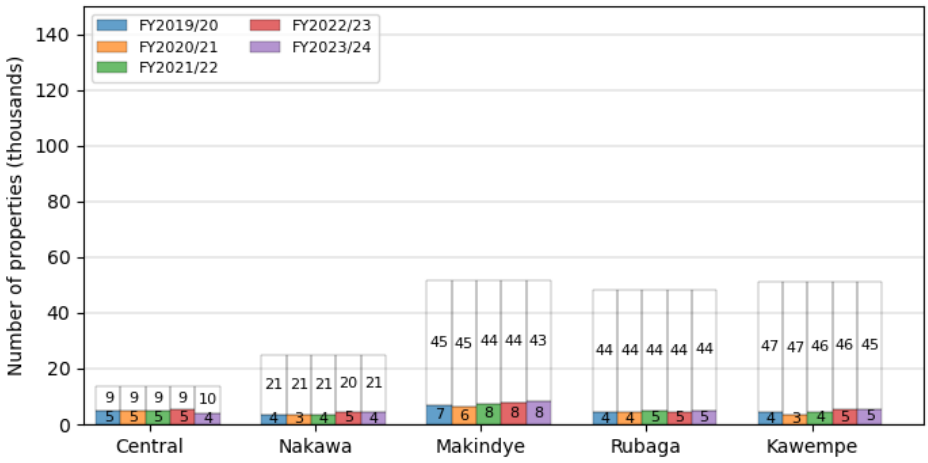
(b) Fiscal year 2019/20



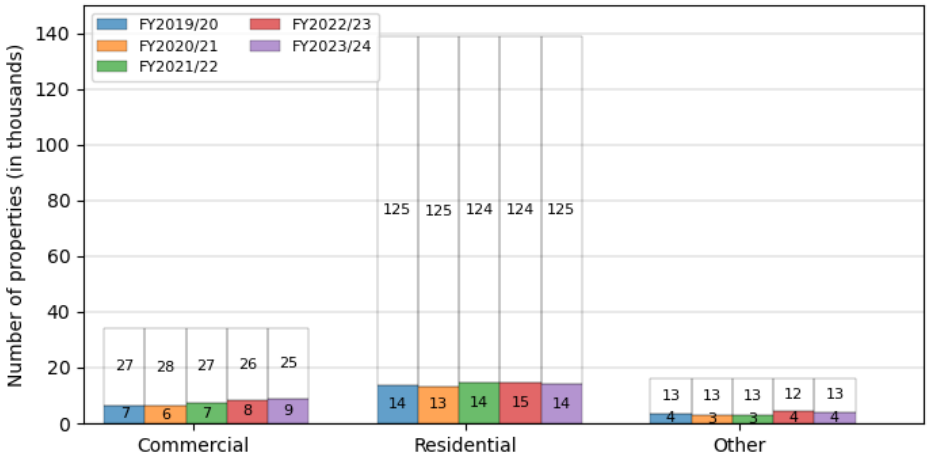
Notes: This figure plots the amount paid and number of payments by the day of week as a share of the total number of payments for each fiscal year.

