

The Necessity of Real Estate Valuation for Property Taxation

Mehmet ERTAŞ, Türkiye

Key words: Real estate valuation, property tax, property tax rate, discipline of valuation.

SUMMARY

Countries that have adopted private ownership collect “property tax” from property owners for reasons such as;

- a) the obligation for being property owners,
- b) the responsibility of the state for providing property assurance by the law.

In our country, property tax is collected by “municipalities” and shared among certain institutions providing that the main share is allocated to the municipalities.

In Turkey, property taxes are collected based on the “declarations” of the property owners. However, municipalities issue “minimum property tax declaration values” on street basis against unjustly low amounts of declarations. In fact, these declaration values issued by municipalities are substantially below the real market values. Another topic of our taxation system is the “property taxation rates and exemptions” introduced by the state and municipalities.

Since the significance of real estate valuation has been realised by the private and public sectors, it has been put into use in certain areas such as purchase and sales, expropriations, providing loans and taxations. However, it has not fully gained its place in property taxation. The reason for this could be,

- a) the inadequate number of technical staff employed by municipalities,
- b) the lack of understanding the importance of equitable taxation,
- c) the “discipline of valuation” has not been properly put into practice in the taxation law,
- d) speculators.

In the present study, a general outlook of the property taxation system in our country will be presented and the importance of real estate valuation for this system will be mentioned.

ÖZET

Özel mülkiyeti benimseyen ülkeler mal sahiplerinden;

- a) Mülk sahibi olmanın yükümlülüğü,
- b) Devlet olarak yasa ile mülkiyet güvencesi verme sorumluluğu gibi nedenlerle “emlak vergisi” almaktadır. Ülkemizde emlak vergisi “belediyeler” tarafından tahsil edilmekte ve ağırlıklı pay belediyelerde kalmak üzere bazı kurumlara da pay verilmektedir.

Türkiye’de emlak vergisi maliklerin “bildirimlerine” göre alınmaktadır. Ancak, oldukça düşük bildirimlere karşı belediyeler de, sokak bazında “asgari emlak vergi bildirim değerleri” yayımlamaktadır. Aslında bu bildirim değerleri de piyasa değerinin çok altındadır. Vergi sistemimizdeki bir başka konu da devletin ve belediyelerin getirdiği “emlak vergi oranları ve muafiyetleridir”.

Özel ve kamu sektörlerinde taşınmaz değerlemesinin önemi anlaşıldığından; alım – satımda, kamulaştırmada, kredilendirmede ve vergilendirme gibi alanlarda kullanılır hale gelmiştir. Ancak emlak vergilemesinde henüz yerini tam alamamıştır. Bunun nedeni ise,

- a) Belediyelerdeki teknik çalışan azlığı,
- b) Adil vergilendirmenin öneminin anlaşılmasını,
- c) Vergilendirme yasasında “değerleme öğretisi” nin gerektiği gibi yer alamaması,
- d) Spekülatörler,

olabilir.

Bu çalışmada, ülkemizdeki emlak vergi sistemine genel bir bakış ve bu sistem için taşınmaz değerlemesinin önemine değinilecektir.

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1. TAX

1.1 Definition

The term '*vergi*', which is the Turkish equivalent of tax, etymologically refers to a value which is donated, given as a complimentary. Tax is the monetary values which the state takes from natural and legal entities as an enforced contribution to provide for the expenses required by public services and public debts and also the impositions that consequently emerge based on its power of supremacy and without reciprocity. Taxation is applied for economic, financial, political and social reasons [1].

One of the most basic principles of paying tax is that all citizens perform this duty regardless of class distinction. In the process of taxation, the level of utilization of public services by the taxpayers is by no means taken into consideration; this enforcement is a form of participation which is entirely proportional to the ability of the individuals to pay.

Article 73 of our Constitution gives the power of taxation to the state and the state collects taxes from persons based on its power of supremacy. The tangible contribution taken by the state from real and corporate citizens by the state in order to provide the public services undertaken on the grounds of sovereign power without specifying the compensated service is called tax. Accordingly, the qualities of tax can be listed as being;

- a) based on the power of supremacy,
- b) unrequited,
- c) taken from real and corporate citizens based on predetermined regulations,
- d) and compulsory.

