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**PROPERTY TAX ADMINISTRATION
AND COLLECTION IN ARMENIA**

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Abstract

Property tax administration and collection is one of the issues nowadays that needs study and attention of researchers and practitioners. This is an important issue in the Armenian fiscal policy since real property is a dynamically developing sector of economy with growing potential for taxation. Besides, property tax is one of the major sources of tax revenues for local governments.

The purpose of this Master's essay is to study property tax administration and collection in Armenia. It is worth to examine what are the perspectives of property tax base expansion and tax revenue growth in the context of dynamic real estate market and growing needs for improving municipal services.

As the administration and collection procedure is implemented according to the law, the paper reviews the legal basis and its accordance with revealed tendencies. The essay deals with the issue of property taxation from different perspectives – legal framework, institutional framework in terms of government's strategies and initiatives and fiscal perspective.

The essay considers the international experience in the countries of Central and Eastern Europe and the current state of the problem in theory.

The findings of the research are summarized in three subchapters. The first subchapter gives an overview of the historical background of property taxation in Armenia. As the Law on Self-Government of 2002 has delegated the responsibility of property and land tax collection from central government to municipalities it has also become a rather difficult task for communities, especially rural ones, to implement property tax administration and collection. Therefore, this subchapter focuses on the problems of property taxation from the legal and fiscal perspectives.

The second subchapter focuses on the procedures of property tax administration and collection methods. Besides, it reveals the statistical data of property tax collection in Armenia in recent years which gives an opportunity to see whether there have been certain improvements in the sphere.

The third subchapter analyzes the current status of the problem identified through the interviews with the representatives of the Ministry of Finance, State Tax Service, Armenian Local Government Program, Phase 3 and the Municipality of Vanadzor.

Taking into account the major issues of the analysis the essay attempts to provide policy recommendations focusing on taxpaying culture and effective collection methods.

Introduction

Real estate taxes are considered to be one of the oldest and most common forms of taxation. Generally, revenues from property taxes are not so significant on central government level while they may play an essential role in financing local governments (Stotsky and Yucelik 1995).

Property tax in most of the systems implies tax on real property, including land and improvements on this land. Different countries may have different distinctions between real property and personal property to be taxed. Some small machinery, furniture, jewelry, mobile homes may be taxable or exempt from taxation in different legislations. However, in all schemes property is one of the signs of wealth.

“Real Property is visible, immobile, and a clear indicator of wealth. The property tax is thus difficult to avoid and if well administered can represent a non-distortionary and highly efficient fiscal tool” (McCluskey and Brendan Williams 1999, 5).

However, in practice, this is not always the case. Property taxation has not only financial but also real political difficulties. Considering the issue of property taxation from the perspective of financing local governments, the main focus is on the property owners as the main beneficiaries of the services that local governments provide. However, the fact that substantial burden is placed on local governments is undeniable (Peters 1991).

The difficulty with administering property taxes is that they are charged based on the assessed value of property. This may give rise to a gap between the stated value and the real market value of property with a tendency of property taxes to fall behind the costs of providing local government services. Therefore, countries may experience certain budgetary difficulties as it becomes difficult for local governments to raise their revenues in order to meet their growing expenditure needs (Peters 1991).

Considering the issue from the political perspective, it is worth noting the following point: as the assessment process is part of property taxation system the results are more

visible than in other tax systems. When the property is re-assessed by local governments, citizens claim that the tax rate has been increased. Another matter of concern is the rapid growth of property values and, therefore, liabilities for property tax in most industrialized countries. This issue is especially critical for the low-income families and the elderly having an insufficient income to afford the increasing property taxes (Peters 1991).

“Those supporting a considerable degree of fiscal independence for the government closest to the people should consider how important the real property tax is to this independence” (Mikesell 2003, 418).

However, being one of the major sources of tax revenues for local governments in Armenia the property tax collection rates are not very high, which is the result of registration inaccuracies and poor coordination between the tax authorities, real estate cadastre and municipalities. The administration and collection procedure by communities as a delegated power is also constrained by a number of factors. Furthermore, it is worth noting that the enforcement for non-payers of the property tax is weak that leads to large amounts of accumulated arrears in municipal budgets (Darbinyan and Harosyan 2004). Another problem existing today is the significant discrepancy between assessed values and true market values of the property in some municipalities (Malme and Youngman 2001). These problems have prevented tax revenue from keeping up with growing needs for better municipal services.

Research Questions

The following research questions will be addressed:

- What are the perspectives of applying true market values to assess the tax base?
- What policy measures shall be taken to improve the efficiency of the property tax administration and collection system?
- What lessons can be taken from the best international practices in other countries?

- What should be the major directions of local tax reforms in Armenia in the next decade?

Review of the Literature

Property Taxation in Theory

In the traditional theory of real property taxation, taxes are observed from the perspectives of their *efficiency properties, incidence, and their ease of administration*. First, from the economic perspective, the major issue of concern is the scope of distortions in the economic system created by a certain tax. In this regard, there are two contrary views in theory, one arguing that local property taxation with local zoning ordinances gives rise to a benefit taxation system, while the other view is based on local tax differentials having a distorting effect on local decisions (Oates 1999).

Second, in regard with tax incidence, property tax, according to the older view, was a regressive tax, which considered it as an excise tax on housing and business structures. However, later, housing expenditure was found by certain studies to be proportional to income. Therefore, according to this new view, the average property tax rate across communities is a tax on capital, thus being progressive in its incidence (Oates 1999).

Third, certain level of sophistication in property tax administration requires implementation of certain reforms and the improvement of assessment practices in order to avoid the great difference between the ratio of assessed and true market values (Oates 1999).

The taxation of land and property may be justified on the grounds of two principles – benefit and ability to pay. The underlying logic of the benefit rationale is that owners should pay for the public services increasing the value of real properties. This argument can be traced back to Locke’s theory of the state as a protector of a property being its major function. Therefore, the property owners should pay for the state’s expenses (Musgrave and

Musgrave 1989). According to the ability-to-pay principle, holding of property implies an ad personam tax capacity to receive property income as well as an inherent form of potential consumption (Stotsky and Yucelik 1995). However, as Richard Musgrave and Peggy Musgrave (1989) suggest, the taxation of wealth may also be approached as a form of social control. In this case, a progressive tax on wealth rather than on income would be the proper tool since there is a difference between the distribution of wealth and that of consumption in terms of the social consequences of inequality. Therefore, the argument in this context will be the base defined in terms of gross rather than net wealth.