Figure A.13: No. of properties making a payment breakdowns by fiscal year

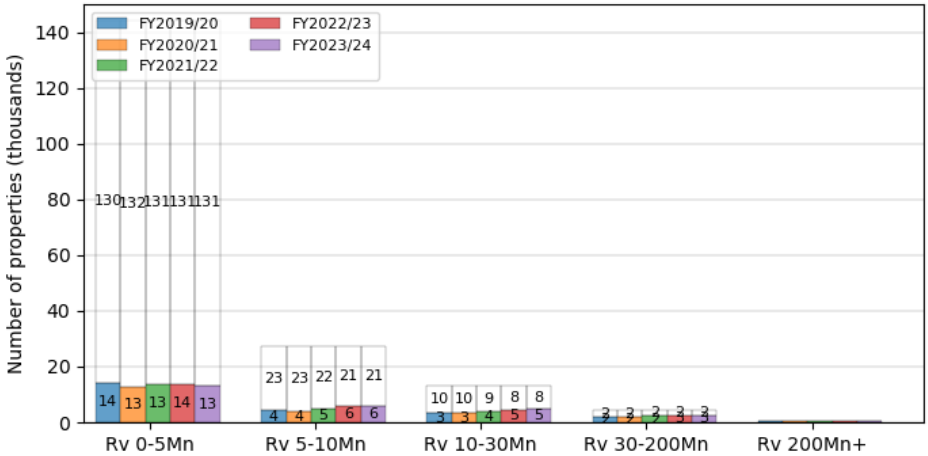
(a) Divisions



(b) Property types



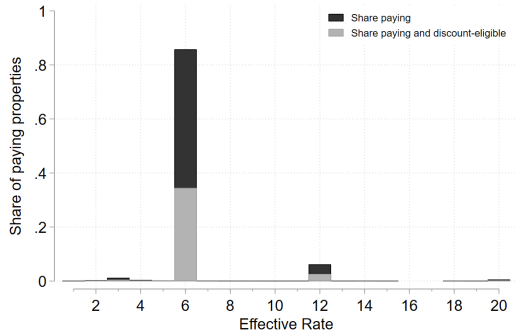
(c) Rateable value



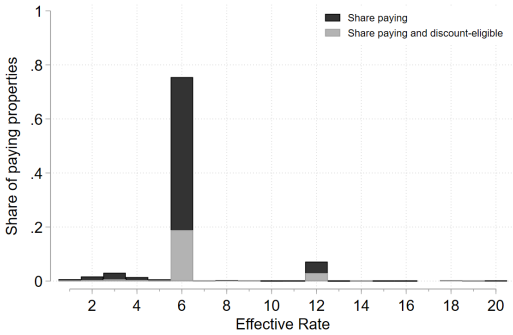
Notes: This figure plots the number of properties making a payments and the total number of properties by financial year broken into divisions (panel a), property types (panel b), and bins of rateable value (panel c). The property type 'other' combines institutional, industrial, special, condominium, and mixed use. Potential revenue is calculated as the sum of current rateable value across properties. The sample is restricted to properties that appear in all billing years.

Figure A.14: Effective rate distributions (positive payments sample)

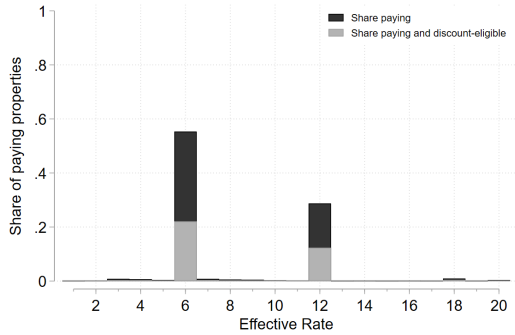
(a) 2019 (< 5mn UGX)



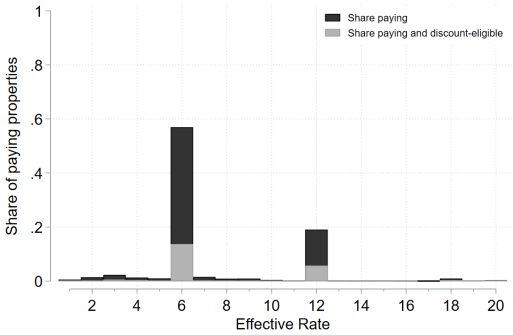
(b) 2019 (≥ 5mn UGX)



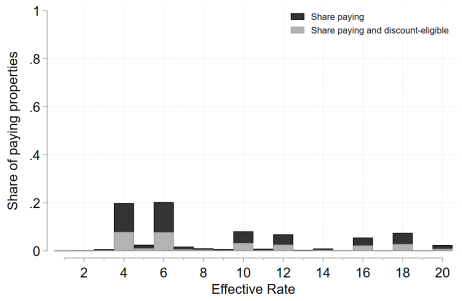
(c) 2020 (< 5mn UGX)



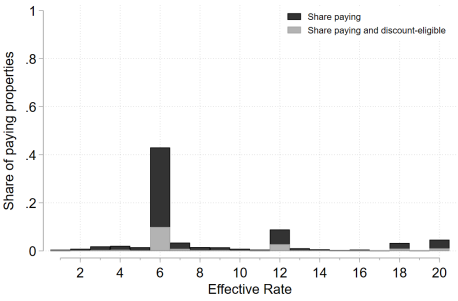
(d) 2020 (≥ 5mn UGX)



