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An Assessment of the Impact of Land Taxation on Land Resources Development in Ogun State Nigeria

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Keywords: *land and property, taxation, land resources development, abeokuta south.*

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Keywords: land and property, taxation, land resources development, abeokuta south.

I. Introduction

It is widely accepted that a country's potential for economic development is largely influenced by its real (physical) estate resources endowment (de soto, 2000). Land is the main natural resources, and it constitutes the collective assets of a nation and its citizens. The health and wellbeing of every nation to a large extent is a reflection of the efficient management of its real estate resources. Land based taxes often forms bulk of government revenue which relates to monies mobilised from real estate resource base in the economy. Generally, resources of government come from revenue generation and this can be from external or internal sources.

One of the major roles of government of any nation is to cater for the welfarism of the people. This which include the economic and environmental development of the people through efficient management of man-made and natural resources. According to Oyedele, (2016), he opined that the primary aim of any government is to provide an enabling environment for the people through ensuring that there is adequate security, giving hope to the downtrodden and providing succor to the vulnerable. Government is the body that is constituted or put in place by the people to provide a level playing ground for every resident. For government to achieve all of these, land which is a major asset of any nation should be under a suitable administration and management.

Land and its appurtenances are controlled by governments because they are basic to wealth creation and are seen by everybody as a basic need. It is the medium that generates the basic needs of man: food, housing and clothing and it is the base for other living activities, social interaction, education, transport, health etc. To ease government's ability in providing the needed social and economic infrastructure such as education, transport and health, citizen of every nation needs to contribute and support government through tax payment. Land tax can then be referred to as a recurrent tax on the ownership of undeveloped or developed land, excluding any development made on land (Franzen and Mc Clucskey 2017). Land taxes can be classified into two: Property tax and Land charges. Examples of land charges are ground rent, land use charges and fees such as: survey, registration and search, valuation, application, application, re-grant, change of purpose and occupancy permit. Property tax is a charge levied compulsorily on interest in ownership and use of landed properties. This includes: tenement rate, probate tax, capital gains tax, capital transfer tax, stamp duties, withholding tax, severance tax, betterment/development tax and site-value tax. It is a major avenue for realising income for local and state authority. This revenue can be for government to bear the cost of providing and maintaining social services.

Land taxation's role has also been recognised as a main drive in the reinforcement of domiciliary resource mobilisation and thereafter to look for ways of extending the tax base and enhancing tax governance (Atta-Mills 2002, Teidi 2003 and Oloyode 2010). This means that the resources from land such as taxes is often used in financing of urban infrastructure and if so, it has impacts on the fiscal and non-fiscal policies. It is therefore, not out of tune, for governments all over the

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world, to develop and improve the land resources of the states and manage them effectively for the benefits of the generality of the people.

Families in advanced world relied upon local governments for sustenance and development of their areas. Benton (2009) states that the last tier of government (local governments) are the most numerous, pervasive and relied upon of the family of governments in the United States. The provision and maintenance of infrastructure depends on the resources and income mobilised at the local government and this cost a huge amount of money. He further revealed that in 2002, the summation of expenditure in countries, local government areas, towns, special districts and school districts measured up to $1.14trillion and as at 2017 the total US government spending is $13.16 trillion. Ukairu (2011) made it known that in Nigeria available information reveals that tax ratio to Gross Domestic Product (GDP), using the 2009 index is approximately 6%, where countries like Canada, Australia, USA, UK, South Africa and China have 33%, 30%, 28%, 39%, 27%, and 17% respectively. This indicates that land taxes have the potential to generate revenue if they are well administered and transparent.

Many authors have dealt with land taxes in various ways, but most have not delved into ways in which land taxes can contribute to the nation's GDP in terms of revenue generation. Brandon and Bruce (1999) undertook comparative analysis of Agricultural property taxation in Nebraska. The study only concentrated on one element of property taxation (i.e. land) neglecting land and building. Property taxation was not linked to how it is capable of generating revenue in any country. Whereas Olowu (2002) gives a good insight to a comparable analysis of local government usage of property tax in four countries, his study did not provide an insight into the major components of property (land) taxation and how they can be used in property taxation to generate revenue.

