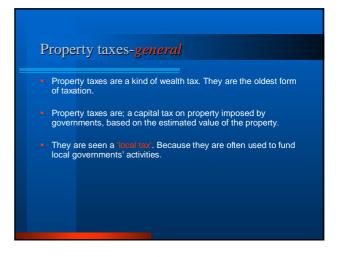


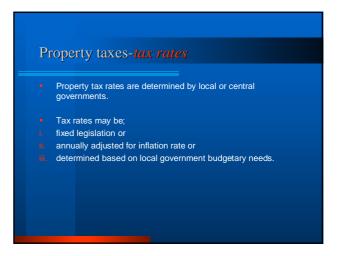
Tax concept Tax is compulsory levy that is the most important source of government revenue. It is a charge imposed by the governments on people, entities, or on property in order to raise revenue. Taxes are classified into two groups as direct tax and indirect tax. Also, they can be classified as income tax, 'expenditure tax' and wealth tax.



Property taxes-authorizations Generally, the power to tax rests with the central governments. Property tax revenues are collected and shared by local governments. The central governments may give local governments some authorizations, such as; to set tax rates, to decide which properties are to be taxed and to define tax exemptions.

Property taxes-liabilities Object of the property taxes may be defined as the land alone, the buildings alone, or the land and buildings together. The liability for the tax may lie with the owner or the occupier. Property tax exemptions are granted by central, state or local governments. It may be based on various factors such as ownership or the use of the property etc.

Property taxes-tax bases In the tax assesment, two most common tax bases are applied. These are value and area bases. In value based systems, usually market value of the property is considered. If using of market value does not possible, area base is preferred. In this system, taxes amount are determined by multiplying a measurement of area by a rate.



Land-its characteristics - Classic economic theory holds that there are three vehicles for generating wealth in an economy. These are labor, capital and land. - From the economical perspective, land is a production factor. It attracts investments and generates wealth. - From the social perspective, land is sensitive and scarce resource.



Sustainable development approach Lately, for providing both economical development and environmental protection, sustainable development approach has been improved. The aim of the sustainable development is to balance economic, environmental and social needs, allowing prosperity for future generations. Sustainable development term needed a new management approach, then isno management and land administration terms were born.

Land management concept Land management: The activities associated with the management of land as a resource from both an environmental and an economic perspective towards sustainable development. It covers all activities concerned with the management of the land as a resource both from an environmental and an economic perspective. It is an integrated system solving land related problems. FOR MORE INFO... The Bathurst Declaration on Land Administration for Sustainable Development, Fédération Internationale des Géomètres and United Nations, 1999.

Land policies The land management system needs an integrated and clarified land policy. The land policy is the philosophy of the land management. It is a part of the national policy of countries. This is generally related to economic development, social justice and equity, and political stability. It is categorized as urban land policy and rural land policy. FOR MORE INFO... The Bogor Declaration, United Nations and Fédération Internationale des Géomètres, 1996.

The purposes of urban land policy are; to facilitate of urban development plans applications, to increase urban parcel supply, to prevent inflation in property price, The elementary aims of the rural land policy are; to provide protecting of environment and nature life, effective usage of rural land to meet community nutrition and settlement needs.

Property taxation for land management Generally in developing countries, land is seen a speculative investment instrument. This investments aimed profit from properties without any labor. Thus, land owners become richer, laborer become poorer. In this situation, injustices in distribution of income have been increasing. These problems can be solved with effective land management and its fiscal tool taxation. Taxation can be used as regulator for providing optimum land usage.

Property taxation for land management There are many functions of the property taxation for the land management process, such as: To increase urban land plot supply and so, decreasing urban land prices, to taxation of unbuilted urban lands. To control, protect and prevent density of settlements in sensitive areas, such as historically and environmental areas, to taxation of the lands in these areas. To apply property transfer taxation for prevent often transfer of property for speculative purposes.

Property taxation for land management IV. To support for maintenance and restoration of historical and artistic buildings by tax exemption. V. To adjust urban development, orient the demand from overdevelopment area to underutilized area. VI. To prevent illegal settlements by levy highly taxation rates on illegal buildings. VII. To protect agricultural attributes of rural lands by decreasing tax rates in rural areas.

Land administration concept Cadastre has become more important activity field due to its functions in economic development and environment management. In consequence of sustainable development needs, people need more information about ownership, value and usage of land. This situation causes increasing of demands to the cadastre. Therefore, the cadastre has been evolving toward land administration system.

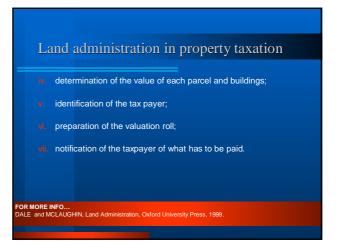
Land administration: The processes of determining, recording and disseminating information on ownership, value and use of land when implementing land management. It is considered to include a core cadastre, multipurpose cadastre and parcel based land information systems. FOR MORE INFO... The Bathurst Declaration on Land Administration for Sustainable Development, Fédération Internationale des Géomètres and United Nations, 1999.



Land administration in property taxation The juridical component of land administration defines; the tax payer, types of properties which to be taxed, and grant exemption.



Land administration in property taxation Any land administration system which serves property taxation should involve; identification and mapping of all properties which are to be subject to tax; classification of each property in accordance with an agreed set of characteristics; collection and analysis of market data such as sales price, rental charges or building maintenance costs; FOR MORE INFO... DALE and MCLAUGHIN, Land Administration, Oxford University Press, 1999.



Turkish property taxation system-general

- In Turkey, the fundamental regulation related to tax had been arranged with the Turkish Constitution.
- The principles related to property taxes had been also regulated with Property Tax Act put into effect in 1970 and some changes had been made up today.

Turkish property taxation system-general

- In Turkey, property taxes are solely accepted a revenue source for local governments' activities. Tax revenues collected and shared by local governments.
- However, local governments have not authority to make arrangements about taxes. For example, they do not change tax rates and to give exemptions.
- Turkish property taxation system has not regulating functions for property market.

Turkish property taxation system-revenues

- From economical aspect, Turkish property taxation system is not efficent.
- Except the initial years of republic, there has not been provided significant revenue from property taxes.
- Revenue from wealth taxes, that include property tax, had constituted approximately 13% of all tax revenue in the period of 1023-1035
- It had declined under 1% of all tax revenue in the period 1986-2001.

Turkish property taxation system-revenues

- In the period of 1991-1998, the share of the revenue provided from property tax in municipality revenue raised up to 7% as its maximum in 1994, and its average was 3,6%.
- In the 1990's, the average of this ratio is 18% in OECD countries, 19% in developing countries and 9% in transition countries.

Countries	1990's
OECD countries	18%
Developing countries	19%
Transition countries	9%
Turkey	3.6%

Table: Share of property taxes in municipality revenue in 1990's

Turkish property taxation system-liabilities

- Tax payer is property owner.
- Tax exemptions have been given to public institutions and organizations due to type of their ownership, public infrastructure and other services buildings due to their usage.
- Giving tax exemption is under the authorization of The Ministers Council.

Turkish property taxation system-assesment

- The objects of the taxation are land and buildings.
- Property tax amount is calculated and levied depend on 'declarations' stated owners by municipality.
- Declarations are composed of attributes data about property legal situation, such as ownership data, development plan data, address data and etc.

Turkish property taxation system-assessment In Turkey, tax value of the property is accepted a tax base. Assessments are made by municipalities, according to the declarations. In the assessment of building tax value, "cost of building per square meter and parcel unit values" are used. Cost of building per square meter is determined with the cooperation of Finance and Public Works ministries. Parcel unit values are estimated in the every street by the Commission of the Valuations.

Turkish property taxation system-assessment Urban parcel tax value is computed according to parcel unit values which are estimated by Commissions of the Valuation. Agricultural land tax value is computed according to unit values which is estimated with taking soil types into account by Commissions of the Valuation in every county.

Turkish property taxation system-assessment Tax values are increased according to half times of revaluation rate for every tax year. Revaluation rate is computed by Ministry of Finance and it express annual changing rate in the Wholesale Price Indices.



Conclusions All forms of property taxes have two main objectives; Inuding of local public services, Controlling of resource usage. Preliminary condition to provide these functions, is the existing of a land management system, that its principles, tools, institutions and policies had been determined.

Property taxation would not be effective for development if it has not been practiced with in an integrated land management system. Land administration and also its core, cadastre is the key of both land management and property taxation. Thus, every nation that wants to use taxation as a regulator, have to re-design their cadastral infrastructures.

