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# EXPLORING STRATEGIES ON REAL PROPERTY TAX REVENUE: AN ANALYSIS OF POLICY AND ADMINISTRATION FRAMEWORKS IN ISLAND GARDEN CITY OF SAMAL

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**Abstract**

The study delves into the examination and evaluation of various approaches employed in the enhancement of real property tax revenue within the context of the Island Garden City of Samal. Through an in-depth analysis of policy and administration frameworks, the research aims to identify effective strategies that contribute to the optimization of real property tax revenue generation. The study contributes to the broader discourse on public finance management and local governance by offering evidenced-based insights into strategies that can be adopted to optimize real property tax revenue.

**Keywords:** Real property, Real Property Tax, Revenue.

## INTRODUCTION

### Background of the Study

Real property taxes are one of the oldest forms of taxation and have been used by governments for centuries to fund public services. It is one of those good ideas that has not yet caught on. It has great revenue potential and is a mainstay of the local government finance system in many countries (Hale 2016). The basic Real Property Tax (RPT), a local government imposition under Republic Act No. 7160 or the Local Government Code of 1991, is an annual ad valorem tax on real property such land, building, machinery and other improvements at a rate not exceeding one percent (1%) of the assessed value of the property in the case of the province, and not exceeding two percent (2%) in the case of a city or a municipality.

Real property tax is a significant source of revenue for local governments. It is a tax levied on property owners. In recent years, local governments have been exploring various strategies to strengthen real property tax revenue to ensure the provision of these essential services to the community. Hence, real property tax revenue is a critical source of funding for these entities, providing the bulk of their funding for local services.

However, real property tax revenue can also be volatile. This can pose challenges for local governments, particularly during times of economic downturn when property values decline. To mitigate these challenges, local governments have been exploring various strategies on the generation of real property tax revenue.

This research will examine some of the strategies and provide insights for policymakers in which local governments can use to increase real property tax revenue while ensuring the equitable distribution of the tax burden among property owners.

**Statement of the Problem**

The purpose of this research is to identify effective strategies to increase real property tax revenue in the Island Garden City of Samal. This study will explore the following research questions:

1. What is the current state of real property tax revenue in the Island Garden City of Samal?
2. What strategies can the Local Government of Island Garden City of Samal use to enhance real property tax revenue?
3. How effective are these strategies in attaining a significant increase in real property tax revenue?

**Objectives of the Study**

The objectives of this research study are as follows:

1. To examine the current state of real property tax revenue in Island Garden City of Samal and identify the challenges faced by the local government in increasing the revenue.
2. To explore the various strategies that the Local Government of Island Garden City of Samal can use to optimize real property tax revenue, including accurate assessments, assessing properties at their highest and best use, and using tax incentives to encourage property owners to develop their properties in a way that maximizes their value.
3. To conduct an analysis of local governments that have successfully implemented strategies on the enhancement of real property tax revenue.

**Significance of the Study**

The optimization of real property tax revenue is a crucial goal for the City, as it provides funding for essential services such as infrastructure development, public safety, and education. The significance of this study lies in its potential to provide insights into effective strategies for enhancing real property tax revenue, which can ultimately lead to improved service delivery and quality of life for residents. Additionally, this study can contribute to the existing literature on property tax administration and revenue maximization. By exploring the challenges faced by the city and the strategies they have employed to overcome them, this research can provide valuable insights for policymakers and practitioners working in the field.

**Scope and Limitation of the Study**

The scope of this research is limited to the Local Government of Island Garden City of Samal and its property tax system. This study will focus on the methods and processes used by the City to assess and collect property taxes, as well as the challenges faced by the City in maximizing real property tax revenue. This research will also explore successful strategies used by other cities and municipalities to increase real property tax revenue and how they can be adapted to the context of the Local Government of Island Garden City of Samal.

However, this research will not cover other forms of taxation or revenue sources for the City, such as sales taxes or fees. Additionally, this study will not examine the political or legal factors that may affect property tax administration in the City.

## REVIEW OF RELATED LITERATURE

**2.1 Primary Rationale for Real Property Tax Reform**

Rarely do leaders be able to get the chance to start from scratch when designing a real property tax. In most cases, a system of taxing land and buildings already exists, along with several well-established special interests and a political, social, and historical backdrop. Many and broad initiatives have been made to strengthen the benefits of the property tax and lessen its drawbacks.