After considering the rationale for property taxation it is worth noting the forms under which it can be applied. Stotsky and Yucelik (1995) state that among the three basic forms of property taxation is annual value system which implies the tax based on an estimate of the annual net rental value from the use of the property. The second form of property taxation is the capital value system, according to which the tax is based on assessed value of land and improvements. As the theory states, the discounted stream of net rental payments should be equal to the capital value of a property. Therefore, the tax bases yielded by the annual value and the capital value should be equivalent to each other. However, this is not the case in practice as the capital value is based on expected future flows of income from the property. Consequently, this leads to differences in expectations and therefore to those between annual value and capital value. The other form that can be applied is the site or land value system under which the tax base is based on the site value only, excluding the improvements.

In investigating the economic effects of the property tax in state and local public finance one of the more controversial issues is the incidence of the property tax. In this regard, the literature suggests three alternative views of who bears the burden of the tax. One of them is the traditional view arguing that property tax is fully shifted forward to consumers in the form of higher housing prices, thus bringing to an inefficient reduction of the size of the local

housing stock by the property tax. Therefore, its burden is in proportion to housing consumption (Zodrow 2001).

The second popular theory is the benefit view of the property tax developed initially by Hamilton, Fischel and White. As George Zodrow (2001) notes, one of Hamilton's assumptions rests on the correspondence of individuals' local jurisdictions with their demands for local public services. It was assumed that local jurisdictions are also homogeneous with respect to house values with a sufficient level to accommodate all kind of services. Besides, the existence of binding zoning constraints was considered that established a minimum house value for each community.

However, Zodrow (2001) states that the issue was considered from a more realistic viewpoint as well – heterogeneous house values – a model in which all communities are fully developed precluding the changes in the property taxation system. The assumption rests on the point that homogeneous communities with respect to both demands for public services and housing are available as well. Therefore, the permanent availability of this option leads to individuals' unwillingness to pay any property taxes in excess of benefits received. Thus, in this way, it is demonstrated that property tax is converted into a benefit tax because of "perfect capitalization", at least in long run equilibrium. This view implies that the property tax is effectively a user charge that is paid in exchange for the benefits of local public service, therefore being a non-distortionary tax, and that it has no effects on the distribution of income.

Finally, the capital tax view (the "new" view) of the property tax argues that property tax is a distortionary tax on the local use of capital, leading to a misallocation of the national capital stock across the local jurisdictions. In this regard, it is noted the traditional view ignores the fact that property tax was used by virtually all local jurisdictions and applied to a large fraction of the capital stock (Zodrow 2001).

Apparently, as George Zodrow (2001) notes, it is essential to choose between the three alternative views as both the efficiency of resource allocation to the local public sector and the distributions of the burden of the property tax are quite different. However, much further empirical investigation is needed before the validity of either view can be established definitely.

The theory also refers to the techniques used for valuation of taxable property since it is among the major issues creating serious problems in the administration procedure.

In the process of valuation, there are certain characteristics of a property that can be partly or completely capitalized into the value of the property. The factors that are reflected in the value are as follows: economic factors – the level of income, taxes, the availability and quality of public services; social factors related to the availability of cultural and recreational facilities; physical factors in terms of the characteristics of land, improvements or the environment; and legal ones related to public and private restrictions on the use of the property (Stotsky and Yucelik 1995).

As Stotsky and Yucelik (1995) note, a good property tax administration requires accurate assessment of property for which an active property market is essential. This is a factor that is typically provided by urban areas in contrary with rural ones where making assessment is more difficult.

In regard with the methods for assessing property value, the annual rental value system suggests two main methods: the first assessing the income-producing capacity of each class of land or property according to standardized classifications, while the second one assesses the capital value based on sales of the property or comparable property, or alternative official appraisal standards (Stotsky and Yucelik 1995).

Having considered the current status of the problem in theory it is worth referring to the international experience to observe the reflection of the issues discussed.

International Experience

According to the European Charter of Local Self Government (1985), it is necessary for local governments to have sufficient own source revenues that will enable to implement their functions.

Nearly all European Union countries have some form of property taxation which is determined on the property's value and serves as a source for local government revenues. There are countries that levy taxes only on land or on buildings, while most European countries levy a tax on both considering the owner of the property the subject of taxation. There are certain issues, such as property values, inaccurate capital value estimates or procedures of updating land registries which give rise to problems in many countries.

For a more detailed discussion four of the six countries that made up the former Republic of Yugoslavia are selected to study their experience of property taxation system. The separate discussion of each country will shed light on the legal and institutional framework, as well as on the procedure of property tax administration and collection. This will enable to see whether Armenia can follow or take certain steps from the international experience.

Macedonia

In the discussion of the property taxation in Macedonia Svetlana Janevska's (2006) emphasis is on the legal framework, particularly the old Law on Property Tax, as well as the existing law that was under parliamentary procedure and was due to come into force in 2005. The country going through decentralization process needed devolution of the property tax collection function to municipalities which would make citizens better understand the relation between revenues from taxes and services offered by municipalities.

According to the draft law, the subject of taxation is extended to the users of property, in case the owner is unknown or unavailable and for state-owned property, while the old law

levied the tax on legal entities and physical persons that owned property, and on movable property, if not directly used for performing an activity. Market value is the tax base for property whose assessment procedure is transferred to a commission established by each municipality in contrary with the old law: the property was based on a self-assessment submitted to the Public Revenue Office (PRO). As to the tax rate, a range from 0.1 to 0.2 is envisaged within which the municipalities have discretion to set the local rate while the old law had one uniform rate of 0.1%. A number of exemptions that are provided by both laws can be differentiated by ownership, location and purpose factors (Janevska 2006).

In the whole taxation system one of the most important stages is the assessment and collection procedures. For the assessment and collection of the property tax the Public Revenue Authority's regional offices were responsible. However, under the new law this function is assigned to municipalities. All competences from PRO who was obliged to make the final decision on the assessed tax are transferred to the Office of the Mayor. The assessment procedure is carried out based on the data in the tax return form which includes data on the taxable subject, on the taxable object and on movable assets with a number of other data reported by the taxpayer (Janevska 2006).

The next step under the old law was the taxpayer's declaration of the value of the property as a basis for the PRO's calculations. The new law implements the same procedure of assessment except for the market value of the property which is determined by municipal commissions (Janevska 2006).

As Svetlana Janevska (2006) states, generally, the collection rate of property tax in Macedonia is low. In 1999-2002, the highest collection rate was 60 percent in 2000; the lowest was only 50 percent in 2002.