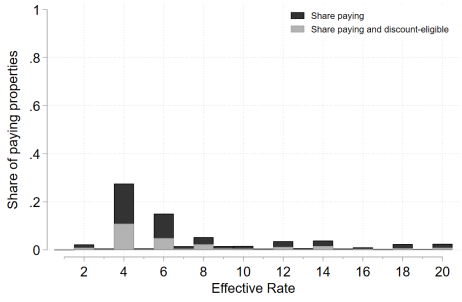
(e) 2021 (< 5mn UGX)



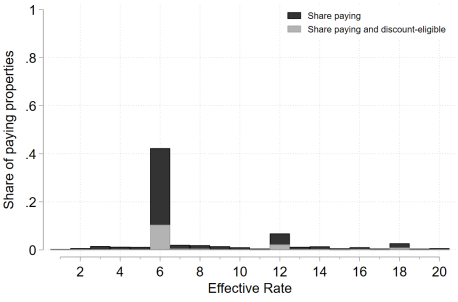
(f) 2021 (≥ 5mn UGX)



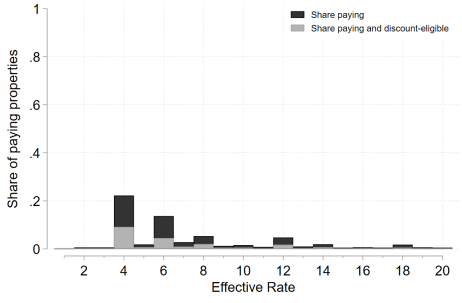
(g) 2022 (< 5mn UGX)



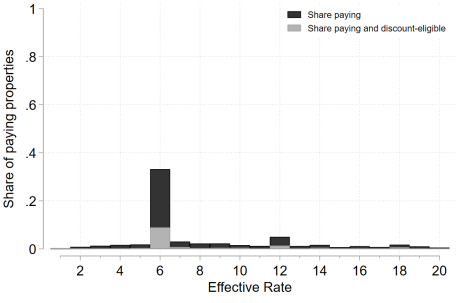
(h) 2022 (≥ 5mn UGX)



(i) 2023 (< 5mn UGX)