Improvements in fiscal performance, social equity, economic efficiency, or administrative cost-effectiveness are the four main justifications for starting property tax reform. The primary strategic weakness of reform attempts is either a failure to adequately communicate the justification for reform or the existence of unprioritized, incompatible aims. Revenue enhancement is frequently the main goal of reform for international comparisons of real property tax revenue, and in the case of Vietnam (Ho Chi Minh City) it is a potential means in terms of generating real property tax revenue.

If social, economic, or administrative factors are more crucial, as they typically are in high-income nations, property tax reform can also be revenue neutral. Reforms cannot, however, be created with the intention of decreasing tax income in any nation. This is different from restricting the rate at which tax revenue increases, as was the case with California's Proposition 13 in 1978 and the nationwide imitations it sparked.

Additionally, revenue can be increased by changing the tax design (i.e., enlarging the tax base and/or increasing the tax rate) or improving tax administration (i.e., upgrading tax rolls, revaluing property, and/or strengthening billing, collection, and enforcement procedures). Thus, administrative weaknesses are the last major reason for property tax reform, where there is a mismatch between tax complexity, taxpayer sophistication, economic structure, and administrative capacity. The objective is to reduce the administrative costs while improving administrative speed, accuracy, service, and integrity.

Although much tax policy is actually made in implementation, administrative reform is often neglected, leading to the frequent unintended negative consequences of conceptually sound but poorly executed property tax laws and regulations – it is something that might look good on paper, but simply cannot be credibly implemented as designed. Tools to improve administrative cost-effectiveness include simplification, rationalization, standardization, and automation of property taxation (Rosengard 2012).

## 2.2 Fundamental Principles of Reform

While the theory of optimal taxation is attractive, it is nonetheless a theory, and theories are usually not achievable in practice without considerable adaptation to real-world constraints. For example, the distribution of property in emerging economies is highly skewed, with a relatively small number of properties comprising the bulk of property value. It therefore makes little sense to spend a significant amount of resources on property discovery, valuation, and assessment for most properties, especially if the effective tax rate is very low. Instead, a combination of self-reporting and simplified computer-assisted mass appraisal for most properties, coupled with individual valuations for expensive real estate, should be able to capture ninety percent of value most of the time, and what is missed is not worth calculating or collecting – this is much more cost-effective than trying to capture all value all of the time. In short, it is better to be approximately right than precisely wrong.

The primary purpose of the real property tax is to generate revenue. It is a very poor tool for non-revenue objectives such as guiding allocative decisions like attracting investment, achieving social goals like combating property speculation, or recovering capital costs like those incurred in large-scale infrastructure investment. It is also an ineffective means of achieving income redistribution through highly progressive tax schedules. While these are all important policy objectives, there are policy tools better suited to achieving these objectives. Instead, the property tax should focus on maximizing revenue at minimum financial, economic, political, and social cost.

Moreso, property tax reform is fundamentally about instilling behavioral change in both taxpayers and tax administrators. It is much more cost-effective if people comply voluntarily with tax laws and regulations rather than comply only when compelled to by enforcement measures. The key is to construct positive and negative incentives for real property tax stakeholders that create a system of convergent self-interests, so that what is good for the individual is also good for society – the rational action from the perspective of a taxpayer or tax administrator is also the socially desired action. Many countries pass commendable property tax reform legislation but are then surprised when very little changes in practice. Policy makers believed that these laws were self-enforcing by fiat, despite personal or institutional incentives that dictated otherwise (Rosengard 2012).

## 2.3 The Broader Reform Environment

Countries everywhere are amid development reforms to promote growth and improve living standards. Although largely dependent on central–local transfers, local governments everywhere tend to rely on fees and charges, business licenses, and the property tax for their own source revenues, with some local governments given access to broader taxes on motor vehicles, sales and income. The real property tax currently finances about 40–80 percent of local government expenditures in OECD countries and between 20–80 percent in developing countries. It has been suggested that the real property tax should be able to yield between 1–2 percent of GDP and serve as the core local tax source for local governments throughout the world.

Theory and international best practice identify the real property tax as the ideal local tax to support ongoing fiscal decentralization strategies. The real property tax has strong potential for revenue mobilization, especially in rapidly urbanizing areas. The tax base is immobile which minimizes economic efficiency costs, which makes it easy to be identified and be captured and allows the properties to be the natural collateral in cases of nonpayment. Due to its immobility, the real property tax base also captures the value of location-specific capital investments and benefits from government programs and services not captured otherwise through various fees, user charges and taxes. The real property tax also, in many countries, tends to fall on those with the ability to pay, as immovable property can be the primary repository of wealth. And finally, as a highly visible and politically sensitive revenue instrument, the real property tax can serve as a perfect tax to encourage more responsive, efficient, and accountable local governments.

