

# House and Land Tax Rules, 2020 (1963)

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In exercise of the powers conferred by Section 14 of the House and Land Tax Act, 2019 (1962), Government of Nepal has framed the following Rules:

1. **Short title and commencement:** (1) These Rules may be called as the "House and Land Tax Rules, 2020 (1963)."  
(2) These Rules shall come into force immediately.
2. **Definitions:** Unless the subject or the context otherwise requires, in these Rules:-
  - (a) "Act" means the House and Land Tax Act, 2019 (1962).
  - (b) "Taxpayer" means the person obliged to pay the house and land tax.
  - (c) "Schedule" means the schedule of these Rules.
3. **Statement to be furnished:** A taxpayer has to furnish, or cause to be furnished, the statement of the house and land in the urban area in the format as referred to in Schedule (1). It shall be sufficient for a taxpayer who has already furnished, or caused to be furnished, the statement of any house and land as referred to in Schedule (1) for any year not to furnish the statement as referred to in Schedule (1) to give a due notice in writing indicating the statement previously furnished is applicable, except in cases where any alteration has been made in the house and land as referred to in the statement.
4. **Formation of house and land valuation committee:** (1) Government of Nepal may, for purposes of the Act, form a house and land evaluation committee (hereinafter referred to as the "committee")

by a Notification published in the Nepal Gazette for each urban area specified under the Act.

(2) The committee formed under Sub-rule (1) shall comprise at least one engineer or overseer.

(3) The Committee formed under sub-rule (1) shall *ipso facto* be dissolved after the act, under these Rules, has been finished.

**5. Preparation of valuation table of house and land** : (1) The committee formed pursuant to Rule 4 for the valuation of house and land of the urban area shall prepare a valuation table by inspecting various places and on the basis of the principles as set down here under and submit it to Government of Nepal :-

(a) to prepare data of average cost as mentioned in Schedule (2) for the whole urban area indicating how much expenditure is to be made for each square feet in building a new house within the concerned urban area taking into account, *inter alia*, of the cost of materials required for the time being and carpenter, labour wages, as well as other things required to build a house.

(b) to prepare a table as mentioned in Schedule (3) by dividing the whole urban area into necessary zones on the basis of modern facilities of domestic life such as business situation of the concerned urban area, educational institute, water, electricity, means of entertainment, sewerage and setting the average cost of expenditure prepared pursuant to Clause (a) above in the zone of the least importance out of those zones and thus ascertaining the rate of percentage to be added for the house situated in other zones.

- (c) Front sides of the house on the right and left hand sides of any road have higher value than the houses in the street or inner junction (*chowck*) and the houses on the main road of a city have the highest value, so, the table as referred to in Schedule (4) has to be prepared by ascertaining the rate of percentage to be added to the average cost expenditure mentioned in clause (a) for the houses in vicinity of such important places and main roads.
- (d) After the value of a new house has been fixed on the basis of the table as mentioned in Clauses (a), (b) and (c), to prepare the table chart as mentioned in Schedule (5) by ascertaining how much percentage of depreciation is to be allowed for a year of the value (data) as mentioned in Clause (a) for an old house taking into consideration, *inter alia*, of local situation and other circumstances as well and for how many years such depreciation has to be allowed.
- (e) In cases where there is land along with a house, to prepare average date of the value, zonal value and road importance value of such land too as per the principles mentioned in Clauses (a), (b) and (c) from the viewpoint of importance of that house.

(2) The amount set upon fixing the value of the house and land as per the mode mentioned in Clauses (a), (b), (c), (d) and (e) shall be deemed to be the value of such house and land; and the committee shall make a report setting out all of such details to Government of Nepal, Ministry of Finance through the Department of Tax.

(3) In case Government of Nepal Intends to make alteration in the value of house and land in the data and valuation submitted pursuant to Sub-rule (10) it shall do the same and publish it in information board of each Tax Office by making it visible to the general public.

(4) Unless any other order is issued by Government of Nepal, the list of valuation published under Sub-rule (3) shall be valid for up to Five years from the date of its publication.

**6. Valuation of house and land and assessment of tax:** (1) After receiving the statement of house and land of any taxpayer pursuant to Rule 3, the Tax Officer shall evaluate such house and land in accordance with Schedule (6) as per the valuation table published by Government of Nepal pursuant to sub-rule (3) of Rule 5.

(2) In valuing any house and land purchased and sold upon registering the transfer deed, if the figure of the value indicated in the registration deed be higher than the valuation figure as referred to in sub-rule (1), not assessing the tax in the value ascertained pursuant to sub-rule (1), the figure of the registration value should be maintained (authentic)

(3) After the Tax Officer has evaluated pursuant to sub-rule (1) he/she shall assess the figure of the tax as per that valuation. The Tax assessment order has to indicate brief description on how the tax has been assessed.