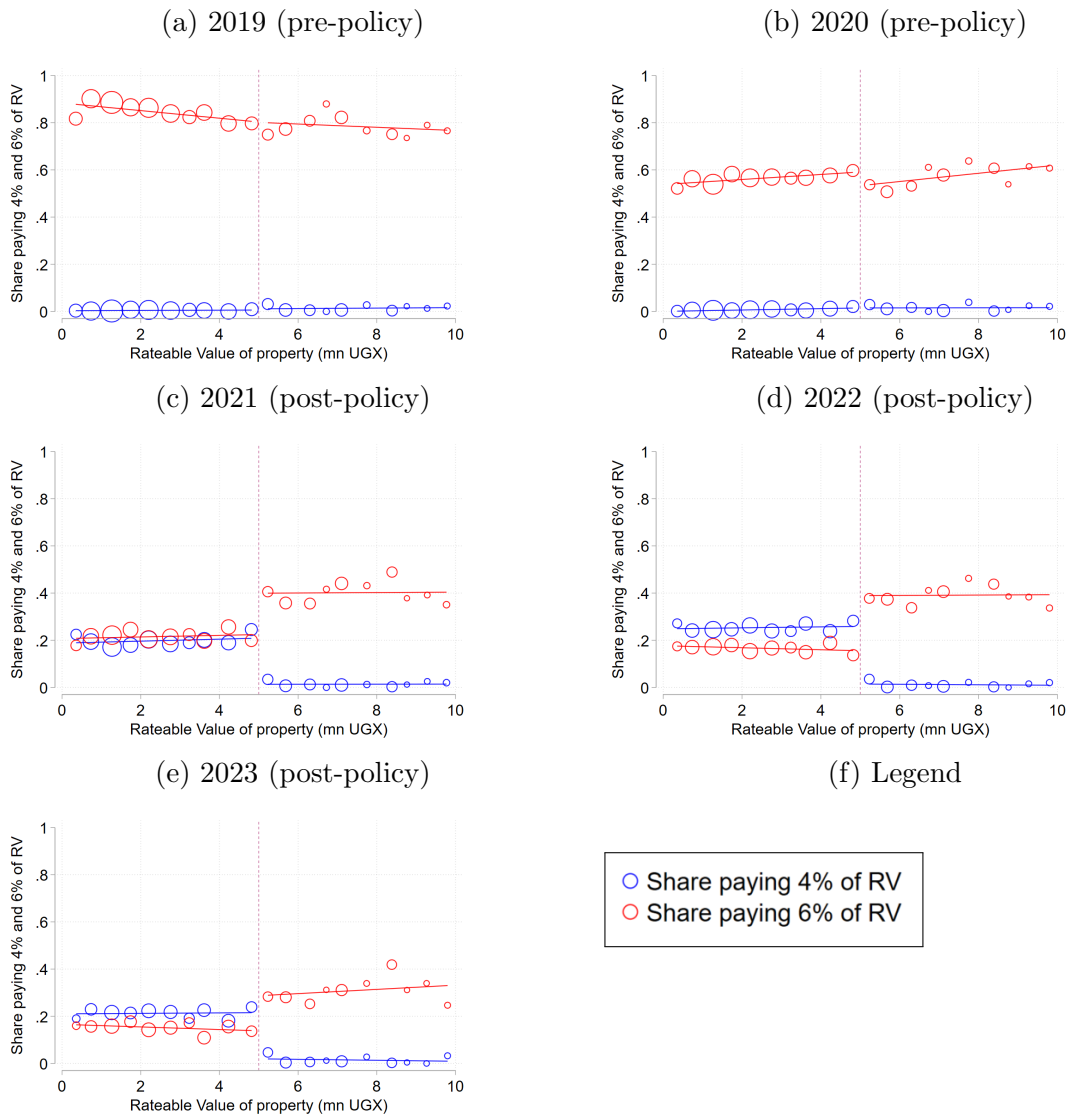


(j) 2023 (≥ 5mn UGX)



Notes: This figure plots the distribution of effective rates for property-years with positive payments.

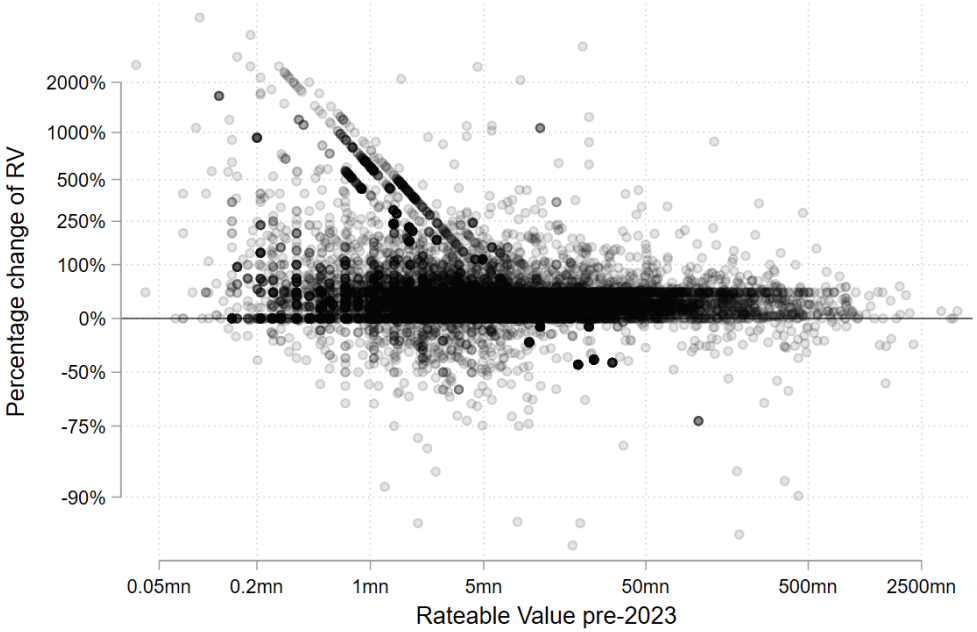
Figure A.15: Share paying 6% or 4% effective rates (positive payments sample)



Notes: This figure plots the share of properties paying a rate of 4% and 6% in 2019 (Panel a), 2020 (Panel b), 2021 (Panel c), 2022 (Panel d) and 2023 (Panel e). pre-Policy years are 2019 and 2020, and post-policy years are 2021, 2022, and 2023. Each scatter point is weighted by the number of properties in that bin. The sample used is of property-years that made at least one payment.

