

**TAXATION IN NEPAL: WITH SPECIAL
REFERENCE TO LAND REVENUE
AND
LAND REGISTRATION TAX**

A PROPOSAL

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INTRODUCTION

1.1 Background of the Study

Tax is any compulsory levy from individuals, households and firm to central or local government. It is simply a liability to pay an amount to the government. It is a compulsory contribution from the tax payer. Tax is computed and paid as prescribed in the law.

Findlays Shrrra defined tax as a compulsory contribution to public authorities to meet the general expenses of the government which have been incurred for the public good and with out reference to special benefits.

To pay administrative expenses to the government or to do development works, it needs huge amount of money called revenue. The revenue comes from different sources: Grants administration incomes, business incomes, investment incomes, agriculture incomes and different types of taxation. Administrative income, business incomes, investment income and agriculture income are non tax revenues. The basic objective of the government is not collect non tax revenue but the non tax revenue comes automatically while performing many other works. The example of such types of revenue are grants of from government or agencies, registration fees, fines and penalties charges for postage, electricity, water etc.

According to Professor Plehn " Texas are general contributions of wealth received upon persons, natural or corporate to defray expenses incurred in conforming common benefits upon the residents of states."

From the above statement, every state needs sources of revenue. Another sources of revenue is the tax revenue. Customs duty, excise duty, value added tax, corporate and personal tax, land and tax are some examples of the tax revenues. The government always wants to collect these types of tax. The term "tax" can be categorized into two ways: direct tax and indirect tax. Income tax, property tax , expenditure tax, gift tax, interest tax, death tax, contract tax, vehicle tax are some example of direct tax. Indirect taxes are value added tax, sales tax, entertainment tax, passenger tax, hotel tax, import duty, export duty, excise duty etc.

1.2 Rationale of the Study Area

The tradition of tax has been stated very late in the context of Nepal. During the Lichavi and Malla Periods, the main source of government revenue was land revenue and land registration tax. At that time water revenue, religion tax and purification of caste were the major sources of tax. These taxes were fulfilled in the form of goods, cash and labors too. Due to vast ability in tax procession, there were many changes occurring time to time. At that time, there were no systems of income tax. There were increments in the expenditure for administration, developmental wars and even for the armies.

To accept the desired amount of taxes from public was one of the regulation of present government. Mainly, these taxes were collected from Royal place, central government and local administration, and all in the forms of goods and cash. The main sources of revenue were timber export, land revenue custom duty and excise duty etc.

Land taxation has been one of the important historical sources of government revenue. The land revenue administration is managed by central land revenue Department under which 66 district land revenue offices have been practiced, where the cadastral survey has already been completed. While in the remaining 9 districts, where the cadastral survey is yet to be completed.

The land revenue was collected through land revenue office, which ultimately collected through “mukhiyas” and “talukdars” as commission agents. It is to be remembered that the land reform programme(2001) brought some vital changes with respect to abolition of “zamindari” system and some land revenue like “birta” and “kipat” as well. A provision was also made to guarantee the security of tenant’s right. An attempt has been done to systemize the land records according to modern system of cadastral survey. During this process, several acts relating to land came into existence such as; Land Measurement Act, Land Act, Birta Abolition Act, Land Administration Act, Land Revenue Act.

Land revenue, once the major source of government revenue during 2017, has recently only the nominal contribution to the state exchanger. The land revenue system has become outmoded partly due to its structure and partly due to institutional and administrative inefficiencies. Thus, reduction of institutional and administrative inefficiencies, land revenue collection is now being done through concerned village

development committees (VDC's) and municipalities since 1st Falgun 2052 B.S. as per the Local Self Governance Act 2055. 25% of the total collection is to be deposited into the fund of district development committees (DDC's) and 75% into VDC's fund for local development activities.

1.3 Statement of the Problem

Land revenue administration is managed by the Central Land Revenue Department under District Land Revenue Office. This land revenue is collected through 'District Land revenue Office'. Since Falgun 1, 2052 the land revenue collected through Municipalities and VDC's.

There are so many problems involved in land revenue administration. The problem is due to lack of modern cadastral survey and up to date records. Land classification was not made on the basis of its productivity. Lack of physical infrastructure computerized system and other facilities, lack of voluntary compliance on the part of tax payers, non uniform assessment region, lack of appropriate criteria to determine small and large tax payers, lack of encouragement to delinquent tax-payers and under payment to taxes, inequality of minimum valuation of land for different purposes, lack ,of trained and educated manpower, undesirable postings and transfers of personnel management, corruption and unfair duties are familiar problems reacted with land revenue administration.

The following statement of the problems can be stated:–

- a) What is the contribution of land revenue in the entire Government revenue?
- b) It also considers the land registration mechanism in Nepal

1.4 Objectives of the Study

The main objectives of the study are as follows

1. To study and explore the detail information about land revenue and land registration tax.
2. To study and evaluate the contribution of the Land revenue in Nepal.
3. To identify and analyze the problems of land revenue and registration Tax.

4. To provide necessary suggestions to improve Land revenue registration Procedure on the basis of study findings.

1.5 Significance of the Study

Land revenue has played a vital role in financing the government activities. Because of this fact, our country must give necessary attention towards the good policy of land revenue system. This may be a proper tool of development beside revenue collection. Studies of land revenue bear a broad national perspective and the planners and searchers can receive useful insight into the problem form this study. Moreover, the persons involved directly and indirectly with land revenue are influenced by the government policies and programmes. A proper study of the historical process, which has shaped over land revenue, has its strong relationship with changes in the policy measure through time. This study is therefore is an attempt to understand the reality of our specific role of land revenue and its most important aspects.

Every job has its own importance such as we can deal some importance towards the study. They are as follows;

1. It helps to high light the problems regarding the land revenue and land registration above given are the main importance or significance of the study.
2. It helps to know about the government activities towards land revenue and land registration.
3. It helps to study properly about the historical process which has shaped over land revenue and also about its strong relationship with changes in the policy measure through time.
4. It helps to high light the problems regarding the land revenue and land registration above given are the main importances or significance of the study.

1.6 Limitations of the Study

The study is based on land revenue administration in Nepalese context. It is not complete study of land revenue system and registration system in Nepal. So, the limitations of this study are as follows:

1. It is based on land revenue administration of Nepal only.

2. Secondary data for the analysis have been used rigorously with the support of primary data
3. Some data are dependent upon verbal information which may not be sufficient for the purpose of research better for future response.
4. Lack of appropriate criteria to determine small and marginal tax payers.
5. Lack of trained and educated manpower.
6. Time constraint and financial crunch.
7. Questionnaires are filled up from the respondents of Kathmandu valley only which does not cover the contribution land revenue as a whole.
8. Due to Lack of modern survey using modern technology the record provided may not provide sufficient or reliable information

1.7 Organization of the Study

The study is organized according to the prescribed format. In five chapters.

1. Introduction

The first chapter of the thesis includes general background, historical background, statement of the problem, objectives of the study, significance of the study and, limitations of the study.

2. Literature Review

The second chapter of the study is literature review. It discusses about the review of supportive texts and previous related researches. It also includes the findings the actual information and reality about the land revenue and registration in Nepal.

For detail we classified Literature Review is classified into two parts such as

- A. Review of supportive texts and
- B. Review of previous related researches

First chapter is based on theories and behaviors of land revenue and registration tax. The second chapter is based on all those published researches and thesis as well.

3. Research Methodology

This is the third chapter which includes research design, data collection procedure and data analysis tools. Research design is the guide line of the research. Research design is based on primary data as well as secondary data.

4. Presentation and Analysis of Data

The fourth Chapter deals with the Presentation analysis and interpretation of data. To analyze the data, various tables, figures and statistical tools are used. It is the actual information about the thesis.

5. Summary. and Conclusion and Recommendations

It is the fifth and last chapter of the thesis in which result of study, summary, conclusion and recommendations are included.