Although the narrow definition of tax and the elements that constitute it are stated as expressed above, differences are observed in the financial literature regarding the definition of the concept of tax depending on time and institution.

1.2 Functions of Taxation

Certain functions of taxation are as follows:

- a) It provides the state with resources for realizing investments and compensating expenses,
- b) contributes to growth and shapes the distribution of income and wealth,
- c) maintains the supply of basic services which the state is responsible for providing, such as health and security and infrastructure services.

1.3 The Subject of Tax

The economic factors that cause taxation constitute the subject of taxes. The subject of tax is a general and abstract concept. Tax laws generally define the concept of tax. It would not be possible to impose and collect a tax without a specific subject. It is a must to state the subject of a tax due to the principle of legality of tax.

The subject of tax signifies based on what the tax is calculated and collected. The subject of tax emerges under three titles according to the values on which it is levied [2]:

- a) Income,
- b) Wealth,
- c) Expenditure (consumption).

1.3.1 Income

All types of earnings which the individual obtains in exchange for his labour and by other means are income. The income of a person is the most important indicator of that person's potential for paying tax. Those with high income have a higher ability to pay taxes compared to those with lower income, because income determines the consumption and wealth of an individual. As income rises, so does the consumption potential and wealth of individuals.

1.3.2 Wealth

Wealth is the unconsumed part, in other words the saved part of a person's income. Wealth is an important indicator for determining the power to pay taxes. The tax obligation of an individual is determined according to the size and multitude of his wealth. The tax debt of a wealthy individual would be less compared to that of a less prosperous person. While the incomes of persons are taxed under income tax, the unconsumed part of the income is also taxed as wealth.

1.3.3 Expenditure

Expenditure is the disposal of money or other economic values that can be expressed through money for a certain purpose. It is the part of the income that is spent to buy various goods and services or make use of certain activities in order to meet certain needs. Expenditure becomes subject to taxation at the moment when it is realized. The taxation of expenditures is easier compared to its collection and the taxation of subsequent incomes.

1.4 Classification of Taxes

Taxes are classified according to the personal status of the taxpayers, the form of rates and the case of reflection. The most commonly used forms of classification are as follows:

1.4.1 Indirect and Direct Taxes

There are taxes that we pay indirectly rather than directly. For example, the tax taken from alcoholic drinks is indirect. If the taxpayer is paying his own tax and the burden of tax is not transferred to others, this is named as direct taxation. *Property tax* is the best example for this type of tax.

1.4.2 Specific Taxes

This classification is based on the way of calculating the tax debt. Taxes in which the debt is calculated based on measurements such as weight, volume, length and area are specific taxes. *The dues and fees taken during the purchase and sale of real estates* are examples for specific taxes.

1.4.3 Personal Taxes – Impersonal Taxes

Taxes that are levied by taking the personal status, in other words, the marital status, number of children, disabilities and similar conditions of the taxpayer into consideration and have progressive rates are called personal taxes. Taxes which do not take these into consideration and are imposed at equal rates are impersonal taxes. *Inheritance and transfer taxes* and property taxes could be given as examples for personal taxes.

1.4.4 Taxes Levied on Income-Wealth

The distinction is based on the quality of the tax assessment. According to this classification, taking income as the taxable base creates income taxes, taking wealth as the base creates taxes levied on wealth and basing taxation on spending creates taxes levied on expenditures. *Rental income tax* could be given as an example for taxes levied on income and property and inheritance and transfer taxes are good examples for taxes levied on wealth.

1.5 Taxation Law

Taxation law can be defined as the set of social rules in which the collection of taxes is supported by the public power. Taxation law is divided into four categories within itself. Tax procedure law regulates the rules regarding the occurrence of taxes. Tax criminal law determines the tax penalty and the rate of punishment to be given. Tax enforcement law regulates the rules regarding the acquisition of overdue tax debts. International tax law regulates the taxation practices among countries.

1.5.1 Sources of Taxation Law

Like other branches of law, taxation law also has certain sources. These are:

1.5.1.1 Primary Sources

These are sources that amend the basic elements of taxation and define the rules that govern certain aspects such as the tax base, rates, taxpayers and the subject of taxation. These six sources are:

- a) Constitution,
- b) Laws,
- c) Cabinet Decrees,
- d) Unified decisions of Court of Appeals and Council of State
- e) Statutory Decrees,
- f) International tax treaties.

