

House and Land Tax Act, 2019 (1962)

Date of Authenticatin and Publication

2019-9-29 (Jan. 13, 1963)

Amendments:

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|---|---------------------------|
| 1. Revenue Tribunal Act, 2031 (1974) | 2031-4-18 (Aug. 2, 1974) |
| 2. House and Land Tax (First Amendment) Act, 2036 (1979) | 2036-8-5 (Nov. 21, 1979) |
| 3. House and Land Tax (Second Amendment) Act, 2043 (1986) | 2043-6-16(Oct. 2, 1986) |
| 4. Finance Related Some Nepal Acts Amendment Act, 2047 (1990) | 2047-8-27 (Dec. 13, 1990) |
| 5. Some Nepal Acts Amendments Act, 2063 | 2063.6.28 (Oct. 14, 2006) |

Act No. 31 of the year 2019 (1962)

An Act made to Provide for Levying Tax on House and Land in Urban Areas

Preamble: Whereas, it is expedient to levy tax on the house and land in the urban areas in order to increase national income for the development of the country;

Now, therefore, be it enacted by His Majesty King Mahendra Bir Bikram Shah Dev, pursuant to Article 93 of the Constitution of Nepal.

1. **Short Title, Extension and Commencement:** (1) This Act may be called as the "House and Land Tax Act, 2019 (1962)".

(2) It shall extend all over Nepal and shall also apply to any person who is residing outside the Nepal and holds house and land in the Nepal.

(3) It shall be deemed to have been commenced since 9th *Shrawan* 2019 (July 24, 1962).

2. **Definition:** Unless the subject or the context otherwise requires, in this Act,-

(a) "House and Land in the Urban Area" means any house situated in such urban area as may be specified by Government of Nepal upon a Notification published in the Nepal Gazette and the land in cartilage (*lagapat*).

- * (b) "Land in cartilage" means the land where a house is situated and the land compounded with a fence or wall and concerned with (occupied by) that house and, if not so compounded, the land within the ceiling of land which a landowner may hold for house and compound under the Lands Act, 2021 (1964).
- (c) "Tax" for purposes of this Act, means the tax to be levied on house and land.
- * (d) "Tax Officer" means a Tax Officer, senior Tax Officer, Chief Tax Officer appointed by Government of Nepal or any other officer so designated by Government of Nepal as being entitled to exercise the powers of the Tax Officer pursuant to this Act.
- (e) "Prescribed" or "as prescribed" means prescribed or as prescribed in the Rules framed under this Act.

3. **Assessment and recovery of house and land tax:** If any Act makes provision on levying house and land tax for years or for any one year, such house and land tax shall be assessed and recovered pursuant to this Act and the Rules framed under this Act.

4. **Duty to Furnish Statement:** (1) A person who is liable to pay the house and land tax under this Act or prevailing Nepal law has to furnish, or cause to be furnished statement of his/her house and land with the Tax Officer of the area where he/she ordinarily resides in such format as may be prescribed.

- (a) A person, who ordinarily resides outside Nepal, has to furnish such statement with the Tax Officer of Kathmandu. If any tax-payer desires to submit statement of his/her house and

* Amended by the Second Amendment

land to the Tax Officer of the area where his/her house and land is situated and get the tax payable by him/her assessed and pay the tax there, then he/she may do so accordingly.

- (b) If a person liable to pay the house and land tax under this Act is a minor or insane or dumb, it shall be the duty of his/her guardian to furnish statement of the house and land of such person.
- ⊗(c) Statement of any house and land owned by more than one person may be furnished by any person out of the persons having such joint ownership.
- ⊗(d) A tax-payer who has house and land in more than one urban areas has to set out an inventory of all the house and land belonging to him/her and also indicate the Tax Officer which he /she wants to get it finally assessed his/her tax in the statement of house and land required to be submitted by such tax payer.

(2) A person, who does not furnish or cause to be furnished the statement required to be submitted under Sub-section (1) or who submits a false statement, may be punished with a fine of up to Five Thousand Rupees, by an order of the Tax Officer.

(3) If the Tax Officer suspects any person of holding such house and land as may be subject to the tax under this Act or the prevailing Act, he/she may issue a written order requiring such a person to furnish a statement of his/her house and land. Such a person has to furnish, or cause to be furnished, a statement of his/her

⊗ Inserted by the Second Amendment.

house and land with the Tax Officer within Fifteen days after the date of receipt of the order, in such format as may be prescribed.

