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NEW RECORD IN PROPERTY TAX COLLECTION, BUT SHORT OF BBMP TARGET 1

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The collection is ₹2,510 crore while the target is ₹3,100 crore

With only a few days remaining for the financial year to end, figures of property tax collection have brought some cheer for the Bruhat Bengaluru Mahanagara Palike (BBMP), though it is likely to fall short of its target.

Civic officials said the collection so far has been ₹2,510 crore, the highest ever. The palike had collected ₹2,170 crore last year. The improvement, officials said, could be credited to the BBMP going after defaulters, issuing warrants to those with heavy arrears. However, the collection is unlikely to meet the target of ₹3,100 crore.

Property tax is the most important source of revenue for the civic body.

A budget analysis by the Janaagraha Centre for Citizenship and Democracy had pointed to declining collection efficiency of property tax from 75% in 2016-17 to 58% in 2018-19. Property tax collection declined by ₹136 crore in 2017-18 as compared to 2016-17, despite a consistent increase in property tax collection estimates.

For 2019-20, the BBMP has set itself a target of collecting ₹3,500 crore as property tax from the 19 lakh properties in the city. The palike has announced a total station survey of 100 high-value revenue generating properties, such as commercial complexes, malls, tech parks, and multi-storey residential enclaves, which are expected to yield up to around ₹400 crore.

However, being an election year, there will be no revision in property tax rates. The Karnataka Municipal Corporation Act, 1976 states that tax rates have to be revised after every three years. The last revision was in 2015.

A proposal has also been sent to the government to amend Section 110 of the KMC Act towards collecting service charges in lieu of property tax from schools and colleges in the city, excluding those aided by the government, and is expected to generate ₹25 crore. A drive to collect service charge from many Union and State government institutions is estimated to bring in another ₹75 crore.