Figure A.16: Revaluation in Central division 2023/24

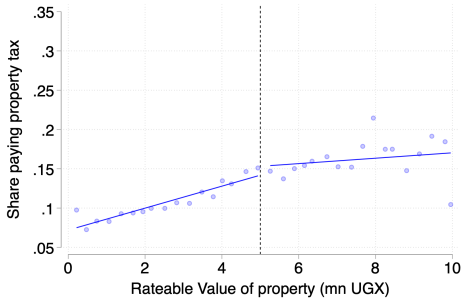
(a) Scatter rateable value change vs initial rateable value



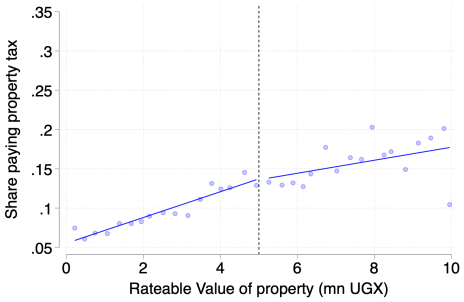
Note: This figure plots scatters of rateable value change and initial rateable value for properties in Central division. Properties that were only added in 2023/24, or were unchanged are dropped. Note that the axes are both on log scales.

Figure A.17: Share paying a property tax

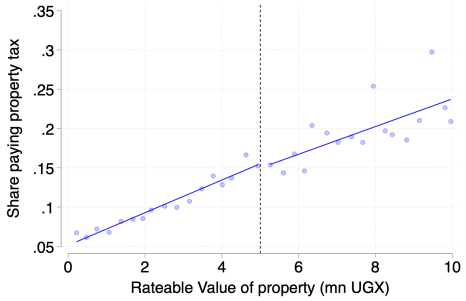
(a) 2019 (pre-policy)



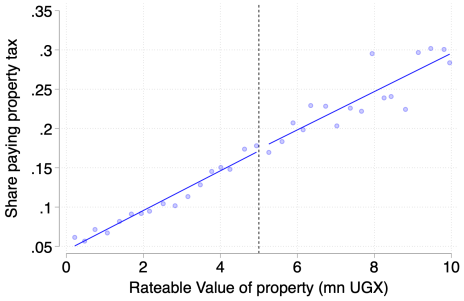
(b) 2020 (pre-policy)



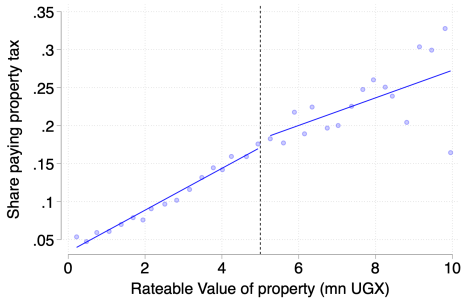
(c) 2021 (post-policy)



(d) 2022 (post-policy)



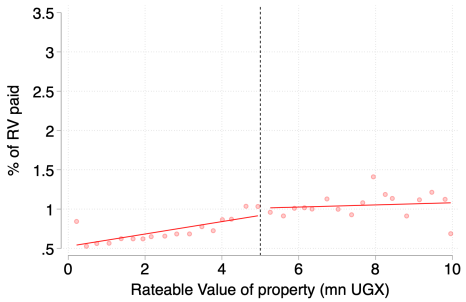
(e) 2023 (post-policy)



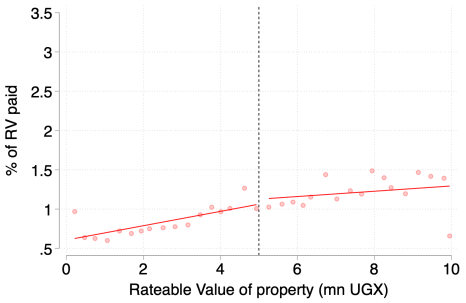
Notes: This figure plots the share of properties paying a property tax in 2019 (Panel a), 2020 (Panel b), 2021 (Panel c), 2022 (Panel d), and 2023 (Panel e). Pre-policy years are 2019 and 2020, and post-policy years are 2021–2023. Each scatter point is weighted by the number of properties in that bin. The sample includes all properties.