Provided that, a person, who fails to furnish or cause to be furnished a statement even within the time-limit mentioned above, has to give a written notice thereof, accompanied by the reason therefor, to the Tax Officer within the time-limit specified in that order and the Tax Officer may, if thinks the grounds to be believable, give time extension for a period not exceeding One month.

(4) The Tax Officer may impose a fine of up to Five Hundred Rupees on any person who does not abide by any order issued under Sub-section (3) or may withhold the registration, thereby, preventing the transfer of the house and land belonging to such person in any manner.

5. **Valuation of house and land of urban area**: The Tax Officer shall, on the basis of the prescribed principles, value the house and land of the urban area for the purpose of house and land tax to be levied on such house and land in the urban area pursuant to the prevailing Act.
6. **Assessment of house and land tax** : (1) The Tax Officer has to assess the amount of house and land tax to be recoverable pursuant to this Act for a year within three months,* as far as possible, after the statement of house and land has been furnished.

Provided that, even though any person has whatsoever house and land, statement of all of such houses and land have to be obtained, to be evaluated separately and the house and land tax assessed considering all the house and land to be one unit for purposes of this Act.

* (2) Tax shall be assessed considering the person of whose ownership a house and land stand on the first day of *Shrawan* of each year as the owner of that house and land for that fiscal year; and if such house and land is jointly owned by

* Amended by the Second Amendment.

more than one person, then the tax shall be assessed considering the house and land to be under joint ownership of such persons.

⊗(2a) If several stories of any house are or any one storey is owned by several persons, then tax shall be assessed considering the house and land to be separate in the names of the persons having joint ownership.

(3) In assessing such tax, the Tax Officer shall have all of such powers as the court is entitled to pursuant to the prevailing Nepal law in respect of properly considering the statements furnished by tax payers and issuing summons in the name of the concerned person, getting them to make depositions, and submit documents for purposes of examining such statements, as the case may be.

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⊗6A. **Power to assess advance tax:** If any taxpayer fails to furnish statements or there exists any reasonable cause for being unable to assess tax for the time being on the basis of the furnished statements of house and land, the Tax Officer may assess advance tax and order for deposit the same subject to it being under final assessment of tax subsequently on the basis of assessment of tax for the latest year for which tax has already been assessed, without prejudice to other action under this Act and assessment of tax.

7. **Valuation of house and land in respect of person failing to furnish statement and assessment of house and land tax :** If any person obliged to furnish statement pursuant to Sub-section (1) or (3) of Section 4 fails to furnish, or cause to be furnished, such statements or furnishes or causes to be furnished false or incomplete statements the Tax Officer may, subject to Section 5 and 6, value the house and land of that person and assess the tax, based on justifiable presumption to the extent possible.

⊗ Inserted by the Second Amendment.
∞ Proviso deleted by the Second Amendment.

⊗7A. **Power to make correction:** (1) If it is learnt from an application made by a tax-payer or from any other source that tax has been so assessed that the figure of tax is lower or higher because of some error in any statements or mathematical error in valuating the house and land pursuant to this Act, the Tax Officer may, within Two years from the date of assessment of tax, correct the error and reassess the tax.

(2) If the amount of tax to be set after making correction the error in the tax assessment order pursuant to Sub-section (1) becomes less than that of tax assessed previously, prior to issuing such tax assessment order, approval of the Director General of the Department of Tax shall be obtained by executing a memo (*Parcha*) setting out clear reasons therefor.

(3) If the amount of tax to be set after making correction pursuant to Sub-section (1) becomes higher than that of tax assessed previously, prior to correcting the error in the tax assessment order, a memo setting out clear reasons therefor has to be executed, the tax-payer has to be given a written notice about it and given a reasonable opportunity to defend him/herself in respect of the tax payable by him/her.

*8. **Payment of house and land tax:** (1) After receipt of the tax assessment order pursuant to this Act, tax-payer has to deposit the amount of such tax with the concerned tax office within Thirty-Five days from the date of receipt of that order.

(2) If a tax-payer fails to deposit the tax within the time-limit as referred to in Sub-section (1), the Tax Officer shall recover the tax in the following manner, by also charging a fee set the rate of fifteen per cent *per annum* of the amount of tax payable by him/her:

⊗ Inserted by the Second Amendment.
* Amended by the Second Amendment

- (a) by withholding the movable or immovable property of the tax payer,
- (b) by impounding any deposit of the tax-payer in any governmental office or in any corporate body owned by Government of Nepal or any amount payable by such office or body to the tax-payer or causing such amount to be paid to the Tax Officer,
- (c) by withholding the transactions of and exportation and importation by the tax-payer,
- (d) by auctioning the whole or part of the movable or immovable property of the tax-payer in one or several lots in accordance with the prevailing law.

(3) If the tax-payer comes to pay the amount of tax after the commencement of auction sale of the property of the tax-payer and before the completion of the auction sale, the auction sale may be stopped (withheld) by collecting the tax chargeable as well as an additional fee at the rate of five percent of the total amount of fee.

(4) If the amount realized from the auction sale of the property of the tax-payer pursuant to Clause (d) of Sub-section (2) is more than the amount due to be recovered from the tax-payer, such excess amount shall be returned to the tax-payer.

(5) If, in auctioning the property of a tax-payer pursuant to Clause (d) of Sub-section (2), no one buys it, the ownership of such property shall devolve on Government of Nepal.

➔9. **Appeal** : An appeal may be made to the Revenue Tribunal against an order made by the Tax Officer under Section 4, 5, 6 or 7.

➔ Amended by the Revenue Tribunal Act, 2031 (1974).

10. **Powers of Government of Nepal to remit house and land tax:** (1) If any house and land in the urban area being demolished or defaced becomes unfit for residence, Government of Nepal may remit, wholly or partly, the house and land tax leviable on such house pursuant to the prevailing Act.

(2) Government of Nepal may remit, wholly or partly, the house and land tax leviable pursuant to the prevailing Act on the house and land in the urban area used as dispensary, public school, orphanage, public trust house or in benevolent (welfare) and religious works.

11. **Price to true information giver:** Any person who gives the true information that any person obliged to furnish or cause to be furnished statements pursuant to Section 4 does not furnish or cause to be furnished such statements or has furnished or caused to be furnished false statements, shall after that matter is held to be true, be given, by order of Government of Nepal, a price in a sum of Twenty per cent of the figure of the house and land tax recovered from the offender (guilt).

12. **Non-applicability:** For removing doubt, it is clarified that nothing contained in this Act and the Rules framed under this Act shall be applicable to [✕]..... land under Government of Nepal, [◇]house and land of the Village Development Committee, Municipality or District Development Committee, house and land of a foreign government and [✕]house and land where the main machine of a mill or factory is installed, godown, such land as may be prescribed for keeping raw materials within compound of a factory, labour quarters and sheds and specific

✕ Deleted by Some Nepal Acts Amendments Act, 2063.

◇ Amended by the Finance Related Some Nepal Acts Amendment Act, 2047 (1990).

✕ Amended by the First Amendment.

house and land where customers of a hotel dine and stay, motor vehicle parking place and garden.

13. Tax Officers: (1) Government of Nepal may, for purposes of this Act, appoint Tax Officers in such number as it may deem necessary.

(2) Government of Nepal may, by a Notification published in the Nepal Gazette, specify as to how many areas or villages are to be assigned under jurisdiction of any Tax Officer.

(3) Any Tax Officer may delegate in writing any or all of his/her power to any of his/her subordinate official. Any action carried out by him/her in pursuance of the power so delegated shall be valid as if it were carried out by the Tax Officer.

(4) The documents submitted by the taxpayer pursuant to Sections 4, 6, 9 and 11 of this Act shall be deemed to be strictly confidential. Such documents shall not be disclosed for any other acts (purpose) except tax related governmental proceedings, and such documents shall not be taken by any court as evidence in any other matters excepts for purposes of house and land tax.

(5) Government of Nepal may, by a Notification published in the Nepal gazette, delegate any or all of the powers conferred on it under this Act to the Tax Officer.

14. Power to frame Rules: Government of Nepal may frame Rules in order to carry out the objectives of this Act.

15. In the event of inconsistency: Those matters contained in this Act or the Rules framed under this Act shall be governed by this Act or the Rules and those matters not contained herein or the Rules shall be governed by the prevailing Nepal law.

Note: The words modified (translated) by the Nepal Law (Amendment) Act, 2024 (1967).

(a) "Adhikrit" instead of Officer.

(b) "Rajpatra" instead of Gazette.