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Whereas, it has been stipulated, in advance, that the Regional Cities are, having been structured in a decentralized structure that enables them to direct, in addition to their physical development, their social and economic development as well, to take over powers and responsibilities of politics and administration that enable them to play their role in the process of prevailing of democratic system that ensures local self-good governance and involvement of the city dwellers.

Whereas, Cities, besides increasing their population size where their economic scope becomes wider and wider, in addition to that they are given a responsibility, as they have special characteristic to collect revenue enabling them to provide necessary additional socio-economic services in tax, dues, service charges and in other revenue sourcing titles form service seeking society, have not received from their own revenue titles an income that enables them to discharge duties and responsibilities given to them although they are acting with a principle of self-independence in revenue.

Whereas, since it has been over eight years since the Tariff Rate Regulation has been issued and enacted thereof, it is appropriate to adjust the tariff rate to the current service and the rise of price of materials and believed that the Tariff rate Regulation has to be
issued comprising new revenue titles as well.

Whereas, while tariff rate is adjusted, it has been found necessary to adjust, not only to raise the revenue but to make fair tax collection more uncomplicated, not to make an impact on trade activity and to adjust it in harmony with variable changeable circumstances as well as not to override the power of cities to levy their own tariff rates thereof.

Now, therefore, the Council of the Amhara National Regional Government, by virtue of the powers vested in it under the provision of Art. 58 sub art. 7 of the revised national regional constitution, hereby issues this regulation.

PART ONE

1. Short Title

This regulation may be cited as “The Revised Amhara National Region City Administrations and Municipalities’ Revenue Title and Tariff Determination, Council of Regional Government Regulation No. 69/2002.”

2. Definition

Unless the context otherwise requires, in this regulation:

1. “Tax” means a mandatory of payment to be imposed on the income of a person or an organization engaging in income generating activity to pay out fixed amount of
share/percentage, according to the amount of his income against the income he generates thereof.

2. “Service Charge/ using charge” means a mandatory of payment to be imposed on a person or organization because he/it purchases goods/service from the city administration/municipality to pay out the value of goods/its services having been calculated against the amount of its consumption.

3. “Penalty” means a fine to be imposed on due to breaching regulations.

4. “Rent” means a payment that a person or an organ having legal personality could, on the basis of contract made between the lessor and the city administration or municipality, pay for the service he/it has obtained from the possession and property of city administration/municipality which it has owned to use it hereof.

5. “Revenue Tariff” means revenue title on which city administrations or municipalities shall, pursuant to this regulation hereof, collect revenue and a list on which amount of money to be paid for them, having been calculated against each revenue title in a lump sum or percentage and provided for.


3. **Scope of Application**

This regulation shall apply to cities of city administration, lead and sub-municipality as
well as emerging cities of the Amhara National Region.

PART TWO
DETERMINATION OF TARIFF/TAX, REVENUE COLLECTION AND UTILIZATION OF REVENUE TITLES OF CITIES

4. Determination of Revenue and Tax of Cities

1. Any city administration, municipality and emerging cities in the Region may, having determined their tariff as the objective situation of locality, without prejudice to the minimum and maximum ceiling tariff rates indicated in parallel on revenue sourcing titles as indicated in the table, pursuant to this regulation, collect revenue of monthly or yearly taxes, dues and service charges from the service seeking society.

2. Without prejudice to the provision of sub.art.1 of this article hereof, cities shall have powers to administer the revenue obtained from rent of resource and property as well as from sales.

3. Notwithstanding the provisions of sub. Art. 1 and 2 of this article hereof, any city administration and municipality city may
receive donations/ supports, in kind and in cash, granted from individuals, governmental and non-governmental organizations.

5. **Revenue Title of Cities**

1. The revenue sourcing titles on which any city administration, municipality and emerging cities may, pursuant to this regulation hereof, impose service execution charges, taxes and dues and collect revenue from service seeking society shall be on the basis of those specifically indicated with regard to class and objective situation of each city annexed under this regulation therewith.