Figure A.18: Percent of rateable value (RV) paid

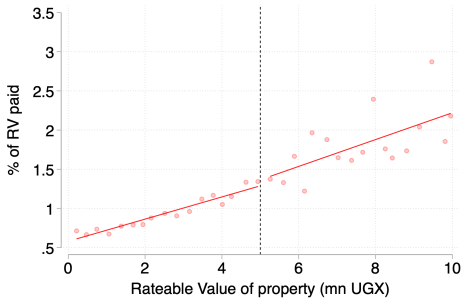
(a) 2019 (pre-policy)



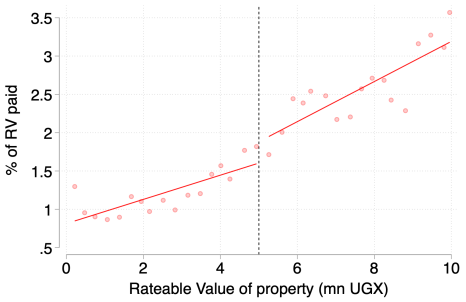
(b) 2020 (pre-policy)



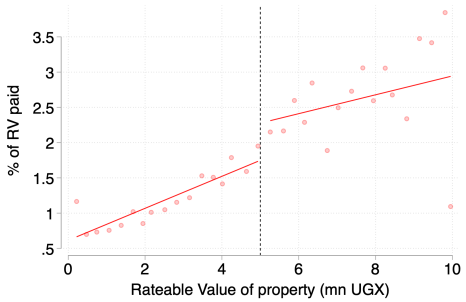
(c) 2021 (post-policy)



(d) 2022 (post-policy)



(e) 2023 (post-policy)



Notes: This figure plots the share of rateable value paid in 2019 (Panel a), 2020 (Panel b), 2021 (Panel c), 2022 (Panel d) and 2023 (Panel e). pre-Policy years are 2019 and 2020, and post-policy years are 2021, 2022, and 2023. Each scatter point is weighted by the number of properties in that bin. The sample includes all properties.

B Appendix Tables

Table A.1: Descriptive Statistics

	(1) Number	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
		Share of properties							
	All	0-1mn	1-2mn	2-3mn	3-5mn	5-10mn	10-30mn	30-200mn	200mn+
Panel A: All Properties									
Central	13785	0.16	0.17	0.11	0.14	0.13	0.15	0.11	0.03
Kawempe	50894	0.16	0.27	0.20	0.18	0.13	0.04	0.01	0.00
Makindye	51466	0.18	0.23	0.19	0.18	0.14	0.07	0.02	0.00
Nakawa	24684	0.18	0.17	0.14	0.17	0.19	0.12	0.03	0.00
Rubaga	48373	0.17	0.25	0.20	0.18	0.14	0.05	0.01	0.00
All	189202	0.17	0.23	0.18	0.18	0.14	0.07	0.02	0.00
Panel B: Residential Properties									
Central	5300	0.13	0.20	0.17	0.18	0.11	0.13	0.07	0.00
Kawempe	40907	0.17	0.29	0.21	0.18	0.12	0.03	0.00	0.00
Makindye	38429	0.17	0.25	0.20	0.18	0.13	0.06	0.01	0.00
Nakawa	17088	0.16	0.19	0.15	0.18	0.18	0.12	0.02	0.00
Rubaga	36862	0.16	0.28	0.21	0.18	0.13	0.03	0.00	0.00
All	138586	0.17	0.26	0.20	0.18	0.13	0.05	0.01	0.00
Panel C: Commercial Properties									
Central	5167	0.22	0.15	0.07	0.09	0.11	0.14	0.17	0.05
Kawempe	6482	0.13	0.19	0.16	0.20	0.21	0.08	0.03	0.00
Makindye	9904	0.24	0.16	0.16	0.16	0.17	0.08	0.02	0.00
Nakawa	3746	0.40	0.13	0.09	0.11	0.11	0.09	0.06	0.01
Rubaga	8665	0.21	0.16	0.15	0.17	0.20	0.09	0.02	0.00
All	33964	0.22	0.16	0.14	0.16	0.17	0.09	0.05	0.01
Panel D: Other Properties									
Central	3318	0.11	0.15	0.08	0.17	0.17	0.20	0.10	0.02
Kawempe	3505	0.13	0.19	0.14	0.17	0.17	0.12	0.07	0.01
Makindye	3133	0.17	0.18	0.15	0.17	0.17	0.12	0.05	0.01
Nakawa	3850	0.06	0.08	0.13	0.16	0.30	0.19	0.07	0.00
Rubaga	2846	0.14	0.16	0.17	0.18	0.18	0.10	0.06	0.01
All	16652	0.12	0.15	0.13	0.17	0.20	0.15	0.07	0.01

Note: This table presents the number and share of all properties (Panel A), residential properties (Panel B), commercial properties (Panel C) and other properties (Panel D). Columns 2-9 present the share of properties by bins of rateable value and divion, and column 1 presents the total number of properties in each division.

