

The Vacant Land Tax Law  
No. 26 of 1962

In the name of the people, the Sovereignty Council has approved the following law:

ARTICLE (1):

The following terminologies in this law mean the specified meanings:

**The minister**—the Minister of Finance;

**The financial authority**—The Minister of Finance or the one who is authorized by the Minister to implement the law

**The tax**---the tax on vacant land decided by this law

**The vacant land** —The land that lies within the city borders of Baghdad, and the central areas of other cities and suburbs if there is no building for accommodation or investment purposes or if it is not used economically according to the instructions issued by this law.

ARTICLE (2):

The Minister's Council can exclude some suburbs and areas from this law according to the Minister's suggestion.

ARTICLE (3):

1. Taking into account the exemptions of Article (4) of this law, an annual tax of 2% of the property's estimated value, is to be charged according to the provisions of Article (7) of this law, and to be collected from the taxpayer during the financial year it arose.
2. The collection of tax stated in section 1 of this article shall halt after the expiry of 15 years from the ownership date.
3. The provision of section 2 of this article is applicable for the vacant land which is subject to tax before the validation of this law.

ARTICLE (4):

The following vacant lands are exempted from tax:

1. a. One vacant land for each taxpayer, the land area should not exceed 800 square meters. The tax will be applied to land that exceeds that area. The taxpayer has to decide the vacant land or the share of land to which he wants the exemption to apply.
- b. The provisions of section (a) do not include the vacant land or the registered share of a juvenile.

c. The provisions of section (a) include the rich orphan, while the poor orphan would be exempted until his adulthood.

2. The vacant land that belongs to official offices and semi-official offices.

3. Vacant lands that are not rented and whose benefits or any other of its rights goes to the Ministry of Religious Affairs and the Ministry itself is to pay tax on its behalf.

4. Vacant lands specialized for worship, schools and associations, academies, unions, moral and charity institutes and graveyards.

5. Vacant lands that belong to foreign governments, provided a similar treatment.

6. Vacant lands the borders of which cannot be determined or vacant lands that cannot be assessed for legal reasons.

7. Vacant lands specified for general benefits or purposes only after the approval of the Minister's Council.

8. Vacant lands that lie in hai al Zawra'a (Zawra'a district) in Baghdad sold by the government under 5 year contracts starting from the registration date in the real estate registration office.

#### ARTICE (5):

Each taxpayer must submit a written statement to the financial authority about what he owns of vacant lands and shares of vacant lands showing the description of the vacant land, its area, location and he must inform the financial authority about any change in the ownership of the land during the period determined by the minister of Finance.

#### ARTICLE (6):

Official or semi- official directorates should not process any transactions on the vacant land or part of the vacant land unless it is provided a document verifying that the tax on the vacant land has been paid.

#### ARTICLE (7):

The provisions of Real Estate Tax Law #162 of 1959 and its amendments are applicable for all matters related to the determination of vacant land value, collection of tax, objection and audit processes, its legal expiry period and all other matters related to the application of this law provisions, unless stated otherwise.

#### ARTICLE (8):

The taxpayer is subject to a penalty not exceeding ID250 in the following cases:

1. If he didn't submit the required information according to Article 5 of this law.
2. If he refused or delayed submitting the information or showing the documents required by the financial authority or the committees.
3. If he obstructed the committees or authorized persons from examining the vacant land.
4. If he submitted, on purpose, an incorrect information to the financial authority.

ARTICLE (9):

The vacant land that is subject to this law is exempt from the Agricultural Land Tax (Law No. 60 of 1961) and the Real Estate Tax (Law No. 162 of 1959 and its modifications).

ARTICLE (10):

The Minister can issue instructions in order to facilitate the implementation of the provisions of this law.

ARTICLE (11):

This law is valid starting from the June 1<sup>st</sup>, 1969.

ARTICLE (12):

All ministers must implement this law.

Written in Baghdad in May 9<sup>th</sup> 1969.

## **Disclaimer**

The information on this web site is provided as a convenience only and should not be relied on as authoritative. For the authoritative text of the law and its amendments, see the Official Gazette published by the Ministry of Justice.