2. Notwithstanding the provision of sub.art.1 of this article hereof cities shall, having assessed their tariff rates, have the power to request service charges where they provide various services therewith.

   A. City administrations or municipalities shall, having assessed their own service using charge rates, determine themselves service sectors on which they may request a charge depending upon objective situation of their cities.

   B. City administrations or municipalities shall, as deemed necessary (as soon as the provision of the service is commenced or if maintenance is made on the service delivery institution), have the power to impose tariffs
C. Notwithstanding the provision of sub. Art. 2 of this article hereof, service charges to be levied and collected in urban center limit where any city administration or municipality is organized thereof, shall be equivalent to the type and quality/standard of services it renders to the urban dwellers.

3. with regard to an income to be collected from rent of resource and property of city administrations or municipalities, it shall be on the basis of contractual agreement they may enter into thereof.

A. In any city in which city administration and municipality is established thereof, they shall have the power to impose advalorum tax/betterment levy on the fixed asset which have transferred thereto through lease or in any contractual agreements as well as on urban land holding held in rental land holding system.

B. The provision under sub. Art. 3(A) of this
article hereof shall not include the land holding held or transferred through land leasehold system.

4. The mayor or manager of the municipality shall, pursuant to the framework annexed under this regulation therewith, prepare their own tariff, income to be collected from rent of resource and property, contractual agreement as well as service charge rates and thereby submit same to their respective city or woreda council for the approval.

6. Determination of Trade and Professional Service Tax

1. The Income Collection and Follow-up Work Process in any city administration or municipality shall, by collecting and recording current information in each city and evaluating same with respect to the weighting criterion indicated herein below, determine annual trade activity and professional service charges, equivalent to the grade, on any individual or governmental and non-governmental development organization in the urban center limit engaging in trade activity or rendering professional service.
2. In order to be favorable for determination of tax, any wholesaler shall have the duty to show his storehouse in the city whereabouts he has been licensed.

3. Although a tax is imposed on each trade sector on the basis of sum total of weighting criteria and grade to be set to it based on this, so as to make impact on merchants who may try to be beneficiary in an improper way, a grade may be re-set in the manner of taking into account other information obtained form the society.

4. Calculation of annual sale as well as actual amount of capital invested on the trade sector which a merchant runs thereof shall be in consideration of the city whereabouts he is licensed.

5. Grade category of trade and professional service providers shall be publicized for public review.

6. Where it is found that the tax payer has owned various and more than one business sectors, he shall be made to pay the sum total of each trade sector after it has individually been calculated the annual tax rates of each business sector entitles to him, pursuant to the criterion.
7. Income Collection of Cities

1. City administrations or municipalities hall, having caused the determination of them by pertinent work heads, collect revenues from annual trade activity and professional service tax indicated in the table annexed under this regulation therewith up to may 30 in the fiscal year.

2. The provision stipulated under sub. Art. 1 of this article shall also apply to any service charges to be collected by city administration or municipalities.

3. With respect to using tax, dues and service charges that city administrations and municipalities may, having caused them to be paid timely and properly, collect from service seeking society pursuant to the provisions under sub. Art. 1 and 2 of this article hereof, kebeles at all hierarchy shall, in addition to supporting the implementation and cooperating, have duties and responsibilities to collect revenue on the basis of revenue tariff specifically given to them.

8. Utilization and Report of Income

1. Any city administration and municipality cities shall, without prejudice to their accountability to the council established as every level, have duty and responsibility to spend the revenue to be levied and collected, as per this regulation, on the execution of
socio-economic and infrastructure development to the urban dwellers.

2. Any city administration or municipality is duty bound to submit a timely report, with supporting documents and that ensures that revenue collected from service seeking society in the fiscal year is invested on the desired objective, to the urban dwellers and to the finance and economy development office and to the council at all level.