Before the implementation of the new law, in 2003, the Ministry of Finance concluded a Memorandum of Cooperation with four pilot municipalities making them responsible for the

assessment and collection procedures of the property taxes and land fees for which the state bodies and the corresponding institutions were to provide all the necessary information. The outcome of the pilot project was that all four municipalities came across with serious problems concerning the database assessment of the Ministry of Internal Affairs and to the cadastral databases of the State Geodetic Office – the land cadastre (old) and the property cadastre (new). The new cadastre is a reliable record for registering the rights of the property and is based on a complete re-survey of the property. It even contains detailed information on illegal buildings. In addition, in Macedonia, there is also a separate fiscal cadastre for calculating tax liabilities and determining the tax base (Janevska 2006).

Montenegro

In 2000, Montenegro started a decentralization process, which generated the need to replace the old law with the new one, since the former was rather complicated and did not meet the main taxation standards. Biljana Vusurovic (2006) focuses on the implementation of the new Law on Property Taxes in Montenegro and the outcomes of poor planning and coordination.

According to the old law, the central government's Department of Public Revenue levied the tax and implemented billing and collection. However, since 2003, under the new law, this authority was transferred to municipalities, the revenues being entirely assigned to municipal budgets in contrast to assigning only 50% of revenues collected in the past in their jurisdiction. The new law also refers to the valuation system replacing the nominal one with market value. This has led to a problem: according to the law, the Ministry of Finance enacted the Valuation Methodology before October 2002 and municipalities issued a decree thus establishing the amounts of corrective coefficients and the rates. However, as the

deadline was not met the municipalities were allowed to use the nominal valuation system by the Ministry of Finance (Vusurovic 2006).

As Biljana Vusurovic (2006) notes, although this factor gave an opportunity to municipalities to get prepared more properly for the following year, the latter came across with the dilemma of either developing a new market value system issued by the Ministry of Finance, or using valuation system developed under the USAID sponsored assistance program. Furthermore, developing the market value system was rather time-consuming and would result in municipalities' inability for issuing tax bills on time and therefore a considerable loss of revenues. As a result the Ministry allowed the municipalities to use an alternatively developed system by enacting a municipal decree giving municipalities a legal base for levying and collecting property taxes. As a result, the Decree to Introduce Property Tax, Coefficients and Tax Rates gave municipalities the legal right to issue tax bills.

In regard to the assessment and tax rates, a taxable object is any property not exempted by law, including land, buildings and other structures whether or not owned separately from land. Setting the tax rate is under the discretion of municipalities in a range of 0.08 percent to 0.8 percent. A number of exemptions provided by the law are based on ownership or destination. As to the payments, they can be made by bank transfer or cash at municipal offices (Vusurovic 2006).

There is no doubt that successful implementation of tax administration requires certain experience that municipalities in Montenegro lack. Although some campaigns have been organized, including the utilization of local media, certain working conditions are to be developed by municipalities. A Property Tax Assessment Manual was produced by the Urban Institute under a USAID sponsored project training assessors to become trainers in this field. This is a way to develop relationships among municipal servants to meet the common problems of the field (Vusurovic 2006).

Serbia

The Serbian author, Boris Begović (2006), describes the existing situation in the country by recommending a system – computer based mass appraisal - for the establishment of the tax base. In Serbia, there is no other direct tax with such a high number of identified taxpayers as the property tax – almost two and a half million taxpayers who may voluntarily file their declarations with the local branches of the Tax Administration. The rate for Property Tax is progressive. The complexity of such a system creates incentives for taxpayers to decrease the value of their tax declarations.

In regard with the determination of the tax base for the property tax, it may cause some discrepancy since it is the market value on December 31 of the previous year. Market value is assessed by a certain formula that includes basic elements – floor surface and average square meter market prices for comparable properties – and adjusting elements - location, quality and depreciation. This is a method that can sometimes bring to great differences between assessed and real market value taking into account the fact that the average market price per square meter is determined by the sales prices of newly built apartments which in turn can be quite different from the real market value of a particular property. Therefore, certain arbitrariness exists in the determination of market value (Begović 2006).

Begović (2006) states that all owners whose tax base does not exceed 250,000 dinars are exempted from the Property Tax. Other exemptions are based on ownership factor and use for educational, cultural, scientific, humanitarian and other purposes, including agricultural buildings. Another factor that substantially reduces fiscal revenues is a discount of 40% that taxpayers living in their own apartments receive, as well as an additional ten up to a maximum of 70% discount that every household member gets. Because the system of filing property tax returns is based on the self-assessment system, this creates a record of tax evasion cases and unregistered properties, as well as illegal constructions not registered at all.

As in every country, taxation system is not perfect in Serbia as well. Therefore, certain steps are made for tax reform, particularly considering replacement of the progressive tax rate by the proportional one. The issue of tax rate determination in terms of central or local authority should be discussed in the context of fiscal decentralization. In other words, if the determination of the tax rate is local governments' authority, the central government could set a range, or alternatively, a maximum rate only (Begović 2006).

Begović (2006) attaches importance to the need for property taxes to be based on the capital value, which is the value of the property recorded on the date of the capital transaction. This would lead to the ultimate result, i.e. increase of fiscal revenues as the existing dual system – different tax bases for the Property Transfer Tax and for the Property Tax – will be discarded in this way.

Regarding the tax base, the only solution is Tax Administration's assessment of the property, since taxpayers usually lack necessary information and knowledge for the adequate determination of the market value. Concerning the assessment value method of the property, a Computer Assisted Mass Appraisal Model (CAMA) is recommended implemented in a number of other countries. The advantage of the model is its use of many other available data on location, quality, price and others that typically characterize each property. Therefore, it is essential to keep the CAMA model updated since the results depend on the quality of its inputs. Thus, the model automatically adjusts the value of the tax base since it is possible to define the difference between the new and the old value (Begović 2006).

Thus, the fiscal effects of the proposed reform, according to Begović (2006), will be the increase of revenues because of a significantly increased tax base, through introduction of a real market value calculation, as well as the cooperation of local bodies with the central tax administration on all aspects of efficient tax collection since property taxes are local communities' own resources.

Slovenia

Changes in property taxation system in Slovenia are part of an overall tax reform program that predicts a rather complex process and will be slower compared with other countries (Žibik and Mitrović 2006).

As Neva Žibik and Dušan Mitrović (2006) state, there were two types of taxes levied on properties that were collected by municipalities, serving as their own-source revenues. The first was levied on natural persons - owners or beneficiaries from buildings, while Compensation for the Use of Building Land Fee (CUBL) was levied on users of land (both natural and legal persons).

Local governments have some discretion to set the rates for property tax that are progressive in relation to the property's value. The ranges for buildings, for instance, are 0.1-1%, for relaxation and/or recreational facilities 0.2–1.5 percent and 0.15–1.25% for business premises. However, the tax base is not determined based on the market value, which leads to unfair distribution of the tax burden among municipalities.

