

CIRCULAR

Sub: PROPERTY TAX- Quinquennial revision of Property Tax in all Municipalities and Township Committees - Assessment of certain buildings under Lease and Rent Control Act - Further instructions - Issued.

Ref: 1) This office circular Roc.21490/86/R1 dated 12.10.86.

2) This office circular Roc.21490/86/R1 dated 10.2.87.

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In this office circular first and second cited, instructions have been issued regarding assessment of certain classes of buildings under the provisions of Lease and Rent Control Act. The proforma was also annexed to the circular second cited. It has since come to notice that there are still certain misunderstandings about the correct procedure to be followed in this regard, particular, in using the proforma Part II. The following further instructions are issued in this regard.

All Municipal Commissioners and the Special Revisions Officers are informed that they should go through the relevant section and schedules of the above Rent Control Act and understand correctly. In particular the following instructions may be clearly borne in mind while attending to the above work.

(I) Proforma - Part II:

In this proforma in column 4(a), the depreciation is to be allowed depending upon the age of the building and the rate of depreciation prescribed for that class of building in Schedule II. This deduction for depreciation should be not less than 10%. As per Schedule II, the depreciation should be worked out by using the formula.

$P = A \times \frac{(100-r)^N}{100}$  In this formula the working should be

as follows.

$$\frac{(100-r)^2}{100} = \frac{(100-r)}{100} \frac{(100-r)}{100}$$

$$\frac{(100-r)^3}{100} = \frac{(100-r)}{100} \frac{(100-r)}{100} \frac{(100-r)}{100}$$

and so on.

The effective depreciation for different class of buildings for different years has been worked out by the Public Works Department. A copy of the same is sent herewith for information. This may be carefully studied and correctly followed.

(II) Proforma - Part II:

In this proforma in column 4(b), the cost of construction may be increased upto 30% under sub-section 5(a) of section 4 depending upon the nature of the building (i.e. nature of buildings, construction, architecture and other factors like location, etc.). In extraordinary cases, the deduction can also be given like-wise for which reasons are to be recorded. This deduction should be allowed only on the specific orders of the Commissioner.

(III) Proforma - Part II:

In this proforma, column 11, is the annual value only and not the Annual Rental Value. This annual value should be straightaway taken into account for calculating taxes. Further the deduction should not be allowed as in the case of normal Annual Rental Value calculations.

The above instructions have to be carefully adhered to by all the Special Revision Officers, all the Municipal Commissioners and Special Revision Officers and Regional Special Revision Officers are requested to ensure that the instructions are carefully understood and uniformly followed.

The receipt of this circular should be acknowledged forthwith by all Municipal Commissioners, Regional Directors of Municipal Administration and Special Regional Revision Officers.

sd/A. Annamalai  
for Director

Encl: one

To

All Executive Authorities of Municipalities  
and Township Committees.

All Regional Directors of Municipal Administrations.

All Regional Special Revision Officers.

All Special Revision Officers.

Spare:25

/Forwarded/by order/

  
Superintendent

20-2-87

RATES OF DEPRECIATION

No. of Years	Amount of depreciation at			
	1%	1 1/2%	2%	4%
1.	2.	3.	4.	5.
1	.01000	.01500	.02060	.04000
2	.01990	.02978	.03988	.07840
3	.02970	.04443	.05863	.11526
4	.03940	.05866	.07703	.15065
5	.04901	.07276	.09508	.18463
6	.05852	.08669	.11416	.21724
7	.06793	.10039	.13187	.24855
8	.07725	.11389	.14924	.27851
9	.08648	.12718	.16625	.30747
10	.09562	.14027	.18293	.33517
11	.10466	.15317	.19927	.36176
12	.11361	.16587	.21528	.38729
13	.12248	.17838	.23098	.41160
14	.13125	.19070	.24636	.43533
15	.13994	.20285	.26143	.45791
16	.14854	.21480	.27620	.47950
17	.15706	.22658	.29068	.50041
18	.16549	.23818	.30486	.52040
19	.17389	.24961	.31877	.53958
20	.18209	.26086	.33239	.55800
21	.19027	.27195	.34574	.57568
22	.19837	.28287	.35885	.59265
23	.20639	.29363	.37165	.60895
24	.21432	.30422	.38422	.62459
25	.22218	.31466	.39653	.63960
26	.22996	.32494	.40860	.65402
27	.23766	.33507	.42043	.66786
28	.24528	.34504	.43202	.68114
29	.25283	.35487	.44338	.69390
30	.26030	.36454	.45451	.70614
31	.26770	.37401	.46542	.71790
32	.27502	.38341	.47612	.72918
33	.28227	.39271	.48659	.74001
34	.28945	.40182	.49686	.75041
35	.29655	.41079	.50692	.76040
36	.30359	.41965	.51679	.76998
37	.31055	.42834	.52645	.77918
38	.31745	.43691	.53592	.78801
39	.32427	.44535	.54520	.79649
40	.33103	.45368	.55430	.80463
41	.33772	.46182	.56321	.81245
42	.34434	.46995	.57195	.81995
43	.35080	.47790	.58051	.82715
44	.35739	.48573	.58890	.83407
45	.36381	.49344	.59712	.84070

1.	2.	3.	4.	5.
46	.57018	.50104	.60518	.84708
47	.57647	.50582	.61308	.85312
48	.58271	.51590	.62081	.85607
49	.58888	.52316	.62840	.86470
50	.59499	.53034	.63583	.87011
51	.40104	.53736	.84311	.87531
52	.40703	.54430	.65025	.88030
53	.41296	.55113	.65725	.88509
54	.41883	.55787	.66410	.88968
55	.42464	.56450	.67282	.89410
56	.43040	.57103	.67740	.89833
57	.43609	.57746	.68385	.90240
58	.44173	.58380	.69018	.90630
59	.44732	.59005	.69637	.91005
60	.45284	.59619	.70245	.91365