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Property tax in MCC limits up by 15%

Property tax in the Mysuru City Corporation (MCC) limits has been increased by 15% for the current financial year and will be valid for three years.

The hike automatically kicks in once in three years under the SAS system of taxation but requires the consent of the Standing Committee on Taxation, Finance and Appeals and the approval of the corporation council.

The MCC Council approved the 15% hike at a meeting on Thursday while the Standing Committee on Taxation Finance and Appeals had approved of the same earlier, according to K.V. Malleth, Committee chairman. He told The Hindu that the hike will affect all residential and commercial properties besides vacant plots within the MCC limits.

Incidentally, the MCC had pegged the revenue by way of property tax for 2017-18 at ₹175.12 crore and this had factored in the impending hike in the property tax.

While the MCC had announced a 5% discount on payment of property tax during April, it has decided to extend a discount of 2% on the tax computed if the payment is made during May, according to Mr. Malleth.

This is to ensure that the public avails of the benefit and remits the tax to help the corporation meet its target. Last year, the MCC, despite its tax collection drive, fell short of meeting its target of nearly ₹120 crore and collected around ₹100 crore.

The revised 15% hike is applicable to all properties including commercial buildings like theatres, kalyan mantaps and other establishments. Though it was proposed to levy a 30% hike, the councillors opposed it on the grounds that the tax burden would be too steep. The last time the property tax was hiked was in 2014-15.

Online payments

Meanwhile, the online property tax calculator and payment facility is yet to see the light of the day though it is in the pipeline since the last few years. At present, the tax is calculated on the basis of the previous year's receipt and in most cases there are attendants to work out the figures besides adding the depreciation on property, on payment of a nominal fee. But Mr.Malleth said though the MCC was pursuing it, the State Government wanted its implementation across all local bodies simultaneously and hence the delay

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Look who's not paying property tax!

The police department tops the municipal corporation's list of property tax defaulters in Mohali. If that's not shocking enough, read on.

Second on this list is the Greater Mohali Area Development Authority (GMADA), and include the School Education Board and BSNL.

This is apart from the crores of rupees other property owners who have moved court owe the municipal corporation (MC).

The civic body's official list of nonpayers shows the police department topping with dues worth Rs 50 lakh-Rs 60 lakh. GMADA comes next with Rs 25 lakh. Post office buildings in Phases 5, 7, 8, 10, 11 and 3B1 together owe Rs 2 lakh. Till date the Mohali civic body has recovered Rs 7 crore from property owners.

"Property tax is the major revenue source and the MC is fund starved. There are over 50-odd building owners who have not paid dues. The police department owes us money, so do government-owned GMADA and the School Education Board. We have issued the notices to them," Manjit Singh Sethi, Deputy Mayor said.

The police department, he said, was refusing to cough up the dues claiming that the owner of the old police complex was responsible for clearing the outstanding. The department has now moved to new premises in Sector 77.

"The MC must take stern steps to recover the unpaid amounts. Some defaulters have moved court and together they owe roughly Rs 2 crore. The rules allow us to seal property," Sethi added.

All the defaulters have been issued notices under Section 138(c) of the Punjab Municipal Corporation Act 1976, he said.

The civic records show Mohali has 52,678 properties. Of these, 41,082 are residential, 4,929 commercial, 1,683 are industrial and 4,984 vacant plots. Of these, 24,406 are taxable and 13,685 defaulters. Dues worth Rs 7 crore have piled up.

In the residential category, Rs 1.2 crore remains unpaid. In the commercial category, Rs 3.8 crore remains to be recovered. And in the industrial category, Rs 2 crore is unrealised.

However MC has managed to recover total tax of Rs 7.88 crore from 10721 property owners.

HOMEOWNERS LIVING ON OWN PROPERTIES MAY LOSE TAX REBATE

PMC has proposed withdrawing the 40% concession to make up losses

With the standing committee having rejected the Pune Municipal Corporation (PMC) administration's demand to hike property tax, the civic body has now come up with another proposal — to withdraw the 40 per cent concession to homeowners living on their own properties.

PMC chief Kunal Kumar had introduced a 12 per cent hike in property tax in the 5,600-crore draft budget of 2017-18. The corporation estimated revenue of Rs 98 crore after the increase. The budget was presented to the standing committee to be finalised. But, the standing committee rejected it last week and advised the property tax department to increase its revenue by collecting outstanding dues.

Now, the department has prepared a proposal regarding withdrawal of the tax rebate and tabled it in the law committee for their legal opinion. Once it is approved, the department will forward it to the standing committee. In 1970, the PMC law committee passed a proposal to give concessions to taxpayers living on their own properties. However, the department now claims there is no need to continue the concession as they are facing revenue losses.

Even the state had commented on this concession during the civic body's annual audit and pointed out that PMC appears to be giving more property tax concessions than any other corporation.

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Pune city hosts a total of more than 9 lakh properties, of which 6.76 lakh are residential. All residential property owners are taking the benefit of rebate.

Speaking to Mirror, Suhas Mapari, head of the property tax department, said, "We have put proposal to the law committee to take their advice. After that, we will put it before the standing committee."

BBMP now wants to use drones to track property tax defaulters in Bengaluru

The BBMP has reportedly included the drone plan in its proposal for smart city planning and will submit it to the Union government soon.

Further ramping up its measures to monitor the non-payment of property tax in Bengaluru, the Bruhat Bengaluru Mahanagara Palike (BBMP) is now considering deploying drones to survey and 3-D map buildings to check if property owners are paying their dues, according to a report in The Times of India.

The BBMP has reportedly included the drone plan in its proposal for smart city planning and will submit it to the Union government soon.

"Three-dimensional (3-D) mapping will help us form a more realistic documentation of the properties in the city. Clear images will help us check violations that property owners may resort to. We will prepare a detailed project report and call for agencies to help us in surveying the properties using drones. Drones can also get us images from congested areas which are a problem during manual or machine-supported surveys," an official told TOI.

Earlier, the BBMP had set up a Geospatial Enabled Property Tax Information System (GEPTIS) link under the citizen services tab on its website. The online platform was inaugurated by CM Siddaramaiah. The GEPTIS had been set up in association with the Indian Space Research Organisation (ISRO) and will soon be open for public use. It helped BBMP to track property tax collection across the city, through the Bhuvan Karnataka platform, created by the National Remote Sensing Centre (NRSC), Hyderabad, a wing of ISRO.

However, the BBMP has been having its own problems in property tax collections. Recently, the Joint Commissioner, BBMP, Revenue Department, Dr Prasanna Kumar received numerous complaints from residents, who complained that the amount payable as property tax was lesser than what was reflected on the website.

The senior revenue official said that for different zones, the property tax amount varies, and the zonal certificates were updated on the website last year.

"Last year there were many glitches in the website. So, people ended up paying lesser tax than they actually had to. This year, after all the glitches were fixed, the outstanding amount payable has been added to the said properties," Dr Prasanna said

Revised method of Property Tax introduced in Andaman

The revised method of Property Tax has been implemented by the Port Blair Municipal Council (PBMC) from April 1.

It seems the PBMC has chosen a great day to implement the revised method of Property Tax, which will ultimately put a little more burden on land owners in Port Blair city area.

PBMC claims that the revised taxation method is better than the earlier system as it is transparent, fair, citizen friendly and it has professional way of assessment, simple to understand and need not to visit PBMC office, self-assessment and ease of payment, no discretion with the Assessing Authorities.

The council also claims that in the new system there is no scope of discrepancy and information systems has been designed to enable better tax planning and policy making. According to PBMC such system is widely implemented in most of the Municipalities of the country.

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The Andaman Chamber of Commerce and Industry has already wholeheartedly welcomed the introduction of new Property Tax on Unit Area Rental Value Method.

The Chamber congratulated the Member of Parliament Bishnu Pada Ray, Chairman B Eswar Rao and all Counselors of PBMC and Secretary Yashpal Garg for the initiative in resolving the long pending demand of the residents of Port Blair, which the Chamber had taken up with the PBMC.

"We appreciate your efforts in maintaining fairness and transparency in the calculation of the Property Tax. The citizen will be able to do self assessment which will result in better tax compliance and therefore increase in the revenue of PBMC," Mr Girish Arora, the president of ACCI said.

However, the lone Member of Parliament of Andaman and Nicobar Islands Bishnu Pada Ray seemed not so happy with this new revised method of Property Tax. In a letter addressed to the president of Andaman Chamber and Commerce and Industry recently the MP clarified that he played no role in the decision taken by PBMC in its meeting held on March 11 last.

Mr Ray has clarified that neither he had attended the meeting by PBMC on March 11 nor was he involved in the decisions taken by the PBMC in introduction of the new Property. The Congress unit of Andaman and Nicobar Islands, had recently organized a major protest in front of PBMC building demanding minimizing property tax and withdrawing property tax from vacant land. UNI SKR BM

Levying property tax on slums is tough

Though the Brihanmumbai Municipal Corporation (BMC) has re-introduced the proposal of levying tax on slums in its budget 2017-18, there are several roadblocks that will make it impossible to implement it.

The BMC has proposed to charge property tax from slums on a lump sum basis and not on capital value. This, however, requires an amendment in the Mumbai Municipal Corporation Act (MMC), 1888.

A senior civic official said, "Currently, tax is levied on six components like the type and area of the structure which when levied on the market value will be an exorbitant rate for slum dwellers. However, the Act does not allow us to charge property tax on a lump sum basis."

Another roadblock for BMC will be the political pressure to withdraw the proposal. "The ruling party wants to exempt property tax for houses below 500 square feet. The question of imposing taxes on slum dwellers seems impossible in this political scenario," the official said. Before the civic elections were held in February this year, Shiv Sena chief Uddhav Thackeray had announced the waiver for Mumbaiites, but it did not reflect in the budget.

There are about 15 lakh slums in the city. The civic body has proposed a lump sum tax of Rs 2,500 to Rs 18,000 under various categories.

The proposal — which needs to be approved by the law committee and the general body — was rejected by the former earlier. Civic chief Ajoy Mehta has proposed to re-introduce the decade-old proposal this financial year stating that it would yield Rs250 crores as revenue for the BMC. With the goods and services tax (GST) set to abolish octroi revenue worth Rs 7,000 crore, the civic body has been looking at alternate sources of income for two years.

In his budget speech on Wednesday, Mehta said that there is a "need to widen the tax net and also have a proper data base on all the assesseees under its jurisdiction." In 2006-07, BMC had told the Central government that it would bring all slums under the tax net. Under the Jawaharlal Nehru National Urban Renewal Mission (JNNURM), it was mandatory to levy tax on every structure in the city.

Till 2006-07, BMC would collect a service charge of Rs100 from residential slum structures and Rs250 from commercial ones every year.

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Kolkata Municipal Corporation to implement Unit Area Assessment

The Kolkata Municipal Corporation is finally set to implement the Unit Area Assessment (UAA) for determination of property tax for city's property owners.

A proposal was passed in the KMC House on Thursday enabling the civic top brass to roll out the new method from April 1.

The UAA method has already been implemented in major cities like Delhi, Bangalore, Ahmedabad, Chandigarh and Patna.

Under the new UAA system, a property owner can assess his/her own property online and determine the amount of property tax payable using the instructions given in the KMC website.

Or else a property owner can visit the assessment-collection department of the KMC borough offices or e-governance centres of the civic body located across the city, Mayor Sovan Chatterjee on Thursday announced that though the UAA would be operational from April 1, the KMC assessment department will send tax bills to the assesees under the current valuation process.

"Property owners will be allowed to pay their outstanding bills under the current method of valuation (rental base). In the meantime, the property tax payer concerned can enroll for the UAA system. We will adjust the bills after the switchover is complete," Chatterjee said.

The zone fixation by KMC has been very arbitrary and unfair.

"However, any deviation from the declared statement will attract penalty," warned the mayor. Asked if the new UAA system would prove to be a burden on the property tax payers, mayor said that under no circumstances the tax would increase by more than 20%.

"UAA has proved to be a scientific system of determining property tax in some Indian cities. We are set to experiment with this new system. At the same time we have decided to put a 20% cap on either increase or decrease in the tax rate from the present annual rent based valuation system," a KMC official said.

Under the new system, the entire city will be divided into seven zones depending on the location and civic amenities being enjoyed by a property owner.

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