**7. Inquiry into notice given pursuant to Section 11 of the Act:** (1)

If any person has given a notice to the Tax Officer pursuant to Section 11 of the Act, the Tax Officer shall make identification of his/her notice if he/she appears in person or by attorney upon a notice given by the officer and examine all evidence and proofs which he/she has got. If he/she does not so appear, the Tax Officer may cause his/her subordinate tax inspector to inquire into the matter. If, on the basis of

the statement submitted after holding such inquiry, the Tax Officer is of the opinion that action has to be instituted, he/she shall institute necessary action. If he/she thinks that there are not adequate proofs to institute action, the records of such person who has given the information shall have to keep in his/her office, along with his decision deals expressed therein.

(2) If the matter referred to in the notice received pursuant to sub-rule (1) is held to be true, and the tax has been recovered accordingly, the Tax Officer shall submit a report through the Director of the Tax Department to provide the reward to be given under the Act.

(3) If any person who has once given an information does not appear or send his/her attorney subsequently before the Tax Officer as and when required to so appear or even if he/she him/herself in-person or his/her attorney appears but does not submit any evidence and proof, the information shall not be deemed to have been completed; and such person shall not be entitled to the reward.

**8. Matters to be taken into consideration while evaluating house**

**and land and assessing tax:** In evaluating the house and land of any person under Section 7 of the Act and assessing the house and land tax thereon, the Tax Officer has to take into consideration of the following matters:

- (a) The secret report, if any, made by the tax inspector or any one else,
- (b) Survey maps or deed of public inquiry of such house and land received from the tax inspector or any one else,
- (c) Any other such basis as may be considered appropriate by the Tax Officer.

**9. Procedures to be followed to have house and land tax remitted:**

(1) If the house and land used in the acts mentioned in Sub-section (2) of Section 10 of the Act be not personal property of the person or organization carrying out such acts and such person or organization has used the house and land on rent, the house and land tax leviable on such house and land shall not be remitted. The person who rents it has to pay the tax.

(2) If the owner of a house and land, which is situated in the urban area and demolished or defaced, makes an application to get the tax of such house and land for any year remitted, the Tax Officer has to hold inquiry into the matter and make submission, accompanied by his/her verdict, to the Ministry of Finance, Government of Nepal through the Tax Department for remission of the tax.

**10. Valuation of house and land belonging to taxpayer residing outside the Nepal:** If any taxpayer residing outside the Nepal desires

to get his/her house and land valuated and tax assessed by the Tax Officer in the area where his/her house and land is situated, the Tax Director may cause the Tax Officer in that area to take action.

**11. Functions to be carried out by the Revenue Office or Registration Office carrying out registration** :

If any person makes an application pursuant to the Act relating to registration to have registration passed of any house and land in the urban area, the Registration Office shall not effect or cause to be effected registration pass of such house and land without release order of the Zonal Tax Officer if the value of such house and land as well as any other house and land, if any, in the urban area appears to exceed fifty thousand rupees.

(2) Notwithstanding anything contained in Sub-rule (1), the registration pass of any house and land valued at less than Fifty

Thousand Rupees may be effected on condition that action shall be taken pursuant to the prevailing Act if the deed, submitted by any person to the office, covenanting that such person does not have any other house and land in any urban area is held to be false.

- 12. Amendment to statement:** (1) If any taxpayer makes a request to correct the statement of house and land in the urban area furnished with the Tax Office for the first time pursuant to the Act or Rules, the Tax Officer may allow such taxpayer to correct the statement on conditions of collecting from such taxpayer an additional tax that is higher by Ten percent of the tax payable under the Act, if the tax assessment order has already been made. In so allowing correction in the statement, the taxpayer shall be required to have duly filled up and furnish another statement. No amendment merely made by sending a letter shall be recognised.

(2) Such additional house and land tax charged for getting the statement corrected pursuant to Sub-rule (1) has to be specified in the assessment order while assessing it; and such additional house and land tax has to be paid in lump sum along with the amount of the house and land tax.

(3) In cases where any statement referred to in the Act has been received but the tax has not yet been assessed and any concerned person requests for correction in the statement, the Tax Officer may, upon inquiring into the matter if required, allow correction in the statement without charging any additional tax under Sub-rule (1).

- 13. Other functions:** (1) The Tax Officer shall, after completing his/her functions at the headquarters of his/her Zone, carry out his/her mission in various places in the Zone as per his/her programme of the whole year and issue house and land tax assessment and payment order.

(2) A taxpayer who resides in an area where the Tax Officer is not available may furnish the statement as referred to in the Act or these Rules with the Zonal Commissioner's Office or the Revenue Office. Zonal Commissioner's Office may have one or more than one employee dealing with tax matters such employee shall carry out any other acts relating to tax except assessment and recovery of tax and such employee shall be under the Zonal Tax Officer.

(3) It shall be the duty of the employee as referred to in Sub-rule (2) to collect data of the taxpayers, who seem to be required to pay house and land tax, to hold public inquiries as per the order of the Tax Officer and to carry out such other functions relating to tax as may be assigned and asked by the Tax Officer. He/She shall hold an identity card, to which his photograph is affixed, bearing signature of the Tax Director or Zonal tax Officer.

(4) The Tax Director may, from time to time by a notified order, prescribe the format of the register of the house and land tax to be maintained in the Tax Office. All kinds of departmental directives mentioned in that order have to be carried out and report on recovery of tax and has to be made in proper times as specified in that order. Such a report has to bear signature of the Inspector of the section as well.

- 14. Realization of penalty and fine :** In case, where the Tax Officer has imposed a penalty and fine on any person under the Act, he/she has to give a time-limit of Thirty Five days to recover the amount of penalty and fine from such person; and in cases where no receipt of payment of the amount is not received even within that time-limit, the Revenue Office or the authority prescribed by Government of Nepal shall upon a notice given by the Tax Officer recover such amount by confiscating, if necessary, the property of such taxpayer in accordance with the procedures mentioned in the prevailing Nepal law.

15. **Powers to issue order**: Government of Nepal may, pursuant to the Act or these Rules and taking into account of the situation, publish a Notification in the Nepal Gazette, following any new procedures relating to recovery of house and land tax or clarifying the same.

NEPAL LAW COMMISSION

## Schedule -1

### Statement of house and land required to be furnished pursuant to Section 4 of the Act and Rule 3

The Tax Officer,  
Tax Office.....  
Dear Sir/Madam,

I/we have furnished the statement of the house and land as mentioned below for fiscal year..... pursuant to Section 4 of the House and Land Tax Act, 2019 (1962) and the House and Land Tax Rules, 2020 (1963). I/we request that the house and land tax be assessed under the said Act and Rules. I/we shall pay the payable tax at the prescribed place within the time-limit as referred to in the Act from the date of receipt of the tax assessment order.

#### Particulars

1. Unit of house and land.....
2. Boundaries of each house and land.....
3. Place *tole* where the house and land is situated and its block number:-  
.....
4. Open space along with the house as well as the land covered with the house:-  
Length - feet breadth feet *Bigaha* or *Ropani*.....
5. Name of the road, if house and land is linked with the road:-
6. (A) Cost price of house and land and date of purchase:-
7. (B) Cost price of house and proof thereof
8. If the house and land has been let on rent, the amount receivable therefore, date and portion of the house: - .....
9. Name, address of the partition shareholders of the house and land :-  
.....

### Schedule (1)

House number or number of its portion	length in feet	breadth in feet	total storey	height of each storey in feet							joining by soil, cement	year of Construction	Remarks
				ground	first	second	third	fourth	fifth	sixth			

The above-mentioned statement of the house and land belonging to me/us, this organisation is fully true and correct. If it is proved to be false, I/we shall bear and pay according to the House and Land Tax Act, 2019 (1962) and the House and Land Tax Rules, 2020 (1963) .

Signature of statement furnisher:-

Signature maker's name, surname and designation:

Signature maker's address:-

Taxpayer's full name, surname:-

Address:-

## Schedule-2

Relating to Rule 5 (1) (a)

Type of structure of house/average cost of each storey of each square feet of house plan.

	Storey of which height is 7 feet or below	Storey of which height is more than 7 feet	Remarks
1. Joined with soil 2. Joined with metal 3. Joined with cement	in NRs.	in NRs.	

### Schedule -3

Relating to Rule 5 (1) (b)

Zone	Boundary of Zone	Percentage of importance to be added to the average cost under clause (a)	Remarks
1.	North		
2.	South		
3.	East		
4.	West		
1.	North		
2.	South		
3.	East		
4.	West		
1.	North		
2.	South		
3.	East		
4.	West		

All the divided zones and areas should be mentioned accordingly.

### Schedule 4

#### Relating to Rule 5(1) (c)

Name of road	Boundary of starting and ending point of road	Percentage of data of Clause (b) to be added to the house and land on the right and left	Remarks
1.			
2.			
3.			
4.			
5.			

NEPAL LAW COMMISSION

### Schedule- 5

Relating to Rule 5(1) (d)

Structure of house	Depreciation per year percentage of deduction per year under clause (a)	Upper limit of deduction	Remarks
1. Joined with soil  2. Joined with <i>Bajra</i>  3. Joined with cement		for up to...years  For up to..... years  for up to..... years	

## Schedule 6

Relating to Rule 6(1)

Tax Office

Taxpayer's Index No. :-

### House and Land Tax Assessment Order

Fiscal year:

Section of the Act under which tax is assessed:

Taxpayer's name, surname, address:-

Total value of house and land:-

Total and land tax payable: -

Fine:-

House No	length	breadth	square feet	valuation rate	value (price)	storey	total value	Remarks

You are required to pay a total sum of Rs..... (..... in words) including the tax of Rs..... and the fine of Rs. .... as mentioned above at .....place within Thirty Five days from the date of receipt of this tax assessment order or its service on your house/rented house.

..... Copy of the voucher to pay the amount is attached herewith.

Tax Inspector's signature:-

Tax Officer.....

Date: -.....