PART THREE

GRIEVANCE LODGED AGAINST TAX DETERMINATION, GRIEVANCE SUBMITTAL PROCEDURE, AND EXECUTION OF DECISION

9. Grievance lodged Against Tax Determination and its Submittal Procedure

1. Each and every city shall have impartial Grievance Hearing Committee that reviews and makes decision on the appeal if tax payers lodge grievance/if they appeal/ in any tax determination process or where it sets grades of tax payers by recording current information, in accordance with the weighting criterion.
2. Any tax payer who is aggrieved by the decision of Revenue Collection and Follow-up Work Process shall, prior submission of 50% of the tax imposed on him as guarantee, have the right to lodge complaint to the Tax Appeal Hearing Committee established at all level within thirty days for the date the decision is communicated to him.

3. The Appeal Hearing committee shall have the power to review the appeal and make a decision on the charge rate determined thereof.

4. The Tax Appeal Hearing Committee shall, having made proper review within thirty days from the date the complainant is communicated to it, have the power to reverse, affirm or, as deemed necessary, amend the decision of the Revenue Collection and Follow-up Work Process. The decision of the Appeal Hearing Committee shall be final unless there shall be basic legal errors.

10. Structure and Working Procedure of the Tax Appeal Hearing Committee

Structure and working procedure of the tax appeal hearing committee shall be determined by a directive in a manner of conforming with cities’ grade thereof.
11. **Execution of Decision**

1. Where it has been ascertained that the decision of tax made by the Revenue Collection and Follow-up Work Process of any city administration and municipality and by the Appeal Hearing Committee pursuant to sub. Art. 2 and 4 of art. 9 of this regulation hereof could not be executed due to the disobedience or negligence of the tax payer, it shall be submitted to the relevant civil code procedure law and decided thereon.

2. Notwithstanding the provision stipulated under the provision sub. Art. 1 of this article, it shall be presented to the relevant social courts in accordance with sub. Art. 1(A) of article 12 of the proclamation No151/2008 (as amended) unless it exceeds the jurisdiction of civil code given to social courts.

3. Without prejudice to the provisions of sub. Art. 1 and 2 of this article hereof, the Work Process may, having suspended/ held and sold resource and property of those tax payers who has failed to discharge their tax obligation because they failed to submit the matter to juridical court in a specified period of time they have to do so if they disagreed on the decision after they have lodged a grievance and it is given a decision, having been reviewed by the pertinent body pursuant to the provision stipulated thereof.
12. **Penalty**

Any person who has declined to pay timely, with no good cause and legal grounds, and who has instigated others not to pay the tax that any city administration or municipality has determined, pursuant to this regulation, or rent, dues as well as service charges it has ordered him to pay shall, without prejudice to the payment of the tax that is pre-determined on him at the rate of legal bank interest and penalties indicated in the table annexed under this regulation therewith, be fined in accordance with relevant law.

**PART FOUR**

**MISCELLANEOUS PROVISIONS**

13. **Power to Issue Directive**

The Regional Bureau of Works and Urban Development may issue directives necessary for the implementation of this regulation.

14. **Amendment of the Regulation**

The Revised Cities Income Title and Tariff Regulation may, unless and otherwise special circumstances happened thereof, be revised not later than every five years.
15. Inapplicable Laws

1. The Revised Tariff of Municipalities, Executive Committee Regulation No.12/1999 of the Amhara National Regional State and the Regulation No.20/2004 (as amended) has been repealed by this regulation.

2. Any other law, regulation and directive or customary practice inconsistent with this regulation shall not apply to matters provided for in this regulation.

16. Effective Date

This regulation shall come into force as of the date of its publication in the Zikre-Hig Gazette of the Regional State.

Done at BahirDar
This 12th day of August, 2009
Ayalew Gobezie
Head of Government of the Amhara National Regional State