1.5.1.2 Secondary Sources

These are sources which do not alter tax bases, rates or other elements, do not set new rules, but interpret the existing ones and guide the executives throughout the process. These three sources are:

- a) Bylaws,
- b) Regulations,
- c) Declarations and Commentaries.

2. PROPERTY TAX

2.1 Definition of Property

Property is the whole of a plot and land by its own and all types of housing existing on the land in question. Today, it is also stated as *real estate*. Property tax value is the current value of the building, plot and land subject to property tax [3].

Current value is the normal purchase and sale price of the building, plot or land on the date of declaration.

2.2 Types of Property

Buildings: Comprises all immovable constructions and their extensions either on land or water regardless of the material they are built of. Floating docks, other floating structures, tents and mobile houses that can be drawn by vehicles and alike are not considered as buildings, but permanent or temporary, official or private, all constructions on land, in the water, underground or over the ground and their extensions are recognised as buildings.

All types of structures are defined by the term 'building'. Buildings are classified into two groups:

- a) **According to purpose of use**
 - **Housing:** Apartment, villa, waterside residence, mansion, etc., trade centres, store, whole structure, inn, hotel, factory, warehouse, plaza,
 - **Service buildings:** hospital, school, harbour, theatre, cinema, mosques, churches,

- **Works of art:** Bridge, trestlework, dam, drainage, road, farm and stable buildings.
- b) **According to way of construction**
 - **Wooden buildings:** These are buildings with wooden framed foundations and plot basement walls and floors. Wooden skeleton buildings can be built as two floors at most except for the basement and the height of the floors should not be more than 3 meters. They are not built semi-detached. Such buildings should be at least 5 meters away from the borders of the land to prevent fires.
 - **Loadbearing Wall constructions:** These are concrete buildings without frame structures. It is suggested that horizontal and vertical steel reinforcements should be used in the walls of such constructions as far as possible. Loadbearing wall constructions can be built as maximum two floors in first-degree seismic zones, three floors in second and third-degree seismic zones and four floors in fourth-degree seismic zones. Floor height is at most 3 meters.
 - **Reinforced concrete buildings:** These are buildings made of concrete and steel. Concrete is a fragile material, on the other hand, steel is a flexible material with equal compressive and tensile strengths. This condition enables the bond stresses of about 28-35 kg /cm² that result from the joint movement of steel and its scrape from the concrete. Unlike steel and wood, reinforced concrete structures do not have maintenance costs. These have the highest resistance to fire due to very low transmission of heat by concrete.
 - **Steel Constructions:** These are buildings with steel load bearing systems. Covering elements or walling could be used as an alternative. Roof equipment should be as light as possible. Such structures are highly resistant to earthquakes.
 - **Space Buildings:** These are platforms built completely of metal in the outer space for space probes. They are not affected by pressure or unpressurised states.
 - **Puddled clay buildings:** These are buildings made from a mixture of straw and earth. Loadbearing wall type buildings could be made from puddled clay.
 - **Prefabricated buildings:** Such buildings are constructed by installing prefabricated panels on a base with a foundation. Prefabricated buildings are light structures that can be built with lower costs but have shorter working life.

Plot: A plot is a piece of land reserved or intended for constructing a building: according to law, land located within the borders of a municipality and plotted by that municipality. Plots are areas subjected to a zoning plan and divided into tracts suitable for construction [4].

Vineyard: Vineyard is a piece of land where grapes are grown.

Garden: Gardens are places for growing flowers, vegetables and trees.

Field: A field is a piece of land used for agriculture and stockbreeding.

Pasture, Grassland: These are shared areas under the ownership of the people in a village. Pastures and grasslands cannot be intended for private use and also cannot be plotted, sold or opened to settlement.

Land: Lands are cultivated agricultural areas that are exclusive of zoning plans. In other words, pieces of soil apart from settlement areas and roads are named as land [5]. Lands are considered in two groups:

a) Lands according to Type of Ownership

- **Personal Lands:** The ownership of the land is held by individuals. The right of use is exclusive to the property owner.
- **Treasury Lands (State Lands):** The ownership of the land is held by the state and the property is used for the public good. In some cases, persons might use state lands through the right of possession or occupation. (right of possession means the right that is determined based on usage)

b) Lands according to Formation

- Agricultural lands,

Agricultural lands are observed in four groups according to their types.