In Nigeria, absence of good tax policy system, lack of comprehensive land registration policy and unavailable information on taxation on land resources development are major setbacks identified by some authors. Also information on the significant impact of land taxes on land development are often unavailable and not in a manner that can be used for further discussions especially in the study area. In view of this, this study is centered to fill the identified gaps in knowledge on the significant impact of taxation on land resources development in Ogun state, using Abeokuta South as a case study.

II. Literature Review

a) *Concept and Nature of Land and Property Based Taxes*

Land-based taxes are the charges, levies, rates and rents paid on land, (either developed or undeveloped) to governments for income generation and wealth redistribution. It also served as a form of government control over land. It is the responsibility of land-owners to pay taxes on them and it is the duty of a responsible government to collect taxes on land and its appurtenances as at when due.

The Food and Agriculture Organisation (FAO) (2002) defines property tax as an annual tax imposed on real property usually by reference to an advalorem tax base (i.e., the tax is calculated according to the value of the property). Such taxes have been in existence for millennia and their benefits are well known. They are transparent, cheap to administer, efficient to collect and well understood by the taxpaying public. They are administratively feasible in virtually any circumstances and, being locationally fixed, are particularly suitable as a source of locally generated revenue for local governments.

It is a known fact that Property taxation has rightly been identified as a major tool in the strengthening of domestic resource mobilization and consequently, the search for ways and means of expanding the tax base and also strengthening tax administration. According to Ajayi, (2008), Olowu, (2002) & Adedokun, (2012), it is considered a veritable source of revenue for financing developmental as well as people oriented programs in virtually all countries, irrespective of whether they are classified as developed or developing economies. (Ezemma (2013) affirmed that property taxes are beneficial when they are used to finance services that provide corresponding benefits. When services are not provided, the taxes become onerous. It is therefore agreed that a well-defined property tax laws alone cannot guarantee the success of tax collection effort. Therefore tax administration must receive far greater attention if the goals of tax reforms and policies are to be achieved in the face of ever growing economy.

b) *Forms of Property /Land– Based Taxes*

In Nigeria, the commonly property based-taxes that exist are; Transfer Taxes, Capital Gains Tax, Inheritance and Gift Taxes and Withholding Taxes, Property Rating, Development Tax, Land Use Charge, Betterment Tax and Planning Charges (Ogbuefi, 2004 & Tomori, n. d).

1. *Transfer Taxes:* Tomori (n. d.) reported that there are three main components of transfer taxes or fees, which are based on declared property value, stamp duty, assignment fees and title registration.

a. *Stamp Duty:* Stamp duty is a levy charged on any document presented to Stamp Duty Office by individuals or corporate bodies. It is used to signify government's seal or any contractual agreement or deed and the rate chargeable varies according to Document. This is collectable by both Federal and State Governments. The Federal Board of Internal Revenue is charged with the collection of stamp duty on transactions between corporate bodies while transactions involving individuals are performed by the state.
b. *Consent Fees:* These are charges imposed on Assignor by virtue of the provision of the Land Use act of 1978 which vested land in the State Governor. The charges vary from 10% to 15% of the open market value of the property or the total consideration.
c. *Title Registration Fees:* The Land title Registry collects a fee of between 2% to 5% of the reported price on record the new ownership title into land registry book. This tax is chargeable by both state and local governments, and also at the federal government level (Ogbuefi, 2004).

2. *Capital Gain Tax/Profit Tax:* This is presently chargeable at 10% on Capital gains arising from disposal of assets. The Act defines chargeable assets as meaning all forms of property whether situated in Nigeria or not and including:

a. Options, debts and incorporeal property generally;
b. Any currency other than Nigerian currency; and
c. Any form of property created by the person disposing of it, or otherwise coming to be owned without being acquired. In respect of assets outside Nigeria and
d. Disposed by non-resident individual
e. Trustee of any trust or settlement, or
f. A company whose activities are managed and controlled outside Nigeria.