Despite being an ideal tax for local governments, with tremendous revenue potential, real property taxes in most developing countries face several challenges emanating from central and local level political, institutional and administrative problems. At the central government level, reform measures must ensure that local governments are empowered with the responsibility, capacity and resources to effectively implement the real property tax. At the local level, local governments must be given the adequate and necessary discretion, along with accountability constraints, to influence property tax policy and its administration (at the margin) and effectively link property tax revenue mobilization with improved levels of responsive, efficient, and accountable service delivery (Loffler & Siegloch 2021).

Reforms at the local level should create an enabling environment to empower local governments to effectively enhance governance and improve public service delivery. Strengthened political legitimacy and credibility can better enable local governments to be more responsive and work with their residents to mobilize additional tax revenues needed for local expenditure priorities. Enabling local governments to deliver quality services and to effectively link property taxes to these services will encourage voluntary compliance and grant local governments the legitimacy and credibility to undertake enforcement against noncompliance.

To be successful, property tax reforms should be linked in a "demand driven" fashion to the broader public sector reforms such as decentralization, in order to build on the momentum, the stakeholder interest, the political will and the available institutional, financial and human resources. To ensure that the real property tax can deliver the needed revenues, equity, and efficiency to support the broader decentralization reforms, reformers must focus attention on identifying the required policy and administration components and then designing and implementing an appropriate reform implementation strategy to make the property tax work (Kelly 2016).

## 2.4 Real Property Tax Policy and Administration

Within the broader political economy environment, reformers must understand the economic, policy and administration determinants of property taxation to design and implement appropriate, effective, and sustainable interventions. As the real property tax revenue identity equation shown below indicates policy and administration factors closely interact to affect the equity and efficiency of property tax revenue mobilization.

The policy factors focus primarily on the structure of the tax base and tax rates which determine the legal tax capacity; while the administration factors directly affect the realization of that tax capacity through the tax base coverage (CVR), the valuation (VR) and the collection (CLR) ratios. In short, property tax revenues are equal to the tax base multiplied by the tax rate, adjusted for the administrative ability to capture the properties on the tax rolls, estimate accurate property valuations, and assess and collect the tax liability, all affected by the quality of taxpayer service (Loffler & Siegloch 2021).

$$\text{Tax Revenue} = \underbrace{[\text{Tax Base} * \text{TR}]}_{[\text{Policy Variables}]} * \underbrace{[\text{CVR} * \text{VR} * \text{CLR}]}_{[\text{Administrative Variables}]}$$

The administration variables can be grouped into those related to tax base administration (i.e., coverage and valuation) and those related to the treasury functions of billing, collection, and enforcement (i.e., captured under the collection ratio). These two separate but complementary groupings are important when structuring tax administration options to take advantage of distinct skill capacities, economies of scale, and avoidance of conflicts of interest and possible collusion.

To make the real property tax work, reformers should identify a strategy to combine and sequence an appropriate set of policy and administrative interventions which can be accepted, adopted, implemented and sustained in an efficient and equitable manner. Any set of policies chosen must be implementable, linked to political, institutional, and administrative realities. Policy choices may identify the potential property tax benefits, but it is the quality of administration that will realize those property tax revenue and equity objectives (Brunori et al, 2006).

## 2.5 Real Property Tax Base

Real property tax policy must define the tax base composition and the tax rate structure, along with the taxpayer definition (owner, occupier and/or beneficiary), valuation standards and the related assessment, billing, collection, enforcement, and dispute resolution issues. There are similar patterns, yet with interesting diversity, in the adopted policy choices by different countries across income levels, geographic and population size, legal and institutional systems, political and administration structures, historical legacies and the degree of decentralization, among others.

To quickly summarize, most countries typically define the immovable property tax base to include both land and improvements (e.g., buildings), although there are some countries that only tax land (e.g., Jamaica, Kenya, New Zealand and Australia) or only improvements (e.g., Ghana, Tanzania). Many taxing jurisdictions also include machinery and equipment in their tax base (e.g., US and Canada). Each tax base definition has advantages and disadvantages; and there are strong advocates for each alternative. However, regardless of tax base chosen, countries typically define that tax base coverage as broadly as possible to enable the capture of adequate revenue in an efficient and equitable manner (Kelly 2016).

The tax base definition as to whether to levy the property tax on land and/or building and/or equipment is not the major policy challenge. The real challenge is defining what will not be included in the tax base, that is, the exemptions. Although there are commonalities, tax base exemptions vary across taxing jurisdictions, based on such factors as nationality, ownership, property use, property characteristics and/or characteristics of the property owners/occupier.

Although exemptions may be well intentioned, reformers must recognize that all exemptions are implicit subsidies or tax expenditures affecting both revenue and economic behavior, which can in turn impact efficiency and equity. International best practice would be to minimize the number of exemptions and tax relief schemes, while more effectively targeting the remainder, to best achieve intended government objectives at least economic, administrative and compliance cost (Rosengard 2012).

However, reforming these exemptions can be challenging. Aside from the political difficulties of dealing with constituencies benefiting from these exemptions, reformers even find it difficult to identify all the existing exemptions, as they are often spread throughout multiple laws and a myriad of other miscellaneous laws on foreign and domestic investment. This fragmentation of exemptions, spread throughout different legislations and granted by different agencies, makes the reform process a technical, institutional, and political challenge, especially in developing countries (Plimmer et al, 2010).

The common property tax exemption across all countries is diplomatic property based on the Vienna Convention on Diplomatic Relations. Countries also typically exempt government-owned properties used for government purposes, although some countries provide for a Contribution in Lieu of Rates (Kenya), Payment in Lieu of Tax (PILT) (Canada and US) or Grants in Lieu of Taxes (Provincial Level in Canada). And there are also some countries that explicitly tax government property either at the full rate (South Africa) or at reduced differential rates (Malawi with a 50 percent reduction and Namibia with a 20 percent reduction).

Exemptions are also usually given to properties owned by religious institutions but limited to places of worship or other limited religious purposes. Education and health properties are often given a full exemption; although some countries provide only a partial exemption by taxing privately owned facilities at a reduced tax rate (South Africa), while other countries provide an option for voluntary Payments in Lieu of Taxes (USA). Although there may be a constitutional or legal rationale for granting exemptions for religious, educational and medical facilities, it is also economically rational to allow some level of exemption/tax relief in light of possible positive social externalities generated from these properties.

Countries also commonly provide an exemption threshold to eliminate low value properties from paying the property tax, although some countries require every property to pay at least a minimum tax amount for services (Jamaica, Latvia, State of Hawaii, Perth, Australia). In Latin America, it is common to provide exemptions/tax relief for social purposes aimed at low-income families, widows, retired and elderly people, pensioners and orphans.

There are also exemptions, especially in developing countries, which are given to a large portion of the potential property tax base, such as residential properties and agricultural properties. Although the rationale given is a mixture of concerns for equity, administrative efficiency and political expedience, these exemptions can have major implications on equity, efficiency, and revenue, depending on how they are structured. Another popular exemption is the granting of tax relief to residential properties. In some countries, the push is to exempt all residential properties while in others it is to grant a single exemption to the owner-occupied residential unit (Egypt, Indonesia). While providing a blanket exemption for all residential properties may be politically expedient to garner popular support, it can generate a large loss in forgone revenue and dramatically impact equity, without effectively targeting those most in need of tax relief (Kelly 2016).

Theory and international experience confirm that poorly designed and implemented tax exemptions can dramatically create a drain on revenues, increase inequity among taxpayers and introduce major inefficient behavior and distortions. These exemptions play havoc with the tax base making it imperative for reformers to review, evaluate, redesign, and monitor the exemption structure to ensure that social and economic objectives are being obtained at least economic, administrative and compliance cost. While this requires both a political and technical process, reformers must recognize that the political aspects often dominate the policy discussion (Barca et al, 2021).

## 2.6 Real Property Tax Rates

Other countries require a uniform tax rate to be used, while allowing for valuation assessment ratios to vary by type of property, effectively allowing for a classified effective tax rate structure. Given the often-complex structure of the tax liability assessment process, reformers need to understand the link between the explicit statutory tax rate structure and the underlying effective tax rate structure.

In terms of administrative feasibility, a uniform rate simplifies administration and reduces discretion during the tax liability assessment process. In many developing countries with weak zoning and land use regulations, tax officials are forced to use discretionary judgment to classify and determine the appropriate tax rate for each property use when properties have multiple uses. However, many countries adopt a classified system, allowing the property tax rate to vary by property use and tenure. Although there may be legitimate policy reasons for doing so, it appears that the introduction of differential tax rates often may be for political reasons. Higher tax rates on commercial and industrial properties are often justified as “fair” based on the business’s “ability to pay” as a cash generating operation and with the argument that the business properties are not fully paying for the benefits they received from the government (Rosengard 2012).

In developing countries, however, where commercial properties may not be fully paying for the local services received through user fees and local level income and consumption taxes, there may be a greater justification for applying a higher real property tax rate on commercial properties as a ‘benefit tax’ for locally provided public services. Some countries have chosen to apply progressive tax rates based on the individual property value (e.g., Colombia, Bolivia, Chile, Guatemala, Peru, Brazil, Egypt and India). The use of progressive rates is rationalized as a way of shifting the property tax burden to those properties with a higher “ability to pay.” The validity of this argument is questionable, however, since there is little correlation between a property and taxpayer income. That is, there are many low value properties owned by wealthy taxpayers while there are higher value properties owned by “asset rich-cash poor” taxpayers.

Most countries do not use progressive tax rate structures for property taxes but reserve the use of progressive rate structures for their income taxes. The only country that has successfully applied the real property tax progressively on the comprehensive value of all land and residential properties is the Republic of Korea under their national-level Comprehensive Real Estate Holding Tax, which is applied on top of the regular property tax. The Korean government can link the property ownership records with family registration records to aggregate total property holdings for progressive taxation. In most countries, however, comprehensively linking properties to individual owners is virtually impossible and thus it is administratively impossible to tax immovable property progressively in a comprehensive manner. And, in fact, the Government of Korea announced in 2008 that the Comprehensive Real Estate Tax will be replaced over time with a tax on the wealthy, with short-term changes introduced on its administration from 2012 (Kelly 2016).

Although a uniform tax rate may be the ideal option for developing countries, it often proves to be politically difficult, forcing countries to introduce multiple rates to cater to specific groups of properties. In countries that do adopt a classified tax rate structure, the number of different tax rates should, to the extent possible, be kept to a minimum, with perhaps a maximum of three tax rates being differentiated for agriculture, residential and non-residential properties. To effectively link property tax to fiscal decentralization efficiency and accountability objectives, reformers need to allow a degree of tax rate setting powers to the local government level. Some local tax rate discretion is critically important to support the decentralization process. Tax rate discretion can improve economic efficiency, allowing local governments to establish their spending priorities and set the tax rate to realize revenue needed in accordance with local demand. In addition, rate setting power can strengthen local government accountability with its citizens, encouraging residents to monitor both the revenue collection and local expenditures more carefully (Barca et al, 2021).

Despite the importance of granting local level tax rate discretion there are many countries where the tax rate is determined by the central government, with no local government discretion. For example, most countries in Latin America have property tax rates set by the central government, except for municipalities in Colombia, Ecuador and Honduras, which may set rates within a range defined in national legislation. In transitional countries, the national government usually sets the tax rate, with two notable exceptions, namely Estonia and Poland, where municipalities are allowed to set their own rates within central government limits.

In North America, Europe, and Asia, however, local governments are typically given the power to set their tax rates, at least within limits established by central government legislation. Indonesia’s recent property tax devolution reform in 2010 provides a good example of local governments being granted tax rate discretion specifically to support decentralization reforms (Kelly 2016).

## 2.7 Real Property Tax Valuation

Real property tax valuation is needed to determine the amounts that each taxpayer will be expected to pay based on the relative property value vis-à-vis other taxpayers. Property valuation should be primarily undertaken to promote equity in the tax system so that properties of equal value should pay equal amounts; and not to determine the absolute level of tax liabilities. The absolute amount of the property tax revenue to be collected should be decided through a policy choice linked to property tax rates. If the government needs additional tax revenue in a particular year, the government should increase the tax rates, rather than relying on the adjustment of the absolute or relative property valuations (Hipolito 2020).

The accuracy of the absolute and relative valuation ratios requires constant attention to ensure consistent and periodic updating of valuation rolls, to capture the changes in property market values. Within the legal and regulatory framework, countries need to adapt appropriate valuation standards tailored to institutional, system and human capacities and the availability of market-based information and appropriate valuation methodologies. Although the absolute valuation level could be supported through indexing the tax base to an annual inflation rate, indexation itself does not adjust for the relative changes in values across properties. For those relative value changes, international best practice suggests that tax departments should update property values at least once every 3–5 years, perhaps annually in rare cases of dramatic increases in property values. Frequent revaluations are important to maintain equity and revenues as well as to reduce taxpayer resistance to periodic large increases in property values (Plimmer et al, 2010).

There is a continuum of valuation methodologies available – ranging from simple market-based land value maps and building costs tables used throughout Latin America and Southeast Asia to the more complex statistical estimation models used largely in North America. A uniquely different market value approach is the 'banding' system in England, which roughly classifies all residential properties, based on their estimated capital value, into eight intervals 'bands' of value. The administrative procedures for capturing the taxpayer and tax property information, combined with the technical capacity and property valuation information needed to estimate valuations, are essential for ensuring that the valuation roll effectively captures the potential property tax base. It is this potential tax base which is used by the tax department to levy the property liability for collection (Kelly 2016).

## METHODOLOGY

### Method Used

The researcher will employ qualitative and quantitative research design that will enable the researchers to collect requisite information on the strategies in maximizing real property tax revenue. Simple random sampling technique in the selection of sample will be done. Firstly, the researcher will conduct a comprehensive literature review of relevant scholarly articles, policy documents, and legal regulations to identify current best practices for property tax collection. Second, the researcher will conduct a semi-structured interviews with key stakeholders, including property owners, local government officials, and tax assessors, to gain insights into their perspectives on real property tax management. And the researcher will analyze publicly available data on real property valuation and tax revenues using statistical software to identify patterns and trends.

### Sources of Data

Data will be collected from both primary and secondary sources. The primary data will be obtained through a survey of property owners and tax officials in the Island Garden City of Samal. The survey will be designed to collect information on factors that affect property taxation. Additionally, the survey will collect data on property owners' attitudes towards taxation and their willingness to pay.

Secondary data sources shall be obtained from public records, such as real property assessment data, and tax revenue data. These data sources will be used to supplement and validate the findings from the primary data collection. Also, relevant literature will be reviewed to provide a theoretical framework for the study and to support the research findings.

The data collected from both primary and secondary sources will be analyzed using descriptive and inferential statistics to identify factors that affect real property tax revenue and to develop strategies for maximizing tax revenue.

### Data Gathering Instrument

A questionnaire will be the main instrument to be used in this study. This data gathering instrument is designed to collect information from property owners and City officials regarding the methods used to maximize real property taxes. The said instrument consists of closed-ended and open-ended questions to elicit both quantitative and qualitative data. The data gathered from this instrument will provide valuable insights into the strategies and techniques used to maximize real property taxes. The findings will help property owners and the tax revenue officials to better understand the benefits and challenges of maximizing real property taxes.

### Sampling Technique

The study will employ simple random sampling technique, which involves dividing the population of real property owners into strata based on their property valuation, and then selecting a random sample from each stratum. This technique will ensure that the sample is a representative of the population and will enable the researcher to make accurate inferences about the entire population of real property owners. The sample size will be determined, with a confidence level of 95% and a margin of error of 5%. The data collection will involve surveying the selected property owners using a structured questionnaire, and the data analysis will include both descriptive and inferential statistics based on the method used by Hipolito and Nzioki to examine the factors that maximize real property tax.

**Procedure of the Study**

The study aims to identify strategies to optimize real property tax revenue in Island Garden City of Samal. To achieve this objective, the researcher will have a thorough review of relevant literature related to real property taxation and revenue generation which includes studies and other publications that provide insights into effective strategies for maximizing real property tax revenue. Also, the researcher will collect data from the City Assessor's Office and City Treasurer's Office to identify factors that affect real property tax revenue generation. These factors may include the assessment of property valuation, tax rates, delinquent taxes and exemptions. The data will then be analyzed to identify trends, patterns, and relationships between the variables related to real property tax revenue generation. The analysis will help to identify the factors that have the most significant impact on real property tax revenue. Based on the results of the data analysis, effective strategies for maximizing real property tax revenue will be identified. These strategies may include changes to assessment practices, tax rates, and collection procedures. And recommendations will then be made to the City based on the findings of the study. These recommendations will provide guidance on how to implement the identified strategies effectively and efficiently.

**Statistical Treatment**

Descriptive and inferential statistics will be used to analyze the distribution of real property tax revenue in the study area. Multiple regression analysis will be conducted to identify the factors that significantly affect the amount of real property tax revenue generated. Correlation analysis will also be used to explore the relationships between these factors and real property tax revenue. The statistical significance of the findings will be determined using a significance level of 0.05. Additionally, a comparative analysis will be performed to evaluate the effectiveness of the proposed strategies for maximizing real property tax revenue.

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