Table A.2: Payment Histories

	(1)	(2)	(3)	(4)	(5)	(6)
	All properties			Properties with RV>5mn UGX		
	Share of properties	Share making some payment	Effective Rate	Share of properties	Share making some payment	Effective Rate
Panel A: 2020/21						
P	0.13	0.48	0.06	0.21	0.60	0.06
N	0.87	0.07	0.10	0.79	0.11	0.10
Panel B: 2021/22						
PP	0.06	0.72	0.06	0.13	0.79	0.06
PN	0.06	0.45	0.07	0.09	0.56	0.07
NP	0.07	0.33	0.09	0.09	0.43	0.09
NN	0.82	0.05	0.14	0.70	0.10	0.12
Panel C: 2022/23						
PPP	0.04	0.80	0.06	0.10	0.85	0.06
PPN	0.03	0.65	0.06	0.05	0.72	0.07
PNP	0.02	0.56	0.07	0.04	0.65	0.07
PNN	0.04	0.39	0.08	0.07	0.50	0.09
NPP	0.02	0.48	0.09	0.03	0.59	0.10
NPN	0.03	0.30	0.10	0.04	0.44	0.11
NNP	0.04	0.22	0.13	0.05	0.34	0.13
NNN	0.78	0.05	0.19	0.63	0.11	0.16
Panel D: 2023/24						
PPPP	0.04	0.78	0.06	0.09	0.82	0.06
PPPN	0.02	0.67	0.06	0.04	0.72	0.07
PPNP	0.01	0.63	0.06	0.02	0.67	0.07
PPNN	0.02	0.59	0.08	0.03	0.64	0.09
PNPP	0.01	0.62	0.07	0.02	0.70	0.07
PNPN	0.01	0.48	0.08	0.02	0.57	0.09
PNNP	0.01	0.43	0.08	0.02	0.50	0.09
PNNN	0.04	0.37	0.11	0.07	0.47	0.12
NPPP	0.01	0.55	0.09	0.02	0.62	0.10
NPPN	0.01	0.42	0.10	0.01	0.53	0.11
NPNP	0.01	0.37	0.10	0.01	0.45	0.11
NPNN	0.02	0.26	0.12	0.03	0.35	0.12
NNPP	0.01	0.24	0.17	0.01	0.27	0.16
NNPN	0.02	0.17	0.15	0.02	0.26	0.16
NNNP	0.03	0.13	0.17	0.03	0.24	0.17
NNNN	0.74	0.04	0.22	0.56	0.10	0.19

Note: This table presents payments by payment histories for 2020-21 (Panel A), 2021-22 (Panel B), 2022-23 (Panel C) and 2023-24 (Panel D). Columns 1 and 4 present the share of properties, columns 2 and 5 presents the compliance rate which is an indicator if they have paid, columns 3 and 6 present the average effective rate. Columns 4–6 are restricted to properties with a rateable value greater than 5mn UGX. P refers to 'Paid' and N to 'Not Paid'.

Table A.3: Rate bands policy impact on payments made: by pre-policy payment patters

	FY 2021/22 only		Post-policy	
	(1) Indicator if Paid	(2) Share of RV Paid	(3) Indicator if Paid	(4) Share of RV Paid
Panel A: *Payment history: PP*				
Treated (< 5mn)	-0.0187	-0.0105***	0.00122	-0.0106***
	(0.0345)	(0.00211)	(0.0267)	(0.00148)
N prop-years	6246	6246	18629	18629
N clusters	3525	3525	3525	3525
Control Mean	0.73	0.05	0.71	0.05
Panel B: *Payment history: PN*				
Treated (< 5mn)	-0.0114	-0.00492	-0.0172	-0.00999***
	(0.0295)	(0.00321)	(0.0202)	(0.00206)
N prop-years	8626	8626	25828	25828
N clusters	5175	5175	5178	5178
Control Mean	0.41	0.04	0.40	0.04
Panel C: *Payment history: NP*				
Treated (< 5mn)	0.00179	-0.00430	-0.0181	-0.00813***
	(0.0314)	(0.00264)	(0.0226)	(0.00174)
N prop-years	7568	7568	22659	22659
N clusters	4641	4641	4642	4642
Control Mean	0.49	0.04	0.48	0.04
Panel D: *Payment history: NN*				
Treated (< 5mn)	0.00207	-0.000293	-0.00317	-0.00172***
	(0.00519)	(0.000714)	(0.00405)	(0.000604)
N prop-years	128653	128653	385839	385839
N clusters	68897	68897	68902	68902
Control Mean	0.08	0.01	0.11	0.02

Note: This table presents RD estimates of the rates bands policy on payments around the official 5mn cutoff value. Panels separate samples by payment histories as of FY 2021/22, i.e. whether the property made payments in the first two years. A bandwidth of 5mn UGX, a first order polynomial and controls for year are used. In columns (1) and (2) only FY 2021/22 is used, and in columns (3) and (4) all post-policy years (FYs 21/22, 22/23 and FY 23/24) are pooled. The outcome is an indicator for the property-year making a positive payment (odd numbererd columns) or the share of the property's rateable value paid in the year (even numbererd columns). The mean outcome in the control group is given at the bottom of each column. Each observation is a property-year. Standard errors in parentheses are clustered at the property owner level. *$p < 0.05$, **$p < 0.01$, ***$p < 0.001$.

Table A.4: Central division revaluations in 2023 descriptive statistics

	(1) Central division	(2) Revalued in 2023/24	(3) Unchanged in 2023/24	(4) Added in 2023/24
Number of properties	15388	11880	2019	1396
Share of Central properties	1.00	0.77	0.13	0.09
Mean of pre-2023 RV (mn UGX)	.	27.1	18.6	.
Mean of post-2023 RV (mn UGX)	.	34.0	18.6	55.7
Correlation coef. pre- and post- RV	.	0.96	1.00	.
Number seen at valuation court	393	340	18	34
Share seen at valuation court	0.026	0.029	0.009	0.024
N at court - revalued	295	251	10	34
N at court - merged and revalued	58	57	1	0
N at court - exempted	32	27	5	0

Note: This table describes properties in Central division broken down across columns by their revaluation status in 2023/24.

Table A.5: Central division valuation court determinants

	(1)	(2)	(3)	(4)	(5)
Unchanged	0			0	0
	(.)			(.)	(.)
Revalued down	0.0169***			0.0120**	0.0179***
	(0.00583)			(0.00566)	(0.00573)
Revalued up≤ 100%	0.0221***			0.00976***	0.0107***
	(0.00274)			(0.00284)	(0.00289)
Revalued up> 100%	0.00543			0.000897	0.00505
	(0.00375)			(0.00395)	(0.00426)
Added	0.0154***			-0.00113	-0.00740
	(0.00463)			(0.00480)	(0.00492)
Removed	0.00184			-0.0190	-0.0187
	(0.0109)			(0.0116)	(0.0114)
RV<25pct		0	0	0	0
		(.)	(.)	(.)	(.)
RV=25-50pct		0.00452*	0.00701***	0.00275	0.00560**
		(0.00260)	(0.00264)	(0.00277)	(0.00282)
RV=50-75pct		0.00251	0.00534**	0.00170	0.00544**
		(0.00208)	(0.00217)	(0.00233)	(0.00244)
RV=75-95pct		0.0155***	0.0196***	0.0150***	0.0198***
		(0.00253)	(0.00275)	(0.00285)	(0.00301)
RV>95pct		0.0624***	0.0613***	0.0608***	0.0605***
		(0.00428)	(0.00424)	(0.00447)	(0.00447)
Residential			0		0
			(.)		(.)
Condo			-0.0202***		-0.0206***
			(0.00245)		(0.00274)
Commercial			0.0177***		0.0201***
			(0.00274)		(0.00293)
Insitutional			-0.00979***		-0.00882***
			(0.00329)		(0.00332)
Other			0.0246***		0.0258***
			(0.00614)		(0.00616)
Constant	0.00892***	0.00450***	-0.00399**	-0.00120	-0.0121***
	(0.00209)	(0.00142)	(0.00200)	(0.00190)	(0.00260)
Observations	15388	15388	15388	15388	15388
R^2	0.003	0.024	0.031	0.025	0.032

Note: This table presents determinants of whether a property appears in valuation court. The outcome is always an indicator if the property is observed in valuation court. The sample includes properties in Central division. Each observation is a property. Standard errors in parentheses are heteroskedasticity robust.

theigc.org