CGT is chargeable on that part of the gains (if any) received or brought into Nigeria when they are dealt with "Capital loss on disposal of any asset is not deductible from capital gains on disposal of any other asset even if both are of the same type (Tomori, n. d.). According to Ogbuefi (2004) the Capital Gains Tax Decree of 1967 is the major legislation on CGT. The law applied at first to the FCT of Lagos. By the Finance (miscellaneous) Taxation Provision Decree of 1967, the CGT Tax Decree became retrospectively applicable throughout Nigeria in 1975.

3. *The Withholding Tax on Rent:* This tax is chargeable on rental income of individuals or corporate Bodies. The tax is collectable by both the Federal and State Governments. The Federal Government collects the tax due on properties rented by corporate Bodies and residents of federal Capital territory, Abuja. State Governments collect tax due on rents of individuals resident in their states. The enabling law is section 68 of Personal Income Law Decree No. 104 of 1993 as amended by Finance (Miscellaneous taxation Provision) Decree No. 39 of 1996. It states thus: "Where a rent becomes due or payable to a person, the payer of rent shall at the date when the tax is paid or credited, which ever first occurs, deduct there from tax at the rate of 10 percent of gross rent and shall forth with pay over to the relevant tax authority, the amount so deducted" (Tomori, n.d.).
4. *Inheritance and Gift Taxes:* The amount of inheritance and gift taxes varies according to numerous factors, including the tax group to which the taxpayer belongs, the relationship to the person making the request or gift, the value of real property being inherited or received, and the exempt threshold amounts. The closer the relationship, the lower the taxes while the higher the value of the subject property, the higher the tax (Tomori, n. d.).
5. *Betterment Tax:* A betterment levy is a tax that the state collects on a plot of land that its actions have in some way made 'better'. For instance, if building roads, metros or airports with public money leads to an appreciation in land prices in the vicinity of the seprojects, then landowners enjoy a windfall gain (Gupta, 2007). The charge payable according to section 4(3) of Lagos Town Planning Ordinance, Cap.95 of the laws of Federation of Nigeria, 1958, is 50% of the actual value gained. The tax is based on the value gained by the property by determining the value of the property before and after the development works and charging 50% of the enhanced value (Ogbuefi, 2004).
6. *Planning Rates:* According to Ogbuefi (2004), it's a type of land taxation imposed on developers of landed property by various town planning authorities in their respective planning areas. It is usually collected from applicants intending to develop land orlay out parcels of land, or change uses of existing buildings to new ones (e.g. a residential building being converted to commercial use).
7. *Land Value Tax:* In fact, a tax cadastre needs to record only such information about boundaries, ownership and improvements. In essence, a land tax or site valuation tax is a levy on the unimproved value of land. It is an ad valorem tax on land excluding the value of buildings and other capital improvements. A land/location value tax (LVT), also called a site valuation tax, split rate tax, or site-value rating, is a levy on the unimproved value of land. It is an ad valorem tax because unlike property taxes, it disregards the value of buildings, personal property and other improvements. A land value tax is

different from other property taxes, because these are taxes on the combination of land, buildings and improvements to the site. The land value tax takes into account the effects of location on land value such as proximity to public roads, schools, hospitals, access to electric power, etc. or of improvements made to neighboring land, such as proximity to shopping complex, security post, bus stations, pristine parks and recreation facilities.

The philosophical basis for levying the land value tax derives from the fact that the appreciation in value of land is created by the combination of public works and the collective actions of the community and therefore belongs to the community. The economic argument for land taxation stems from the fact that, if income from labor, buildings or machinery and factories are taxed, people are discouraged from constructive investments and enterprise and effective developments are penalized due to the disincentive effects of the excess burden of taxation.