- **Wetlands:** Areas used for cultivating rice, sugar beet, carrot, etc.
- **Bottom lands:** Lands where vegetables, fruit and industrial plants are grown.
- **Poor soils:** These are areas used for cultivating cereals and legumes.
- Stony grounds,
- Forests,
- Maquis and moors,
- Marsh areas,
- Deserts (sand dunes).

2.3 Property Tax Declaration

Property declarations are presented to the *Property Tax Office* of the municipality by which the property is registered. Property taxation is the payment of the tax amounts of real estate properties determined annually by municipalities [6].

2.3.1 Documents and Data Required for Property Tax Declaration

The following information is required for presenting a *property declaration* to the municipality by which the property is registered;

- a) Land register information,
- b) Birth certificate information of the owner,
- c) Area of the plot or land stated in m²,
- d) The category of land, the state of cultivation,
- e) Unit m² cost of construction,
- f) The overall surface area of the building,
- g) Plot area of the building and m² area based on allotment,
- h) Type of construction,
- i) Class of construction (such as 1st, 2nd, 3rd),
- j) Age of the building,
- k) The presence of central heating or elevator,

Property tax declarations can be filled out after the completion of required documents and information.

2.4 Assessment of the Property Tax Value

2.4.1 Calculation of the Tax Value for Plots and Lands

According to Property Tax Law, the tax values of plots and lands in a taxation year have to be determined by multiplying the square meter unit value stated by the valuation commission and the area of the plot or land stated on the property tax declaration submitted to municipalities by taxpayers.

2.4.1.1 Assessment of Plot Tax Value

Tax values of plots are assessed by taking their areas into consideration. The following points are taken into account in assessing tax values:

- a) Remoteness or closeness to business centres and residential areas and state of transport,
- b) Location by square, coast, street or road in which the estate is situated,
- c) The availability of municipal services such as water, electricity, gas and sewerage,
- d) The type of construction suitable for the plot,
- e) Its status in the zoning and construction plan,
- f) The size of building and building lot,
- g) Topographical status.

2.4.1.2 Assessment of Land Tax Value

The type, category and the state of use of lands are taken into consideration in assessing their tax values [6]. Lands are classified into three types based on the degree of irrigation. Each type of land is classified into four categories as good, medium, poor and being not suitable for growing cultivars based on its state of yield.

The state of use of each type and category of land is determined according to the type of cultivation carried out. The qualities that have to be considered in determining the type, category and state of use of lands are decided by the Ministry of Finance by reviewing the information to be taken from concerned departments and institutions. The following are taken into consideration in taking such decisions:

- a) Classification based on the use of dry or irrigated farming on the land and the existence of a rainy climate,
- b) Classification based on the cultigens grown on the land,
- c) Classification based on the varieties of crops used for rotational cropping.

2.4.2 Calculation of the Tax Value for Buildings

The tax values for buildings are calculated by using the normal square meter construction costs assessed and announced jointly by the Ministry of Finance and the Ministry of Public Works and Settlement [7]. **Tax value** of a real estate is calculated by increasing the tax value

determined for the previous year by half of the valuation rate determined according to the provisions of the Tax Procedure Law.

According to Property Tax Law, the tax value of buildings in a taxation year are to be determined based on the land square meter unit values annually declared by valuation commissions and building square meter normal construction cost values for the given taxation year. The provisions stated in bylaws prepared according to the Property Tax Law are also to be practised in calculating the tax value of a building. Within the scope of the provisions, the following procedure will be applied for calculating the building tax value.

- a) The overall area of the building and the average figure stated on the schedule that shows the square meter normal construction cost are multiplied,
- b) The difference assessed for the presence of an elevator, central heating or air conditioning system is added to the figure obtained as the result of this multiplication. The added number will be the 6% of the figure for elevators and 8% for central heating and air conditioning systems,
- c) The depreciation stated in the bylaw is subtracted from the total value calculated as stated above,
- d) The value of the plot or the allotment determined based on minimal rates will be added to the value obtained after the subtraction of depreciation.

