



INDIA – June 2018

PROPERTY TAX IN MUMBAI..... 1

Property tax in Mumbai

1. Introduction to Mumbai property tax

The municipal corporation of Mumbai which is responsible for collection and administration of property tax and maintaining civic amenities is known as Brihanmumbai Municipal Corporation (BMC) in Marathi and Municipal Corporation of Greater Mumbai (MCGM) in English. However, Navi Mumbai is maintained by 'Navi Mumbai Municipal Corporation' (NMMC).

BMC was constituted under the Bombay Municipal Corporation Act, 1888 and is India's richest municipal corporation. BMC follows capital value-based system for property tax calculation like Pune. Capital value is based on market value of the property.

2. Formula for Mumbai property tax computation

The property tax is a percentage of the capital value of the property.

Property tax = Tax rate * Capital Value

Capital Value = Rate of base value (which is based on the ready reckoner that is used to calculate stamp duty by the revenue department) * Total carpet area/area of land in case of vacant land * building type * age factor * usage factor * floor factor

Property tax can be computed online at BMC website by entering Ward, Zone, locality, area, usage, occupancy type, total carpet area, year of construction, floor type etc. Computation of property tax under NMMC can be accessed here.

Property tax rates of BMC based on user category can be accessed here. Various multiplication factors like age factor, usage factor etc can be found here.

3. Due date and penalty

- a. Due date for payment of property tax in BMC is 30th June
- b. Penalty is charged at 2% per month in case of delay in payment beyond due date on the outstanding amount of property tax

4. Steps for payment of Mumbai property tax

Property tax can be paid both offline and online in Pune.

If you do wish to make the payment manually, it can be paid at nearest assistant revenue office or BMC helps centers or citizen facilitation center at all ward offices.

5. Exemption/Concession from payment of property tax

- a. Property exclusively used for public worship/charitable purpose
- b. Properties belonging to Diplomatic or Consular Mission of a foreign State as specified by the Government

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- c. Houses/Flats measuring less 500 square feet are exempt from payment of property tax.
- d. 60% concession on property tax for flats/houses measuring between 500 to 700 sq ft

Income Tax Implications

Remember to claim the municipal taxes paid during the year as a deduction from your house property income.

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