8. *Road Tax:* Road tax, known by various names around the world, is a tax which has to be paid on a motor vehicle before using it on a public road.
9. *Tenement Rates:* It is a tax charge on a real property and is payable at local level for raising the required revenue to carry out specific developmental projects. The tax is aimed at promoting the total well-being of inhabitants of the local community (Oyegbile, 1996). Franzsen (2002) also reports that property tax is an annual tax on the ownership (or occupation) of immovable property (i.e. land and/or buildings) and serves as an important source of local government revenue in many countries in the world. Tenement rate is statutory revenue that is provided under the constitution of the Federal Republic of Nigeria as part of the revenue collectable by the local government councils. The forth schedule of Section 7 of the Nigerian constitution provides that the local governments access, demand and collect tenement rates from owners of properties that are existing in the area council. However, lack of capacity to efficiently collect this tax coupled with corruption, has led to the collection of this property tax by some state governments. These state governments rely on inefficiency on the part of the local government administrators to effectively and efficiently collect tenement rates as an excuse for hijacking this function from the local government authority. A supporter of local government autonomy will see it as greed on the part of the state governors and a way to sniff life out of local councils. After all, the state governments are not efficient in some areas and the federal government continues to recognize them. What the local governments need is capacity development. The hijacking of this tax collection function by the state governments has led to Land Use Charge.
10. *Land Use Charge:* Land Use Charge is payable annually on the value of all real properties situated in Lagos (Lagos state is presently the only state administering this tax in Nigeria). The Law makes each local government the collecting authority within its territory. However, section 1(3) provides that each local government may by written agreement delegate the collection of rates and assessment of privately owned houses or tenement to the State (Sanni, 2010). As reported by Olawande (2010) the payment of the Land Use Charge (which is to be based on the annual capital sum) is to be paid by the owner.

Land Use Charge is the consolidation of some (not all) property and land-based rents, rates, taxes and charges payable under various land-based and property laws such as Land Rates Laws (Land Use Act 1978, Chapter L5, Laws of the Federation of Nigeria 2004, Part II, Section 10 (a) and (b) and Osun State Land Law, Sections 13 and 14, Chapter 150), the Neighbourhood Improvement Charge Law (Osun State Land Law, Section 15, Chapter 150), Tenement Rates Law (the Local Government Act of 1976) in the state into a new and composite land-based and property charge. Aside this Land Use Charge, inheritance tax at 10 per cent of the capital value of the property to be inherited will still be paid to the Probate Registry of state high courts for the purpose of procuring “Letter of Administration” from the governor or else, the management of the property by the heirs or administrators or successors-in-title becomes illegal. In some countries, capital transfer tax is 40 per cent of the value. Land Use Charge is a global best practice in property taxation in which some of the land-based and property taxes, charges and rates like ground rent, neighbourhood improvement levy, tenement rate etc are consolidated, billed and collected as a one-off charge for ease of payment by property owners. This is based on the fact that it will be cheaper and easier to charge some related and annual property and land-based rents, rates and levies together and shared between the concerned stakeholders (state and local governments). In Scotland, United Kingdom, this Land Use Charge plus waste management levy, water rate and security tax is called Council Tax. Land Use Charge efficient administration is a good way of generating employment and income for some people who are in charge of determination of amount due, collection and punishing defaulters. The Law makes each local government the collecting authority within its territory. However, section 1(3) provides that each local government may, by written agreement, delegate the collection of rates and assessment of privately owned houses or tenement to the State.

The consolidation of these taxes and rents makes it efficient, effective and economical for the government to collect and property owners to pay their bills. Every land-based and property charge, rate and rent law envisage that there will be defaulters (for example, Section 18 of the Osun Land Use Charge Law, March 2016) and clearly states penalties. Land Use Charge is an unavoidable tool of poverty reduction, income generation and environmental repair in that all land uses (residential, transport, commercial, industrial, recreation etc.) and property development have intrinsic problems of desertification and/or environmental pollution and depletion of land constituents.

c) The Roles and Impacts of Land/Property Based Taxesonland Resources Development

Taxes on land and property have both fiscal and non-fiscal impacts (Richard & Slack, 2002). Various authors have written on the benefits of different types of land-based and property taxes. Some studies have focused on rural land taxation (Bird, 1974, Strasma *et al.,* 1987), some on urban property taxes (Bahl & Linn, 1992), and some on land value taxation as opposed to property taxation more generally (Andelson, 2000, Mc Cluskey & Franzsen, 2001). These roles are:

1. Land-based taxes are means of wealth redistribution. Since housing is a basic right of all human beings, it is pertinent that government encourages every resident to have access to land and property. This can only be done through efficient land-based taxes.
2. Land-based taxes are means of controlling development: Human beings are useless without control. Land-based taxes are used to control physical development. For example, converting residential to commercial use may attract heavy taxes.
3. Source of Revenue: Taxes on land and property are at best minor revenue sources in all countries. For the developing countries, these taxes accounted for 0.4% of GDP and about 2% of total tax revenues in the 1990s, down slightly from earlier decades, although the equivalent share for the OECD countries remained at a bit more than 1% of GDP and about 4% of all tax revenues throughout the period. According to Nwannekanma (2017), "in spite of the challenging financial crisis in the country and its attendant effect on businesses, the Lagos State government has announced a revenue performance of N20.7 billion from land administration in the last one-year".
4. Property taxes are important sources of sub national revenue in many countries, and more so in developing than in developed or transition countries. In terms of sub national taxes (instead of sub national revenues, in the 1990s, property taxes accounted for 40% of all sub national taxes in developing countries, 35% (up from 30% in earlier decades) in developed countries, although only 12% in transition countries. In the same period, property taxes financed a bit more than 10% of subnational expenditure in developed and developing countries, although little more than half that much in transition countries.
5. Property taxes are much more important in rich (OECD) countries than in developing or transition countries. For example, the highest property tax to GDP ratio (4.1%) was in Canada, followed by the United States (2.9%), and Australia (2.5%): it is likely not a coincidence that all three is rich federations. On the other hand, the lowest ratio recorded (0.01%) was also in a rich federal country (Austria), and some developing and transition countries (South Africa, Latvia) had relatively high (over 1%) ratios, so there is clearly more to it than simply wealth. Countries like Nigeria has 0.001% ratio.
6. Autonomous expenditure decisions: Local governments are able to make autonomous expenditures because of land-based income they are able to generate. None of these characteristics has changed much in recent decades, with the exception of a relative decline in the importance of land-based taxes as a share of subnational revenue (and expenditure) in developing countries. Dependence on property taxes as a source of local government revenue varies across jurisdictions depending upon many factors, such as the expenditure responsibilities assigned to local governments, the other revenues available to them (such as intergovernmental transfers, user fees, and other taxes), the degree of freedom local governments have with respect to property taxation, the size and growth of the tax base available to them, and their willingness and ability to enforce such taxes.

The impacts of land-property based taxes include primarily efficient land management and administration and secondarily employment generation and revenue to the governments. Through land-property based taxes, local governments will be able to monitor and control physical development within its jurisdiction, create employment, forestall abandoned property redistribute wealth, developments and generate income. Human beings are generally greedy and are the only animals that exhibit multi-territoriality, that is, the trait of having control over one abode at a time. Without control human beings are oppressive and will have more than what they can use if they have the resources. This is why there are minimum and maximum standard in housing developments in countries like United Kingdom, Egypt and Rwanda. The level of efficiency of collection of land-property based taxes is correlated with the level of civilization of governments. While the percentage of success of collection in countries like United States of

America and United Kingdom are over 85%, it is lesser than 1% in Nigeria. Lagos State has success rate of less than 30%, Rivers has 22%, Ogun has 10%, Oyo has 3%., while states like Taraba, Yobe, Adamawa, Borno, Kebbi and Zamfara has 0%.

d) Challenges of Land and Property -Based Taxes in Nigeria

The level of non-compliance amongst taxpayers call for a major concern. Government should concentrate on the tax compliance amongst the tax payers, if it expects any improvement in the revenue. Ahmed (2007), from his own study revealed that there is a major difference in tax compliance behaviour and tax knowledge amongst people. People with adequate awareness and knowledge about tax seem to see it as a civil responsibility and they comply with its laws and policy, unlike the non-knowledgeable ones. Ordinarily, no one would be interested in paying tax unless government adopts policies and strategies and review laws that would make people to comply with it. Wenzel (2007) and Murphy (2008) from their own study opined that tax is like a bitter-pill which no one would be willing to swallow. In view of this tax laws most especially in Nigeria should be such that it is understood by everyone. It should be direct and very clear to enable citizen see it as a moral obligation of uplifting one's nation.

Orekan, (2019), also discussed that corruption is one of the challenges in Nigeria. Local governments do not give proper accounts of the amount collected as revenue from land and properties within its jurisdiction. Lack of capacity to collect land-based taxes by local governments because of the unqualified staff and cost of collection, and litigation from disagreements from payers is major challenges. Example is Attorney General of Lagos State vs Airtel Nigeria Limited. This is a litigation with originating summon in 2011 arising due to the fact that Airtel disagreed to pay levies on its private parking lot in Victoria Island. In an appeal CA/L/311/2013 which judgment was given on Wednesday, July 12, 2017. The governments must engage professionals' estate surveyors and valuers if they want to achieve efficiency without multiple taxations. For example, some properties are entitled to pay capital gain taxes without government knowing. Stamp duties payment has also being stopped after NIPOST stamps are no more used for agreement and capital transfer tax is not efficient because most inheritors of properties do not collect Letter of Administration from Probate Registry of High Courts.

III. Research Methodology and Study Area

a) Research Method

A quantitative approach was adopted in this study, using questionnaire and a semi structured interview as an instrument for data collection. The target population of the study were the Estate Surveyors and Valuers and the government officials at the Bureau of Lands and Survey. Eighty–six (86) number questionnaires were administered to 15 estate surveyors and valuers practicing in Abeokuta South LGA, out of which seventy-five (75) were used while interview was conducted amongst four (4) senior cadre staff at the lands department, in the Bureau of lands and survey. The purpose of the interview was to identify the various forms of land-based taxes existing in the study area and the significant impact it has on land resources development. The questionnaires administered to property owners through the estate valuers will elucidate the opinion of the respondent on the significant impact of taxation on resources development in Abeokuta South in Ogun state.

b) Study Area

Abeokuta South local government area is usually referred to as the premier local government owing to the historic eminence of that geographical entity as the traditional seat of the local or Native Authority in Egba since 1898 as well as the seat of the government of Ogun state that came into existence in 1976. Abeokuta South LGA has its headquarters at Ake and the Abeokuta North local government has its headquarters at Akomoje. Abeokuta South LGA is mainly inhabited by the Egba Ake stock. The Local government has about 35KM of tarred roads scattered within the area. The tarring of these roads is mainly through direct labour by the works and housing department of the local government. The local government has housing estates at Asero and along old Owode road. The Local Government is divided into 15 wards.

IV. Data Presentation and Discussion of Findings

Table 4.1: Respondents Opinion on the Forms of Land and Property Based Tax in Abeokuta South

Forms of Land and Property Based Tax	Option
Consent fee	Available
Stamp-duty	Available
Title Registration fee	Available
Capital gain tax	Not available
Withholding tax on rent	Not available
Inheritance and gift tax	Not available

Betterment tax	Not available
Planning rate	Available
Tenement rate	Available
Land use charge	Not available
Land value tax	Not available

Source: Field work

From the interview conducted amongst the government officials at the Bureau of Lands and survey, it was revealed that the various forms of land and property based tax are; stamp duty, consent fee, title registration fee, planning rate, tenement rate are the land and property based taxes levied on the residents in the Abeokuta South. This implies that since Abeokuta South is the premier local government in Ogun State, it shows that the same land and property based tax levied in Abeokuta South local government will be levied across other local government area in the State. The table also revealed that capital gain tax, withholding tax on rent, inheritance tax or gift tax, betterment tax, land use charge and land value tax does not exist in Abeokuta South local government area.

Table 4.2: Respondent Opinion of the Effectiveness of Land and Property Based Tax in Abeokuta South

Land and Property Based Tax	N	Sum	Mean	Ranking
Stamp duty	75	43	4.30	1st
Consent fee	75	19	1.90	3rd
Title registration fee	75	33	3.30	2nd
Planning rate	75	16	1.60	5th
Tenement rate	75	18	1.80	4rd

Source: Field Work, 2020

Findings from the table above show the effectiveness of land and property based tax in Abeokuta South. From the result of the questionnaires administered to the estate surveyors, it revealed that stamp duty ranked first with a mean of (4.30) as the most effective land and property based tax. Title registration fee ranked second with a mean of (3.30), consent fee ranked third with a mean of (1.90), Tenement rate, consent fee and planning rate ranked fourth and fifth respectively with a mean of (1.80) and (1.60). Tenement rate, Consent fee and planning rate were not effective due to lack of inconsistency, enforcement and continuity in the administration of the taxes on property owners.

Table 4.3: Respondents Opinion on the Impact of Land and Property Based Tax on Land Resources Development

Impact	Frequency	Ranking
To a great extent	04	4th
To considerable extent	15	3rd
To moderate extent	19	2nd
To a low extent	37	1st
Total	75	100

Source: Field Work, 2020

Findings from the table above show respondents' opinion on the impact of land and property based tax on land resource development. It revealed that to a low extent was ranked 1st, moderate extent is ranked 2nd and considerable extent is ranked last and no option for a great extent. It can be deduced from the result of the finding that 50% of the respondent which represents average opined the impact of land and property based tax on land resources development is at a low extent.

Table 4.4: Respondents opinion on the cause of low effect of property and land based taxes on resources development

S/no.	Option	Frequency
1.	Lack of appropriate tax policies	4
2.	Ignorance (property owner/government)	8
3.	Poor assessment & Valuation problems	4
4.	Corrupt practices	6

Source: Field Work, 2020

From the interview conducted amongst the estate surveyors and valuers on the response to the effect property tax on resources development, it was revealed that ignorance on the part of tax payers and government has the highest effect, followed by corrupt practices amongst the tax authority. Amongst the government officials, it was also noted that inappropriate tax policies and poor assessment of properties have negative effect on resource on resource development.

V. Conclusion

In Nigeria, land and property based taxation has the potential to build resources at all levels of government in Nigeria but it has proven difficult to administer as a result of inconsistency in government policy. To ensure effective utilization of land and property based tax policies in Nigeria, the government needs to adopt a vibrant legal and administrative structure that will hasten documentation of land transactions so as to assist the government in implementation towards sound revenue mobilization for municipal development. Also corrupt and sharp practices amongst the tax authority and tax payers need a serious attention through formulation and review of tax laws.

Prior to other studies on property taxation, there appears to have been an accord from this study, the importance of property taxation on revenue generation. This can be confirmed from studies of Nwannekanma (2017), Bell and Lim (2010), Ajayi (2008), Olowu (2002) and Adedokun (2017). These studies have revealed that tax is an important source of government revenue all over the world. The amount of internal generated revenue do not meet up with the proposed revenue and the expenditure. Bahl and Martinez-Vazque (2008) have further revealed that developed countries have depended on property tax in service delivery, using an econometric analysis of the determinant of variations in the property tax share of the GDP. In conclusion, land taxation has the potential for improvement if all or some of the major impediments are taken care off by the government and policy makers. Proper policy choices, good tax administration and tax law enforcement would bring a good tax system to the states.

VI. Recommendations

1. Government should formulate workable policy to resuscitate property based taxes such as capital gain tax, betterment or gif tax, withholding tax etc.
2. Inconsistency in governments at both local and state level, lack of human capacity to efficiently manage land-based taxes and over-dependence of government on non-land-based incomes like natural resources should be given adequate attention and addressed.
3. Explore ways of using the mass media to publicize such things as new tax laws, taxpayers' annual return obligations, the penalties for evasion, the enforcement activities which are conducted, the type of people who are caught trying to avoid their tax paying responsibilities, etc.
4. Corrupt-free and efficient administrative machinery with personnel who are adequately trained, well-equipped and motivated would enable the State to make appreciable progress in revenue implementation.

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