The tax values of buildings are assessed according to their way of use, type and categories [6]. The following qualities of buildings are also taken into account in assessing their tax values:

- a) Remoteness or closeness to business centres, residential areas and facilities like parks and schools and the state of transport,
- b) Location by square, coast, street or road in which the building is situated,
- c) The availability of municipal services such as water, electricity, gas and sewerage,
- d) Size, number of floors and sections such as rooms, halls and bathrooms,
- e) Practicality of inner sections,
- f) Location on the façade or rear front,
- g) Presence in a built environment,
- h) The presence of central heating, elevator and air conditioning systems,
- i) Premises,
- j) Having a view.

2.4.2.1 Discounts to be made on the Cost Value

In multi-storey buildings, discounts are made on the calculated cost value at rates of 10-15% for basements depending on the rate of depth, 3% for ground floors, 2% for fourth floors, 3% for fifth floors and 4% for sixth and higher floors. The floors subject to discount are determined according to the building project approved by the municipality, or according to the zoning legislation in buildings for which the owners cannot present a project.

2.4.2.2 Additions to be made to Cost Value

In following cases, additions are made to the calculated cost value at stated rates:

- a) Between 5-10% for buildings located in the front,
The condition for being in the front is the existence of a façade facing a square, coast, street or road.
- b) Between 15-25% for the ground floors of built for use in commercial, industrial and vocational activities; between 10-15% for first floors and 5-10% for second floors in such buildings.

Depreciation is applied to the buildings at following rates during the process of valuation for taxation purposes:

Table 2.4.2.2 Building depreciation rates [7]

Type of Construction	Age range									
	0-3	4-	6-	11-	16-	21-	31-	41-	51-	76+
Steel skeleton – concrete skeleton buildings	4	6	10	15	20	25	32	40	50	60
Stone and semi-stone loadbearing wall constructions	6	8	12	18	25	32	40	50	60	70
wooden, stone wall (mud plastered) shanty house type buildings	8	12	18	25	32	40	50	60	70	80
Mud brick and other simple buildings	10	17	25	35	45	55	65	75	85	95

2.5 Exemptions

2.5.1 Permanent Exemptions

The following buildings are exempt of building tax on condition that they are not given for rent.

- a) Buildings belonging to special budgeted administrations, provincial special administrations, municipalities, village administrations, universities and the state,
- b) Buildings of agricultural enterprises owned by villages and village unions, cold storages and facilities that provide for the common and collective needs of villagers,
- c) Officers' Clubs, military clubs, canteens and their annexes,
- d) Buildings belonging to non-profit organizations,
- e) Non-profit hospitals, dispensaries, student hostels, alms-houses, orphanages, libraries and hostels for children in need of protection,
- f) Places of worship and their annexes,
- g) Machinery and appliance warehouses used for agricultural production,
- h) Fishing net and equipment warehouses used by aquaculture producers,
- i) All types of water dikes, dams, irrigation and drying plants,
- j) Buildings used by foreign states as embassies and consulates and ambassador and council residences and their annexes,
- k) Buildings owned by foundations which are given tax exemptions by the council of ministers,
- l) Power grids and poles,

- m) Buildings owned by amateur sports clubs,
- n) Buildings of private schools owned by minority religious communities according to the provisions of reciprocal international treaties,
- o) Buildings owned by foundations established for supporting the Turkish Military Forces,
- p) Building located outside the borders of municipalities and urban areas,
- q) Pipelines used for transferring and distributing natural gas, crude oil and products,
- r) Citizens over 65,
- s) Widows and orphans without incomes,
- t) Housewives.

2.5.2 Temporary Exemptions

- a) The first 5 years after getting the residential usage license for buildings and apartments used as residence,
- b) The first 5 years of an establishment that received a tourism agency certificate according to the provisions of Tourism Industry Promotion Act,
- c) For persons whose buildings have suffered a disaster such as earthquake, flood, fire and lost their property or whose property became unusable (for 5 years as from the date of disaster),
- d) Buildings constructed in exposition, exhibition and fair grounds are exempt of tax for the time period they are allocated for the aforementioned purposes,
- e) Industrial facilities built in the underdeveloped regions determined by the State Planning Organization for 5 years starting from the fiscal year following the year in which constructions are finished,
- f) Buildings in organized industrial zones and small industrial estates for 5 years starting from the fiscal year following the year in which constructions are finished.

2.6 Tax Rate

According to Property Tax Law, taxes are levied on real estate at following rates;

- a) 2‰ on housings
- b) 4‰ on businesses and factories,
- c) 6‰ on plots,
- d) 2‰ on Land.

2.6.1 Reasons for Changing Tax Values

The reasons for changing tax values are listed below:

- a) Construction of a new building,
- b) Complete or partial destruction of a building because of reasons such as fire or breaking apart,
- c) A complete change in the way of usage of a building,
- d) A change in the state and shape of the land,
- e) Afforestation or root planting, turning into a vineyard,
- f) Turning a woody, forested or logged area into an agricultural field,

- g) An agricultural land becomes unfavourable for agriculture as the result of a natural disaster,
- h) A non-agricultural land is converted into arable land,
- i) Land is parcelled into plots,
- j) A piece of land integral to a building loses this feature or a piece of land becomes integral to a construction,
- k) Allotment of a building or land or the change of its taxpayer owner,
- l) Integration of a number of pieces of land into a single land or the consolidation of all divided shares in a building,
- m) Continuous increases or decreases of above 25% in the values of buildings and land in a city, town or village for any reason.

2.6.2 Obligation to Give Information to Public Investigators

Village headmen, village councils, vocational organizations, other official and semi-official institutions and natural and legal persons are obliged to give the required information regarding this subject to the authorised public investigators. Authorised public investigators can visit and inspect the building, plot or land to be evaluated for tax assessment.

2.6.3 Tax Maps

Tax offices can create tax maps to be used for the valuation of the real estate located within their assigned area of duty with the help of institutions like local public works, agriculture, local planning authorities, directorates of land registry and cadastre, municipalities and local governments. When organising the maps of buildings and plots, municipal and residential areas are divided into zones based on building and plot values and these zones are divided into squares, coasts, main streets, streets and alleys.

Tax maps regarding land are organised according to city, town and villages and in a manner to show the type, category and the state of use of the land.

3 APPLICATION AND CONCLUSION

3.1 Application

Property Tax Law has adopted in principle the system of *declaration* in determining tax values for real estates. When the law was passed in 1970, records relating to natural and legal entities were recorded in registries (in writing) and it was impossible to control the accuracy of a declaration. For this reason, the declared *tax value* was accepted as correct. In those years, property owners submitted their tax declarations completely based on their personal estimates and interests. Besides, all property taxes were collected by the Ministry of Finance. The local organisations of the Ministry of Finance could not inspect the real estate data kept in registries due to the lack of both qualified technical staff and physical possibilities. In fact, there were property owners who had not made any declarations or paid property taxes for years. For example, according to a study in 1990 [8] on the real estates located within the

borders of Selçuklu Municipality, it was found that 0.15 of the market value was declared as the value statement and only 4% of this could be collected as property tax.

Today, the increase in the number of qualified technical staff, computerised record keeping and the increasing need of the state for more financial resources to be spent on new investments has rendered the real estate value statements relatively controllable. For this, the principles stated in 2.4 were adopted in the law. That is, the law has not left the whole initiative in tax declaration to property owners. Furthermore, the duty of collecting property taxes was assigned to the *municipalities*. In this way, an important obstacle to the control of statements and tax collection has been removed. However, even today, 0.65 of the real market values of the real estate is declared in Konya province, which means a 35% loss in taxation.

For example, the number of real properties subject to property taxation within the borders of Selçuklu Municipality is 316 287. Of these real estates, 33 378 are exempt of tax [9]. In a municipality where such a large number of real estate exists, a 35% loss of collected tax is not a rate to be underestimated. As a matter of fact, a legislative study has been initiated by the government to minimize losses in property taxes.

Table 3.1.1 Number of Real Estates located within the borders of Selçuklu Municipality

Type of Real Estate	Total number	Number exempt of tax	Property tax rate (%)
Residence	157 978	2 827	2
Business	42 675	---	4
Factory	920	---	4
Plot	66 254	6 321	6
Land	48 460	24 230	2

3.2 Introducing the Town of Selçuklu

Selçuklu is the 17th biggest county of Turkey with its population of 528 000. Selçuklu, which comes near the top among the towns in Turkey in terms of growth rate, is one of the counties with the fastest increase in population in Anatolia. In terms of development, the town ranks ninth among the counties in Turkey. Selçuklu County provides the 25% of the GDP of Konya province. The urbanisation rate of the county is 83%.

Selçuk University, which is the fourth biggest university in Turkey, is in this county. The university has 14 faculties, 4 schools, 24 vocational schools, 4 institutes, 13 research and application centres, 1 conservatoire and a total of 60 thousand students.

The county has 118 educational institutions, 207 mosques and 9 fully equipped hospitals. First, Second and Third Organised Industrial Zones, a tractor factory, Konya cement factory, important industrial plants and 15 small industrial sites are located in Selçuklu.

Konya Airport is in Selçuklu. The intercity bus terminal is also in this county. The tramway system that provides local public transport operates completely in Selçuklu County.

3.2.1 Numerical data on Selçuklu County

Population	: 528 000
Urban area	: 30 000 ha
Area of responsibility	: 12 000 ha
Improved land	: 8 000 ha
Number of districts	: 68
Number of streets	: 154
Number of alleys	: 3 374

3.2.2 Population of Selçuklu according to years [10]

47% of the total population of central Konya live in Selçuklu. The population of Selçuklu is higher than that of 56 provinces.

1990: 188 224

1997: 261 800

2000: 327 627

2008: 459 921

2010: 474 993

2011: 528 000 (537 899 including villages)

Map 1: Border Map of Selçuklu Municipality



3.3 Suggestions

The following can be suggested for a fair property tax system [11]:

- a) Land registry and cadastre information system (TAKBIS) should be activated in every part of our country and a graded property tax system which is based on value should be adopted,
- b) Tax rates should be lowered to payable rates. For example;

For properties that are located within the zoning plan and fully-built according to the provisions of the plan;

- All types of buildings used as family residences with floor areas smaller than 100 m² and gardens 500 m² at most and their annexes should be exempt of all types of property taxes and purchase and sale fees,
- Property tax of a real estate with a value of up to 250 000 TL including plot 1‰,
- Property tax of a real estate with a value of up to 500 000 TL including plot 3‰,
- Property tax of a real estate with a value of up to 1 000 000 TL including plot 5‰,
- Property tax of a real estate with a value of 1 000 000 TL and above including plot 10‰.

For properties that are located within the zoning plan but unstructured or deficiently built [12] according to the provisions of the plan;

- For a building plot, 70% of the total building value that can be constructed according to the zoning plan and the total plot value,
- For a cadastre plot, in case an independent building plot can be created in its current state, 70% of the plot value and 70% of the total building value that can be constructed according to the zoning plan,

should be taxed based on the rates given above,

- A cadastre plot on which an independent building plot cannot be formed and thus completely spared for a social zoning area should be exempt of property tax.

In case of an agricultural land outside the zoning plan, 5‰ of the net income should be taken as property tax by taking the type of crop mainly cultivated in the region, the cropping system and customs of renting into account.

Building construction values should be assessed by Provincial Directorates of Public Works, and the calculation of the annual net incomes in agricultural areas should be made by Provincial Agriculture Directorates.

- a) Property value maps should be created to protect the state and citizens against all sorts of fraud.
- b) The state should have the pre-emptive right in case of persistently low declarations.

The enforcement of particularly item b given above will force the speculators who buy and hold plots and real estate profiteers who live on rental income to mainly retire from the land market and this idle capital will be utilized in the economy.

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TS05G - Taxation , 5614

16/18

Mehmet Ertaş,

The Necessity Of Real Estate Valuation For Property Taxation

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BIOGRAPHICAL NOTES

Dr. Mehmet Ertaş, born in 1965, graduated in 1989 as Dipl. Eng. in Surveying from Selcuk University and completed his doctorate degree in 2000 at the Technical University of Istanbul. He worked as a Surveying Engineer between 1990 and 1993 in the Municipality of Konya. He has been working as a Lecturer at the Surveying Department of Technical Science College of Selcuk University.

CONTACTS

Assist. Prof. Dr. Mehmet ERTAŞ

Selcuk University

Address

Selcuk University, Technical Sciences College
42003

City

Konya,

COUNTRY

Türkiye

Tel. +09 332 223 23 76

Fax +09 332 241 01 85

Email: mertas@selcuk.edu.tr

Web site: