Fonds d'Innovation pour le Développement



FID Series

"Key impact results"

Applying progressive property taxation scheme for greater tax equity in DRC

How can property tax revenue be increased over the long term while ensuring fairer taxation? To answer this question, the NGO ODEKA launched a property tax reform project in the Kasaï-Central province of the DRC, in partnership with the provincial government and provincial tax authority. After introducing a more objective method for assessing property values, the team compared a progressive tax schedule in Kananga—which applies higher rates to more valuable properties - with a proportional schedule, which applies the same rate to each property's assessed value. The two schedules were designed to generate the same average amount of tax due. The experiment also included a comparison with the flat-fee system that was in place at the time. The findings could help inform the development of more effective and equitable tax reform in the DRC and other low- and middle-income countries.

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Key impact results

The results have demonstrated that the progressive property tax system increases total revenue compared to the other two rate regimes. At the bottom of the building value distribution, lower bills brought many more low-value owners into compliance, raising total revenue despite lowering tax liabilities. For higher-value properties, higher rates increased the amount of tax due but did not substantially change the share of owners who paid. The estimated effect on revenue is positive, but its size remains uncertain. Surveys have also shown that taxpayers view the progressive system as fairer when they understand how it works. However, when it comes to paying the tax, one's own tax bill is more important than one's perception of fairness.

6 x

increase in the likelihood that taxpayers will pay property tax when calculated on a progressive scale, compared to the proportional schedule (10.7% vs. 1.8%).

+56 %

average increase in revenue collected per property under the progressive property tax system.

Impact study methodology

In 2024, the research team and the provincial government embedded a randomized evaluation in the citywide property tax campaign in Kananga, the capital of Kasaï-Central province. The city's 460 neighborhoods were randomly assigned to one of three property tax regimes: the status quo system of flat fees based on building materials (18% of neighborhoods); a proportional rate of 0.4% of each property's assessed value (41%); or a progressive schedule with rates rising from 0.06% to 0.56% across five property-value bands (41% of neighborhoods).

The proportional and progressive tax schedules were designed to generate the same average tax bill, allowing researchers to compare the effects of how tax rates were distributed across properties. The evaluation draws on tax payment records from the tax authorities and three surveys of property owners conducted before and after the 2024 tax campaign to assess the effects of the different systems on revenue, tax payment, and perceptions of fairness.

The impact evaluation addressed three research questions

01	What impact did each of the different property tax regimes have on tax compliance?
02	What mechanisms explain the observed differences in compliance?
03	What lessons can be learned to inform property tax reform in the DRC?

1. What impact did each of the different property tax regimes have on tax revenue and compliance?

The progressive schedule raised the most revenue. Compared to the proportional schedule with the same average liability, it increased revenue per property **by 56%** and the average compliance rate by **8.9 percentage points,** from **1.8% to 10.7%**. It also raised **63% more revenue** than the status quo system, after adjusting for the status quo's lower average liability; the proportional schedule raised no more than the status quo. The progressive schedule raised revenue through two different channels. Among the bottom 95% of properties, lower rates brought so many additional owners into compliance that revenue rose, despite their lower tax bills under the progressive rate system. Among the top 5%, higher rates automatically increased the amount of tax due , outweighing a small and statistically insignificant decline in compliance, although this revenue gain is imprecisely estimated. The findings suggest that the results are not unique to the rates chosen by the government: a tax schedule designed to raise as much revenue as possible would also charge higher rates on more valuable properties.

2. What mechanisms explain the observed differences in revenue and compliance?

The results are driven mainly by how owners respond to their own tax bill, not by views about the fairness of the tax system as a whole. Owners do value progressivity. Before the reform, most residents said they preferred a progressive schedule to a proportional one. In the endline survey, enumerators explained the 2024 schedules to randomly selected owners. Owners in progressive neighborhoods who received this explanation rated the tax system and their own tax bill as fairer, and said they were more likely to pay in the future. These effects appeared across the property-value distribution, including among owners of the most valuable properties.

Yet these views did not change who actually paid. In 2024, randomly selected owners received information about their neighborhood's tax schedule on the back of their tax bill. This had no effect on compliance under either schedule. The experiment was repeated in 2025 with simplified graphics and audio-recorded collector visits to ensure the

information was explained, and again had no effect. Owners also remembered their own tax bill much better than the overall schedule. Owners appear to value progressivity, but when deciding whether to pay, what matters is their own tax bill.

3. What lessons can be learned to inform property tax reform in the DRC?

The evaluation shows that a progressive property tax schedule can raise substantially more revenue than a proportional one, while also being viewed as fairer by taxpayers.

First, lower rates at the bottom of the distribution can raise revenue: many owners of low-value properties pay when their bills are lower. Second, because the gains come from owners' responses to their own rates rather than from perceptions of fairness, they are likely to carry over to other low-income settings. Third, a progressive tax schedule does not necessarily mean that the effective tax rate - the share of a property's value actually paid in tax - increases with property value. In 2024, owners of the most valuable properties paid a smaller share of their property's value than owners of low-value properties under all three regimes. A uniform enforcement warning, sent to randomly selected owners, made this pattern worse, because it raised compliance most among low-value owners. In 2025, the government instead targeted its enforcement to high-value properties. including sealing buildings and blocking bank accounts, and sent text messages publicizing these actions. Effective tax rates then rose with property value, in line with the statutory schedule. Combining a progressive tax schedule with targeted enforcement can therefore increase revenue while shifting more of the tax burden to owners of higher-value properties.

Perspectives

Following these findings, the provincial government of Kasaï-Central extended the progressive tax schedule citywide in 2025 and 2026, while targeting tax collection at the most valuable properties. Average revenue per property billed was higher in 2025 than in the neighborhoods included in the 2024 experiment, and increased again in 2026. ODEKA, the research team and the Kasaï-Central Directorate General of Revenue (DGRKAC) continue to work together to evaluate the reform and inform property tax policy in the DRC and other low-income countries.

Find out more

Research

Tourek, G. Z., Laroche, A., Bergeron, A., Naritomi, J., Weigel, J. L., & Mavungu Ngoma, M.

"Does Progressivity Raise Tax Capacity? Experimental Evidence from the D.R. Congo. "

NBER Working Paper, 2026