In regard with exemptions and reliefs, they differ in the two systems. In the case of being the permanent residence of the owner and his/her family and not exceeding 160 square meters, apartments and individual houses are exempted from the property tax. The law also exempts buildings used for agricultural purposes and business premises. In addition, for each family member in a family exceeding three people, there is a ten percent discount. As to the CUBL system, the set of exemptions include property used for public and general purposes, diplomatic missions and consular posts, as well as for religious purposes and so on. A special attention is also given to low-income persons (Žibik and Mitrović 2006).

As Neva Žibik and Dušan Mitrović (2006) claim there are certain serious grounds for changes in property taxation system among which is its non-uniformity at the national level, as well as non transparency leading to frequent appeals, mainly against municipalities. Therefore, the new law suggests a uniform property tax system. The draft Property Tax Law

has been prepared in accordance with the main principles that all property shall be taxed, regardless of ownership; the proceeds remain municipal own source revenues; properties will be assessed based on a uniform market value system; tax liability shall be insured by means of mortgages against property. In parallel with this law, the Property Mass Appraisal Law was drafted which deals with registration of taxable objects and tax base determination.

According to the new law, the taxable objects are land with associated parts – buildings only. As to the taxable subjects, property tax is levied on owners in the land register. Changes in ownership have impact only for the following year. The tax base has been defined on the grounds of the generalized market value of property established by the Property Mass Appraisal Service (Žibik and Mitrović 2006).

The law exempts property serving for a public function, mainly for cultural, religious, humanitarian, educational or medical purposes, as well as property owned by foreign countries and used by diplomatic or international organizations. Besides, the municipalities have the authority to exempt new and renovated residential property for a period up to five years. Regarding the tax rates, the basic ones will be provided by law for municipalities to multiply them by a prescribed factor, depending on the type of property. This, of course, widens opportunities of municipalities to design own local fiscal policy. The fact that the assessment and collection of property tax is implemented by the national Tax Authority makes municipalities to be an autonomous body obtaining the information on taxation issues from the Property Mass Appraisal Service (Žibik and Mitrović 2006).

Neva Žibik and Dušan Mitrović (2006) state that the establishment of a separate Property Mass Appraisal Service within the Surveying and Mapping Authority makes the data collection procedure easier. The fields of concentration of the service consisting of a central office and twelve regional offices are information technology solutions, testing appraisal models and building and maintaining the property database.

The following three types of appraisal are provided by the property mass appraisal system – general comprised of appraisal model specification, calibration, and testing; interim and indexation carried out each year, except for property subject to general appraisal in the previous year. In regard with mass appraisal models, each group consisting of the same type of property needs its own appraisal model which varies. Slovenia's choice is value levels representing classification of property of the same type according to the value, value zones - the geographical areas within which property of the same type has the same value and value tables with appraisal factors and coefficients representing values of the different groups of property according to their features (Žibik and Mitrović 2006).

The overall mass appraisal system depends on data from two separate cadastres – on land and on buildings managed by the Surveying and Mapping Authority. In addition, there exist the land register as a third system under the authority of the Supreme Court that contains property related rights (Žibik and Mitrović 2006).

Thus, according to Žibik and Mitrović (2006), a long term and systematic approach is essential for the implementation of a property mass appraisal system for the major issue in taxation procedure – the base of the tax based on market value. Although the legal framework is provided by law the elements tending to frequent changes are regulated by government decrees and regulations.

Analysis and Summary of International Experience

To have a more general picture of the property taxation system in the countries of Central and Eastern Europe it is worth summing up the discussion by focusing on the major issues.

All European Union member and candidate states from Central and Eastern Europe went through a decentralization process having assigned the property taxes to local governments as a result. The measures of the fact that local governments receive property tax proceeds are the

level of local governments' discretion of rate determination and tax collection that give local units a chance to optimize the proceeds from property taxes and to decide their own budgetary priorities (Schreurs 2006).

The major factors that play an important role in the property tax levying procedure are taxable object, taxable subject, tax base, tax rate, exemptions and relieves. The implementation process generally brings to unsatisfactory results although overall the procedure seems to be a simple activity.

Buildings, constructions and land are the taxable objects for property taxes although in certain cases they are either only buildings or only land. As it is apparent from the discussion, the taxable subject for property taxes can be either the owner or the user of the taxable object. As to the exemptions, each republic applies a range of exemptions which are much the same as in other countries and sometimes for specific categories of properties (Schreurs 2006).

As Henri Schreurs (2006) notes, in the process of property tax administration the major problems of concern in all four republics of former Yugoslavia are tax base and property registration issues. For the determination of the property tax base there exist two methods – the assessment of the property market value and the calculation of a proxy for the market value. Before the new property tax laws in all four republics, the second method was used, which is based on the property's surface, expressed in price per square meter, adjusted for a number of factors - area, destination and depreciation, to mimic market value.

Recently, Macedonia, Montenegro and Slovenia have passed new laws that determine market value as a tax base. However, only the Slovenian legislation introduces a system to establish real market values in contrary with the valuation methodologies of Macedonia and Montenegro that are the continuation of the proxy systems although they consider it a market value. In this context, it is worth noting that for the establishment of a market value based system for property taxes the issues are not only time or professional organization but also

the issue of sufficient maturity of property markets in the country for the successful implementation of the process (Schreurs 2006).

Regarding the issue of property registration, it is a problem in all four republics as well because of the inadequate registration of properties and incomplete and not regularly updated databases of local governments. The result is considerable loss of fiscal revenues. Therefore, as Schreurs (2006) states the challenge is to establish an adequate fiscal cadastre and keep it up to date for which certain institutional arrangements are needed for the formalization of the data exchange between the bodies dealing with property data. This procedure would not only lead to effective results of taxation system but would also increase citizens' confidence in the fairness of the system.

Considering the discussion from the legal perspective, a number of differences are noted among the property taxation systems in the four republics. However, it is worth noting certain provisions of Slovenian and Macedonian laws.

According to the law on Property Taxes in Slovenia, tax liabilities are insured by means of a mortgage against the property. However, there should be no need for this instrument if the tax administration system functions effectively. In addition, their aim is to introduce a uniform relief for socially deprived and elderly people. These relieves too will be mortgaged against the property and must be repaid when the owner's financial position changes or when the property change hands. As to the Macedonian law, it has a provision to fine not only taxpayers but also officials, including municipal tax administration (Schreurs 2006).

Administration and collection of this tax is also a matter of concern in many countries. As the experiences of these countries demonstrate, the collection rate of taxes drops when this function is transferred under the authority of local governments. In this regard, the weak point is the limited capacity and experience of local governments to properly organize and manage a tax collection process. Therefore, on Schreurs' (2006) viewpoint, it is desirable that donor

support in the area of decentralization process focuses more on local governments than on the central one in terms of administration and execution of the tax collection process.

Methodology

For the purposes of this study the methodology is based on the primary and secondary data analysis. The corresponding literature and legal documents have been reviewed. The main concerns are identified on preliminary information obtained through face to face interviews by the representatives of the Ministry of Finance, State Tax Service, Local Self-Government Program, Phase three as well as by the Municipality of Vanadzor. Therefore, for the analysis of the key issues in property tax administration in Armenia, the selection of the interviews is based on the purposive sampling method.

Findings and Analysis

Property Taxation in Armenia

Republic of Armenia, a country in transition, initiated the first steps towards the implementation of large-scale reforms and establishment of new political and economic systems after regaining sovereignty in 1991. In this context, the importance of governance decentralization for democratic development resulting in administrative and territorial division, distribution of powers, interrelations among various levels of governance is of crucial significance (Tumanyan 2004).

Conditionally decentralization in Armenia can be divided into three phases. The decentralization process in the country was launched rather late when it broke down the centralized power structure of the Soviet era by adopting the new Constitution in July 1995. As a result of institutional and structural reforms, the new public administration system was

formed. The basic outcome of the reforms was the separation of local self-government and central government, holding local elections, as well as the process of self-establishment within the new system of local self-government in general (Tumanyan 2006). Later, by the Law on Territorial Division (1995) 930 urban and rural communities were established, while Yerevan with a population of 1.2 million was divided into 12 neighborhood (district) communities. This was the first phase of the decentralization process in Armenia.

The second phase (1997-2001) is characterized by the establishment and further strengthening of the legislative framework for local self-government system. As to the third one, it has started in 2002 with the adoption of the new Law on Local-Self Government on May 7 that highlights the institution of community property, central and local governments' interrelations, as well as new powers transferred to communities (Tumanyan 2004).

In the context of considering the scope of decentralization process, it is worth noting that it starts with political decentralization which is based on the transfer of decision-making power from the central government to the local levels. Therefore, in this context, the autonomy of local governments, powers delegated to them, as well as the degree of their fulfillment is of utmost importance (Tumanyan 2004). In the mainstream of these decentralization reforms local governments are entitled to independently plan their budget own-source revenues as well as borrowings as opposed to government subsidies defined by the law or by the central government. Tax revenues are the major part of local government own-source revenues. Therefore, the further discussion focuses on tax revenues that are generated particularly from property taxes – on properties within the administrative borders of municipalities (Tumanyan 2006).

In the Republic of Armenia the Constitution authorizes the government to implement state tax policy. Laws and secondary legislation form the enabling environment of the taxation system. The core of the legal system for taxing real property is two laws: Law on

Land Tax and Law on Property Tax, which serve as a basis for the administration of these taxes. From 1996 after the establishment of local self-government system till 2002 when the new Law on Local Self-Government was adopted the state tax authorities were designated to implement the administration, collection and audit of land and property taxes (Communities Finance Officers Association 2004).

As a result of this situation during these years the collection rates for the land and property taxes comprised only 20-50% maximum annually. The reasons are obvious: these taxes were mostly¹ assigned to municipal budget, the state tax inspectorates were not accountable to municipalities and their performance could not be overseen by local governments; finally no performance targets were established to tax authorities for collection of these taxes. In this context, it is essential to note that the amount of land and property taxes collected could increase several times if the tax revenues for land parcels out of the administrative boundaries of the communities comprising 40% of Armenia's whole territory are assigned to municipal budgets (Communities Finance Officers Association 2004).

However, decentralization policy radically changed by the adoption of the Law on Local Self-Government in 2002, according to which the authority to collect property and land taxes, local duties and fees, as well as rents for municipal and state-owned lands and assets has been transferred to communities as a delegated power (Law on Local Self-Government 2002). In 2003, for the implementation of this authority a comprehensive action plan was set forth that provided the transfer of the information databases on property taxpayers (fiscal cadastres) in Yerevan to district communities but only for physical (natural) persons. Before January 1, 2004, these databases were transferred to all other urban and rural communities as well (Tertiaryan 2004). One of the main reasons for this power transformation was that since 2000

¹ According to the Law on Budgetary System 1997, 95% of land and property tax were assigned to local budgets and 5% to central budget, this provision was abolished in 2000 (Feb 8 change to the Law), which assigned 100% of land and property tax to local budgets.

without any changes in the law the state tax authorities transferred the responsibility of land taxes and property tax collection to the heads of the communities. The fact was that mayors without a power set by the law and the appropriate means and resources were engaged in collection of these taxes and in submitting the non-filers' data to the state tax bodies who voluntarily decided whether or not to undertake certain means. This situation founded a basis for the increase of arbitrariness and corruption in the sphere (Communities Finance Officers Association 2004).

Making a step back it should be noted that after independence the previously state-owned apartment stock in Armenia was privatized to tenants with the adoption of the Law on Privatization of State and Public Housing. As a result, 96% of housing sector nowadays is privatized in the country (Vanoyan 2004).

Since 1995 there have been a number of changes in the legal framework of property taxation system in Armenia. For the establishment of private property rights certain steps were undertaken one of which was the adoption of the Law on Real Property in 1995. It introduced the concept of land as property, identified rights in real property, founded a framework for the transfer of property and the creation of a legal cadastre. Local governments were given the right to own property by the Law on Local Self-Government (Malme and Youngman 2001).

According to the first Law on Property Tax (1995), property tax was the revenue of the state budget. The tax objects were enterprises, houses, apartments, and other buildings belonging to ROA citizens, foreigners, as well as people with no citizenship. Under the 1995 Law, the assessment and taxation procedure was done differently for the property of physical and legal persons. The government set the rate of taxation on corporate property within the range of 0.2 to 0.8%. The rates for vehicles ranged between one and three percent of the official minimum monthly salary. Structures and taxable movables owned by companies were

taxed on the basis of their values in the enterprises' balance sheets. Vehicles were assessed on the basis of engine power. Structures owned by individuals were assessed on the basis of values by a valuation regulation. However, it is worth noting the fact that part of that value which was based on family size and the minimum monthly salary was not taxable. Exemptions followed typical international patterns, including exemptions for agricultural buildings and partial exemptions for veterans and the disabled.

In regard with the administration procedure, the responsibilities for the assessment of properties owned by individuals were divided between two self-funded inventory and registration offices, one covering Yerevan and the other - the rest of the country. The issues of insufficient funding, technological limitations, as well as old Soviet era working style of these offices made the property taxation system in 1995 and 1996 rather inefficient. However, already by 1997, state funding for valuation was provided and responsibility for assessment and valuation was transferred to the newly established Cadastre Department (Malme and Youngman 2001).

The administration procedure of property taxes at present is done according to the Law on Property Tax adopted on December 26 2002. It regulates the procedures of calculation and payment of property taxes in the Republic of Armenia, defines the scope of property taxpayers, tax objects, tax base and property tax rates, as well as the responsibility for violation of this law.

The scope of the taxpayers comprises the organizations in the Republic of Armenia and abroad, international organizations and the ones outside of the Republic of Armenia created by them. In addition, the taxpayers are the citizens of the Republic of Armenia, foreign citizens, as well as individuals who do not have citizenship but possess property in the territory of the Republic of Armenia that is taxable. The property owned by state agencies,

the Central Bank, local governments and institutions of the Republic of Armenia is tax exempt (Law on Property Tax 2002).

According to the Law, the tax objects are buildings and constructions the tax base of which is cadastral value of the property assessed under the procedure defined by the Law. The valuation of buildings is implemented every three year by the cadastre based on the fixed date of July 1 of the revaluation year. The value of a building serves as a basis for the determination of the tax base for the next three years. Vehicles, including motor vehicles, watercrafts and motor cycles are also stated as tax objects by the Law the tax base of which is determined by the power of engine of the tax object. The tax rates of buildings and constructions, as well as that of vehicles are defined by the Law on Property Tax (Law of ROA on Property Tax 2002).

On May 23 2003, the Government of the Republic of Armenia passed a decree N 750 on the organization of the registration and payment process of property and land taxes by local self-government bodies. In addition, the Government defined regulations for the information exchange in regard with property and land taxes between state tax bodies and local self-governments, as well as the regulations of publishing, providing, registering and maintaining of physical persons' property and land tax bills by this decree (RA Government Decree No. N-750 2003). The corresponding local governments have to bill the physical persons for property taxes by December 1 of the valuation year based on the calculations. In case of disagreeing with the calculation, physical persons can apply to registration bodies or the ones who are in charge of providing information for property tax calculations (Law of RA on Property Tax 2002).

Making a step forward from a legal framework to current issues in practice, it is worth noting that according to Article 107 of the ROA Constitution, delegated powers are subject to compulsory financing by the state budget (Constitution of ROA 2005). In this regard, the

reality is that although fiscal equalization grants are provided to local government units by the state the expenditure factor is not taken into account (Tumanyan 2008).

The transfer of property tax collection to municipalities by the Law on Local Self-Government (2002) as a delegated power, in my opinion, was a right decision on the one hand since property tax is the revenue assigned to local government budgets. On the other hand, however, it has created a great amount of work for implementation by communities, especially by rural ones. From the general point of view, communities should meet certain requirements: physical conditions – appropriate resources and their rational utilization for the development of the economy; economic and financial conditions for implementation of efficient management; legislative and institutional conditions for the protection of their interests; and, finally, human resources and realization conditions related to capacities of the local governments (Tumanyan 2004). In this regard, it is worth noting the fact that through the intermediation of the Minister of Territorial Administration and Coordination of Infrastructures all urban communities have been provided computer equipments by the German government funded Community Development Project. Besides, software for the implementation of tax administration was provided by the State Tax Service in collaboration with the USAID funded Tax and Fiscal Reform Project (implemented by Bearing Point), as well as training courses have been organized for appropriate specialists (Terteryan 2004). The fact, however, is that the great majority of communities in the Republic of Armenia are not able to fully implement the delegated power because of their size, geographic location, the differences in their socio-economic development level, as well as lack of financial and human resources (Darbinyan and Harosyan 2004). There are 926 communities in Armenia and establishment of tax departments in each would be a rather expensive activity for local budgets. Furthermore, it is impossible to provide appropriate specialists and necessary technical means for all communities. In small communities, in addition, there is a factor of

nepotism, which prevents the mayor to enforce collection of taxes from his neighbors and relatives who quite often comprise the majority of the community under his/her administration (Communities Finance Officers Association 2004). This is one of the factors that lead to accumulation of arrears in local budgets. In addition, it is also a consequence of inaccurate property tax databases since there is a large amount of residential units repeated in the property tax databases, while others have not been included at all. Besides, the database for vehicles of physical persons includes large numbers of non-existent, unusable or abandoned ones. Another problem for the property tax administration and collection is related to the errors in cadastral assessment values and huge differences between cadastral values and actual market values of the property (Movsisyan 2004).

The situation in fiscal decentralization, in addition to availability of financial resources for local governments and other issues, is characterized by the degree of flexibility granted to local governments in the sphere of implementation of tax policies (Hambardzumyan 2004). In this context, it is worth noting that in 2008 the Government adopted a new concept paper on Local Taxes which reflects the new provisions by the amended Constitution. According to this concept paper a draft Law on Local Taxes will be developed and submitted to the National Assembly for adoption. The draft refers to certain changes in the legal sphere of the Republic of Armenia that includes the formation and the development of local tax institution in the system of local self-government, as well as the definition of new municipal powers and functions (Concept Paper on Local Taxes 2008).

The major changes that are suggested by the concept paper on Local Taxes are as follows: state the range of tax rate and multipliers for local governments allowing them to set their own property tax rates, provide for the legal procedures how local governments define property tax rate, fully transfer the administration of property taxes to municipalities as

mandatory powers, define local governments' powers with regard to the valuation and revaluation of tax objects (Concept Paper on Local Taxes 2008).

This is, certainly, a serious step towards the democratization in the country since greater powers and responsibilities are given to lower tier of government, a procedure that provides for bottom-up decision-making and ensures accountability and responsiveness from below.

Legal Framework and Statistics of Property Tax Collection

This part of the essay deals with the procedures of property tax administration and collection method according to the acting Law. As a large share of local government own-source revenues is attributed to the property tax, it is worth considering the results of property tax collection in Armenia for the period of 1999-2007 as aggregate numbers.

Community budgets are recognized indivisible components of the national budgetary system and consolidated budget. Therefore, for securing effective and efficient arrangement and organization of the entire budgetary system, a special importance should be attached to efficient regulation of budget relations (Shahbazyan 2008).

One of the most important prerequisites to ensure effective functioning of local governance in compliance with the European Charter of Local Self-Government is securing its financial viability. In an attempt to define the degree of financial independence of the community, the factor worth for consideration is the share of own revenues in the total revenues of the community budget. In 2004-2006, this indicator comprised 51.8-57.8% that leads to assume not very high degree of financial independence of Armenian communities (Gevorgyan 2008).

Before the analysis of the real picture of property tax collection results for the last few years it is worth noting briefly how property tax calculation and payment procedures are carried out according to the Law on Property Tax.

The property tax reporting schedule for legal entities is each quarter of the reporting year while for natural persons – once a year. The organizations paying property tax shall submit quarterly property tax calculation forms up to the first of the second month following the reporting quarter. As to the individuals, they may calculate property tax on their own and submit annual declarations by December 1 of the reporting year (Law on Property Tax 2002).

Starting from January 1 2003 the local governments may calculate property tax on constructions and vehicles owned by individuals submitting the property tax "calculation request" for the tax body's approval based on the data about registration and assessment of constructions as well as those on vehicles submitted respectively by the real property cadastre and the authority responsible for registration of vehicles. This procedure is followed by sending property tax bills in confirmed order to the individuals paying property tax before December the first of that year (Law on Property Tax 2002).

In regard with the property tax for the object possessed by a common ownership right, it is calculated from the total value of a taxable object or the motor power. The data on other co-owners required in the declarations are submitted by each co-owner proportionately to his/her share or at least by one of them in case of general shared ownership, while in case of general joint ownership - by one taxpayer. And finally, if under general joint ownership at least one of the co-owners is an organization it is done by organization(s) (Law on Property Tax 2002).

As to the provision of information and collection of property taxes, the information on construction units as the taxable objects and their assessment figures, as well as that on vehicles is submitted by the bodies authorized to carry out state registration of the property (State Property Cadastre) to Tax inspectorate. After exchanging the information on calculation of property tax liabilities and property tax collection and payment records

between tax authorities and local governments, the latter submit the information on current records to the real estate cadastre (Law on Property Tax 2002).

Now let us take a look at some statistics showing the aggregate numbers for collection rates for property tax in 1999-2007.

Table1. Local Budget Revenues from Property Taxes in 1999-2007 in Armenia

Mln. AMD

Property Tax	1999	2000	2001	2002	2003	2004	2005	2006	2007
Annual Plan	3353.3	4358.5	4790.2	5502.8	6449.7	7096.1	7039.2	7800.0	8100.0
Adjusted plan	3270.0	4355.1	4892.8	5711.5	6460.8	6935.6	6992.5	7800.0	8100.0
Actual Collection	2360.9	2601.3	2811.4	3062.2	3960.7	5016.5	5742.4	6600.0	7500.0
Collection Rate	72%	60%	57%	54%	61%	72%	82%	85%	93%

Sources: Statement from ROA Government Session N 44 (November 2006) to approve the Concept Paper on Unified Valuation and Taxation of Real Property (for the years 1999-2005) and Ministry of Finance (for the years 2006, 2007)

As the table demonstrates, the collection rate of property tax in local budget revenues has increased since 2002 when the authority of the tax collection was transferred to municipalities by the Law on Local Self-Government as a delegated power (Law on Local Self-Government 2002).

This fact shows the tendency of improving and developing the procedures of property tax administration and collection by municipalities as an interested stakeholder. However, there are still some major issues of concern that remain unresolved in most communities (Darbinyan and Harosyan 2004). As Gimishyan (2004) states, because of the great difference of financial and institutional capacities among communities to implement their responsibilities local governments fulfill, on average, only 40-50% of their powers when the planned budget is compared with its actual implementation.

It is interesting to have a look at the total revenues of local budgets for 2005-2007 and see the composition of separate types of revenues.

Table 2. Share of Revenues in Total Revenues of Local Budgets for 2005-2007

	2005	2006	2007
Official Transfers	48%	42%	47%
Tax Revenues	25%	23%	22%
Revenues from Capital Operations	12%	18%	18%
Non Tax Revenues	12%	13%	9%
Duties	3%	4%	4%

Source: Communities Finance Officers Association 2008.

According to the data, almost half of the local budget revenues in 2005-2007 comprised the official transfers given to municipal budgets. Therefore, this, in turn, supports the assumption that the degree of financial independence of communities is still low. The share of tax revenues remains at the level of 22-25%, which signals about little improvement in property tax administration, which could significantly improve collection rates to the level of 85-90%.

Results of Interviews

For the purposes of answering the questions and developing policy recommendations, face-to-face interviews were conducted with the representatives of the corresponding institutions (Appendix A) who have an important role in shaping the government policy in this area.

As it would have been interesting enough to consider the perspectives of different sides on the issue, the selection was based on the purposive sampling method. The questionnaire included nine open-ended questions on the basic issues in the field (Appendix B).

The first issue of discussion was the collection rate of property taxes in Armenia that is not very high. To the question about the main reasons of this fact, the focus of the respondents was the same: insufficient human resources and low capacity of implementation, inaccurate property tax databases, large numbers of citizens who have moved abroad but continue to own properties, large numbers of non-existent, unusable and abandoned vehicles in police databases, poor enforcement of tax collection, large numbers of arrears in local budgets. Since these are the major issues of concern especially in small rural communities, one of the most common solutions that was suggested was the formation of inter-community unions.

Another issue focused on the delegated powers being subject to compulsory financing from the state budget. Some of the respondents' perspective towards the issue was that the regulations for the implementation and financing of this delegated power were not defined yet by the Government because it was a political issue. Another statement noted that a "solution" was found to this key issue: one of the major changes suggested by the Concept Paper on Local Taxes is to fully transfer the administration of property taxes to municipalities as mandatory powers.

In regard with the consolidation and maintenance of databases for the improvement of cooperation between local governments and local subdivisions of Real Estate State Cadastre, the opinions on the current status of the issue were positive. According to the data of State Tax Service, in 2006, the databases were transferred to approximately 650 communities, and the procedure is on a sufficient level.

One of the questions referred to the existence of preconditions today to use true market values for the assessment of the tax base. According to the data of State Tax Service, nowadays the assessment of properties is implemented based on 65-70 percent of true market values. The assessment procedure is the result of the implementation of three year monitoring system in the State Cadastre. However, the answers contained a two-sided element. The application of true market values for the assessment of property tax base needs careful consideration as, on the one hand, it would solve a fiscal issue of revenue increase, while, on the other hand, it would give rise to a social issue of affordability. This issue is especially critical for the lower-income households and the elderly having an insufficient income to afford the increasing property taxes. Increase of the property tax may force low income families to sell, for instance, their apartment or house located in the center of Yerevan and move to a remote place. Thus, application of true market values for tax base assessment is a good method to increase property tax and, therefore, revenues for local governments. However, its implementation should be considered with great care, since it contains a social and political aspect.

In a number of countries municipalities have the authority to assess property values. In this regard, question No. 8 asked whether it was real for Armenia. Since the municipalities may not have sufficient capacity for this function, the assessment can be contracted out to be done by independent experts and specialized companies. However, the answers to this question did not differ much: the communities in our country are not ready yet in regard with institutional and fiscal capacities.

Ultimately, the interviewees noted the necessary and most important measures to increase the efficiency of property tax administration and collection: first, correction of registration inaccuracies in databases, second, formation of inter-community unions that would facilitate

the administration process, and, finally, raising the awareness of citizens in regard with the importance of paying property taxes and benefiting from municipal services.

Conclusion and Recommendations

Tax policy and tax administration are inextricably related. The Government's role is to finance its activities in a noninflationary way through compulsory extraction of resources from households while minimizing distortions. Herein lies the primacy of tax policy in helping to attain economic policy objectives. Tax administration must, therefore, evolve an internal dynamic to promote the effective application of tax policy.

In the administration and collection of property taxes in Armenia there are still a number of issues to be addressed for the improvement of the process. Below, some recommendations are presented that can be practical and feasible options for the country:

- Gradually move to assessment practices taking as a basis the true market value of the property. This will significantly increase the tax base in a dynamically developing market of real property. However, taking into consideration the social issue of affordability, as has been discussed during the interviews, an option could be to start, for instance, with commercial entities as a pilot step.
- In order to assist administration and collection of the property tax in small municipalities:
 - form inter-community unions with the objective to enhance financial sustainability of the communities, strengthen local self-governance system, and proliferation of decentralization processes in order to achieve economies of scale,
 - correct inaccurate databases to ensure proper collection process,
 - establish training centers where municipal servants will upgrade their skills and knowledge about taxation issues, using innovative educational programs and curricula,

- strengthen compliance assurance and enforcement measures towards evaders, non-filers and stop-filers.
- Conduct an in-depth study of Central and Eastern European countries' experience and follow some of their practices, such as use of true market values for the assessment of tax base as it is in Slovenia that has a legislation introducing a system to establish real market values,
- Transfer property assessment procedure to a commission established by each municipality as a delegated function.
- Before transforming the delegating power of tax collection to a mandatory function it would have been useful to conclude a Memorandum of Cooperation with some pilot municipalities that would enable to identify the major problems in the field. This procedure was implemented in Macedonia when delegating the authority of tax collection to municipalities making them responsible for the collection procedures of the property taxes for which the state bodies and the corresponding institutions were to provide all the necessary information.
- Concerning the assessment value method of property, use a Computer Assisted Mass Appraisal Model implemented in a number of other countries. The advantage of the model is its use of many other available data on location, quality, price and others that typically characterize each property.
- In regard with the major directions of tax reforms in the long-term perspective, it would be worth to proceed with adopting the provisions about unified valuation and taxation of land and other real property. The establishment of this system will enable to:
 - increase the fairness of taxation system,
 - improve the system of tax privileges and get rid of the different frameworks of privileges and exemptions existing today in regard with land and improvements,

- decrease the expenses for the assessment of land and improvements separately and, ultimately, ease the administration procedure.
- Finally, public relations campaigns should be conducted explaining the need for paying the property tax on time and emphasizing the consequences of non compliance. This will increase the level of voluntary tax compliance.

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Appendix A: List of Interviewed People

Ministry of Finance

Vakhtang Mirumyan Head of Civil Department of State Tax Revenues

State Tax Service

Arthur Manukyan Head of the Department of Property and Non-Tax Revenues

Armenian Local Government Program, Phase 3, RTI

Samuel Coxson Chief of Party

Municipality of Vanadzor

Garnik Ohanyan Head of Property Tax Department

Appendix B: Questionnaire

Գույքահարկի վարչարարությունը և հավաքագրումը Հայաստանում

1. Այսօր Հայաստանում գույքահարկի հավաքագրումը անբավարար ցուցանիշ ունի: Ինչո՞վ է պայմանավորված այս փաստը, ըստ Ձեզ:
2. 2002-ին ընդունված «Տեղական ինքնակառավարման մասին» օրենքով նախատեսված հողի հարկի և գույքահարկի վարչարարությունն ու հավաքագրումն ամբողջությամբ համայնքներին փոխանցելը, որպես պետության կողմից պատվիրակված լիազորություն, առաջ է բերել մի շարք խնդիրներ հատկապես գյուղական համայնքներում: Ինչպե՞ս եք տեսնում այս հարցի լուծումը:
3. Ըստ ՀՀ Սահմանադրության, համայնքներին պատվիրակված լիազորությունները ենթակա են պետական բյուջեից պարտադիր ֆինանսավորման: Ո՞րն է Ձեր մոտեցումը այն խնդրի վերաբերյալ, որ մինչև այսօր կառավարությունը չի սահմանել պետության կողմից պատվիրակված այդ լիազորության իրականացման և ֆինանսավորման կարգերը:
4. Արդյո՞ք համայնքներն ամբողջությամբ ֆինանսավորվում են այս պատվիրակված լիազորությունն իրականացնելու համար:
5. ՀՀ կառավարության 2003 թվականի մայիսի 29-ի 750-Ն որոշմամբ ընդունված կարգով կարգավորվում է ՏԻՄ-երի կողմից գույքահարկի գծով համայնքի նկատմունների հաշվառման, վճարումների ընդունման և կազմակերպման հարցերը: Ըստ Ձեզ, արդյո՞ք այդ որոշումն իրականացնելու համար կան բոլոր նախապայմանները և արդյո՞ք այն ամբողջությամբ կատարվել է:
6. Ինչպիսի՞ քայլեր է անհրաժեշտ ձեռնարկել անշարժ գույքին վերաբերող տվյալների տեղեկատվական բազաների միասնականության, տվյալների պահպանման, վերահսկողության ու ընդհանրացման խնդիրների լուծման նպատակով ՏԻՄ-երի և ԱԳՊԿ տարածքային բաժանմունքների միջև համագործակցությունը բարելավելու ուղղությամբ (ֆիսկալ կադաստրի վարում):
7. Կա՞ն նախադրյալներ փաստացի շուկայական արժեքների գնահատումը հարկի բազայի հաշվարկման համար օգտագործելու համար: Եթե այո, ապա որո՞նք են:
8. Արդյո՞ք իրատեսական է գույքի արժեքի գնահատման գործառույթները պատվիրակել ՏԻՄ-երին, ինչպես դա ընդունված է այլ երկրներում:
9. Ի՞նչ որոշակի քայլեր է հարկավոր ձեռնարկել գույքահարկի վարչարարության ու հավաքագրման արդյունավետությունը բարելավելու համար: Կա՞ն արդյոք նորովի հայեցակարգային մոտեցումներ: