



## INDIA – February 2019

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### **Govt depts fail to pay property tax**

Government departments with offices in the city have failed to deposit property tax since 2013-14. Sources at the Municipal Corporation (MC) said the amount to be collected from them could run into crores.

The MC had recently held a meeting with officials of the government departments having properties within the municipal limits. The MC is yet to collect tax for properties belonging to 35 government departments. These include Patiala Central Jail, Civil Surgeon's office, Irrigation Department, DTO office, Polo Ground, Bhakhra mainline, rink hall and Circuit House.

MC officials said all taxpayers were required to declare the property area held by them and pay the requisite amount accordingly. The officials said they could not reveal the exact amount as there could be a difference in the measurement of property in the knowledge of the civic body and the actual area held by the departments.

Municipal Commissioner Gurpreet Singh Khaira said, "All owners, occupants and institutions need to deposit property tax from 2013-14 as per the Punjab Municipal Corporation (Second Amendment) Act, 2013."

As per rules, every owner or occupier is required to calculate the tax and submit it by December 31 every year. If not paid in time, the amount will have to be paid with penalty up to 20 per cent. The principal amount for the current financial year can be paid with 10 per cent penalty till March 31.

The MC has categorised properties through a survey. A unique permanent identification number (UPIN) is being given for every property, with which details of properties are attached. The MC has identified 1.40 lakh commercial, residential and mixed use properties.

### **Bengaluru: Budgeted Peripheral Ring Road requires connectivity and area development**

All of these ring road projects are either incomplete or have been stalled due to land acquisition hurdles, and cost and time over runs.

The 65km long PRR has been languishing since 2005 when it was conceived by the Bangalore Development Authority (BDA) to reduce traffic congestion in the city.

The State Government's budget has proposed to construct the Peripheral Ring Road (PRR) of Bengaluru with an estimated cost of Rs 17,200 crore including its maintenance expenditure to reduce traffic congestion in the city. Rs 1,000 crore has been budgeted for the year 2019-20.

### **International Property Tax Institute**

IPTI Xtracts- The items included in IPTI Xtracts have been extracted from published information. IPTI accepts no responsibility for the accuracy of the information or any opinions expressed in the articles.

Bengaluru has been attempting to complete several large ring road projects to improve its city-region connectivity and alleviate traffic congestion. A series of ring roads namely, the Satellite Town Ring Road (STRR), Intermediate Ring Road (IRR), Peripheral Ring Road (PRR) and Town Ring Roads (TRR) have been envisaged. The NICE Corridor implementation was also undertaken of which the southern arc has been constructed. All of these ring road projects are either incomplete or have been stalled due to land acquisition hurdles, and cost and time over runs.

The 65km long PRR has been languishing since 2005 when it was conceived by the Bangalore Development Authority (BDA) to reduce traffic congestion in the city. Public investments in infrastructure (especially roads) have several benefits including positive correlations to economic output. How these investments are manifested on the ground plays an equally important role. The implementation of the Outer Ring Road (ORR) for example offers critical lessons (on what not to do) as it led to a disconnected road network structure in the city.

The ORR was built as an isolated strip of road and all other hierarchies of connected roads beyond the arterial such as sub arterials, collectors and local streets were not planned for. In many areas, this did not allow any lower level of traffic mobility for collection and distribution purposes, and for entrances of businesses and residences. The Eastern arc of the ORR became the preferred destination for IT companies that took up large parcels of land along it. However, land parcels beyond this first layer of plots abutting the ORR have very low connectivity to this major road investment. This type of development cannot be reversed once built and creates a long term lock in of a poorly planned area.

The way forward for the PRR could hence be envisioned on the following lines:

- 1) A distance of at least 1km on either side of the PRR needs to have a larger area development approach in place. This not only indicates setting in place a connected and structured road network in the area but also planning for open spaces, green spaces, and other physical and social infrastructure needs of neighbourhoods. The Bengaluru Master Plan 2031 which is currently under revision is the best opportunity available to address this need and must not be lost.
- 2) The PRR has stretches of greenfield agricultural land, and some stretches of developed and built upon land. 'Land readjustment schemes' could be used in the greenfield areas as they bring together groups of land owners who pool their land parcels for development. After deducting area for infrastructure and social amenities, including affordable housing, the remaining land is reconstituted into regularly shaped plots by the government and distributed back to the original owners. The land owners hence become stakeholders in the development.
- 3) Government coffers will not get strained to build the road or develop the area, when they opt for such an alternative mechanism to develop the land. The burden of upfront payment of cash compensation as in compulsory acquisition is eliminated. Government agencies also have options to use land as a fiscal tool to finance further infrastructure developments. Ahmedabad successfully completed its ring road (76km length) in record time using the Town Planning Scheme (a method of land readjustment). The presence of a visible and dynamic official who gained the trust of the people was also critical in the successful execution of this project and must be replicated in Bengaluru.

The potential of the PRR to enable area development, planned urban expansion and to serve as an ideal tool for land value capture needs to be recognised and accordingly implemented.

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## Jaipur Property Tax

Jaipur property tax is a tax levied by the Municipal Corporation on the value of a property or real estate. Owners of properties in the state are responsible for paying property tax to the Municipal Corporation which is regulated by the Municipal Corporation of Jaipur. The property tax imposed on property varies with the municipal corporation. In this article, we look at the various aspects of Jaipur property tax in detail.

### Uses of Property Tax

Property tax is one of the primary revenue sources for the respective Municipal Corporations. Any residential, commercial, industrial located within the limits of the Municipal Corporation are subject to levy of property tax. In Jaipur, property tax is imposed on every financial year of the same month, and a citizen is liable to file return on the same day.

### Applicability for Property Tax

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The following persons are required to pay property tax:

- A person whose is above 18 years of age.
- An individual who is a permanent resident of Jaipur.
- Any person who owns a property in Jaipur is entitled to pay a property tax.

Categories of property tax

The following are the kinds of property that are liable to be taxed in Jaipur.

- Residential
- Commercial
- Industrial
- Institutional
- Government properties

Exemption on Property Tax

The following persons are exempt from paying Jaipur property tax:

- The land or property owned by the Devasthan Department of the respective Government.
- Any area or property maintained for public worship or civic purpose.
- Property used by an educational institution solely for purposes of education.
- Land controlled for the purposes connected with the disposal of dead bodies.
- Property for the cause of public parks public libraries or public museums.

Registration of Property Owners

The person who is liable to pay tax for their property has to make an application in the designated form to the assessing authority and also along with the amount of fifty rupees for the registration fee to the respective government.

The assessing authority after verification when satisfied with the application proposed and payment made for registration will give a certificate of registration to the property owner in the prescribed form.

Required Document

The applicant will be expected to submit the property tax invoice details at the time of making payment for property tax.

Online Payment Procedure for Property Tax

To make payment for property tax online in Jaipur, follow the steps specified here.

Visit Official Portal

Step 1: Please visit the official portal of the Municipal Corporation of Jaipur.

Step 2: Click on “Urban Development tax” option which is under the citizen services tab on the homepage of the portal.

Step 3: On the next page, you have to select the “Yes” or “No” option for the question if you hold service number.

Step 4: If yes and then enter your service number in the text box and click on the “Search” button.

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Step 5: The Urban Development Tax Ledger will displays on the present screen along with the corresponding amount of property tax.

Step 6: In case of not holding service number select “No” option and the current page will be redirected to the “Urban development tax status search criteria” page.

Step 7: Enter the details regarding your property such as ward number, colony name, apartment name, account holder name, book number and page number and then click on “Search” button to view your property tax rate.

Step 8: Navigate to your homepage of the Jaipur Municipal Corporation and then click Pay Online button.

Step 9: Click on “Online Tax Payment” link and select the tax to be paid and enter the service number and click on the “Go” button.

Step 10: Click on “Verify information” and enter your mobile number, amount and to make a payment click on the “Pay” button.

Step 11: Select your Payment option and click on “Pay now” button to make payment for property tax.

If a taxpayer refuses to pay the tax within the specified time limit, the assessing authority may impose a penalty which will not be more than one thousand rupees.

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