

Proclamation No. 131/2007

A Proclamation to Amend Rural Land Use Payment and Agricultural Income Tax of Oromia Regional State's

Proclamation No. 99/2005

WHEREAS, it has become essential to make agricultural income tax and rural land use payment strengthen investment work, incorporate the expanding economic activity and be in harmony with development growth;

WHEREAS, it has become essential bring together the various provisions of rural land use payment scattered in different Proclamations;

NOW THEREFORE, in accordance with Article 49(3) (A) of the Revised Constitution No. 46/2002 Oromia Regional State, it is hereby proclaimed as follows.

1. Short Title

This proclamation may be cited as the "Revised rural land use payment and agricultural income tax proclamation No. 131/2007 issued to amend the previous proclamation No.99/2005."

2. Amendment

The rural land use payment and Agricultural income tax proclamation No 99/2005 is hereby amended as follows:

1) Next to Sub-Article 12 of Article 2 Sub-Article 13, 14 and 15 are added as follows.

13) "Tourism and industry land" means rural land used for tourism and industry, which is found near lakes, hot springs, caves, fountains, parks and forests and land used for various tourist attractions and industry factory.

14) "Mining Field" means a rural land used for mining works and shall have the definition assigned to it in Oromia Regional State's Mining Development Proclamation No. 91/2005.

15) "Pastoralist" means an individual whose livelihood depends on livestock breeding and lived on its income.

2) Next to Sub-Article 3 of Article 4, new Sub-Articles 4 and 5 are hereby added.

4) "Pastoralists Commission shall inform the name and quantity of livestock of each pastoralist to the Bureau of Revenue"

5) The Oromia Mines and Energy Agency shall send the names of individuals holding mining land by renting or a signed mining land contract agreement to the Bureau."

3) The whole content of Article 8 is amended as follows.

"8. Rate of Farmers Rural Land use payment and agricultural income tax.

1) Rain dependent farmers shall pay as per the following table.

Income Tax and Rural Land Use Payment			
Land size (Hectar)	Rural Land Use Payment (Birr)	Income Tax (Birr)	Total (Birr)
< 0.5	15.00	Exempted	15.00
0.5 - 1.0	20.00	20.00	40.00
1.0 - 2.0	30.00	35.00	65.00
2.0 - 3.0	45.00	55.00	100.00
3.0 - 4.0	65.00	70.00	135.00
4.0 - 5.0	90.00	100.00	190.00
>5.0	120.00	140.00	260.00

- 2) Farmers who produce using rain and irrigation shall pay as per the following table.

Income Tax and Rural Land Use Payment			
Land size (hectar)	Rural Land Use Payment (Birr)	Income Tax (Birr)	Total (Birr)
≤ 0.5	15	30	45
0.5 ol hanga 1.0 tti	20	40	60
1.0 ol hanga 2.0 tti	30	55	85
2.0 ol hanga 3.0 tti	45	75	120
3.0 ol hanga 4.0 tti	65	90	155
4.0 ol hanga 5.0 tti	90	120	210
5.0 ol	120	160	280

- 4) Article 11 is amended as follows.

“11) Rural land use payment exemption,

- 1) A Government or non government organization or private investor who develops forest based on the directives of Oromia Investment Commission shall be exempted from rural land use payment.
- 2) Unless they are established for profit, Government organizations giving services to the public shall be exempted from land use payment for the land they hold.
- 3) Government National Parks are exempted from rural land use payment.”

- 5) Article 14 is amended as follows;

“14. Tax Appeal Committee

- 1) Agricultural income tax and rural land use payment Appeal Committee will be formed by the regulation issued by Oromia National Regional State Administrative Council.
- 2) Accountability of Tax Appeal Committees formed at each level will be accountable to the Councils at the respective level”

- 6) Article 20 is amended as follows;

“20. Penalty

- 1) Any farmer or investor or enterprise who fails to pay the rural land use payment and Agricultural income Tax due under this proclamation within the specified period of time set by the law shall pay a penalty of five percent (5%) to 25% of the amount over due of every month. However, the penalty shall not exceed 25%.
- 2) Any person, who is authorized to collect rural land use payment and agricultural income tax, fails to pay the collected revenue within the specified time to the Bureau shall be fined 5% to 50% of the amount of the collected tax every month starting from the normal collection time, and will not get the commission entitled to receive.

- 7) Article 24 is amended as follows;

“24. Remuneration

A person, who is authorized by the Bureau to collect rural land use payment of farmers or income tax of farmers and pastoralists, shall be paid two percent (2%) of the collection he made by Revenue Bureau.”

8) Article 27 is amended as follows:

“27. Duty to Cooperate

- 1) Every government body, officials and their representative, as well as enterprises and Kebele Administration shall provide the necessary assistance to the Revenue Bureau for the implementation of this Proclamation.
- 2) Unless appeal is pending or payment time is extended by the Bureau, no government body shall renew any license to any tax payer before the rural land use and agricultural income tax payment is done.”
- 3) Pastoralists having livestock shall pay annual income tax as per the following table.

Number of Livestock	Income Tax (Birr)
1 - 10	Exempted
10 - 25	15
25 - 50	30
50 - 75	45
75 - 100	60
100 - 125	75
125 - 150	90
150 - 175	115
175 - 200	130
200 - 225	145
225 - 250	160
250 - 275	175
275 - 300	190
Above 300	200

4. Amount of Mining Land Rentals

The annual rentals to be paid by any licensee for each hectare per year shall be as follows. The land rent shall be paid to Bureau of Revenue.

- 1) The holder of a prospecting license Birr 4.00
- 2) The holder of an exploration license Birr 6.00
- 3) The holder of an artisanal mining:
 - a) For precious minerals Birr 60.00
 - b) For other minerals..... Birr 50.00
- 4) The holder of a small scale mining license:
 - a) For precious minerals..... Birr 200.00
 - b) For other minerals..... Birr 150.00
- 5) The holder of large scale mining license
 - a) For precious minerals..... Birr 600.00
 - b) For other minerals..... Birr 500.00

5. Amount of Rural Land Rentals for Tourism and Industry Purpose

- 1) Amount of rural land rentals for tourism and industry purpose shall be determined by the Regulation that will be issued by Oromia National Regional State Administrative Council.
- 2) Tourism and Industry land rent shall be paid to Bureau of Revenue.

6. Inapplicable Laws

The Land Rentals for Mining Operations Regulation No. 15/1999 and Investment Directive No. 10/1998 are repealed and replaced by this Proclamation.

7. Effective Date

This Proclamation shall come in to force as of the 29th day of July 2007.

Done at Finfine, 29th day of July, 2007

Abadula Gemed

President of the National Regional State of Oromia