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Rec.No.60572/98/R1

Dated : 23.10.98

Sub: PROPERTY TAX - General Revision of Property tax in Municipalities from 1.10.98 - Further instructions issued.



- Ref: 1. G.O.169, M.A.&W.S. Department dated 2.9.98
2. G.O. 170, M.A.&W.S. Department dated 2.9.98
3. This office lr.No.60572/98/R1 dated 3.9.98
4. This office lr.No.60572/98/R1 dated 14.9.98

In the references 3rd and 4th cited, instructions have been issued for the arrangements to be made for quinquennial revision of property tax from the II half year of 1998-99. It is hoped that the Municipal Commission have ensured that the return formats have been served on all the assesseees by this time and that a major portion of the returns have been got back duly filled in. As instructed earlier, the next step is to simultaneously verify all the returns, so far received, and identify the assesseees from whom the returns have not been received, so that the field staff can be deputed to inspect and furnish the required details in the same format to start the process of assessments.

2. A model format of assessment sheet is enclosed. This format may be uniformly adopted for all assessments for which Annual Rental Value is taken as the basis for assessment. In respect of buildings for which capital value had been fixed and capital value is proposed to be adopted for the quinquennial revision of property tax, instructions already issued regarding the calculation of capital value shall be followed.

3. The format has been prepared in such a way that the whole process of calculating the property tax can be computerised. The manual input will be the particulars required in columns 1 to 8 and the remaining

calculations from columns 9 to 20 will be automatically made by the computer. The Regional Director of Municipal Administration, Chengalpattu has arranged for the development of a software through BITS, BITES, INFOSYS, Kancheepuram and has reported that the software is perfect, that it will cater to the needs of the Municipalities in working out the revision of property tax for various types of buildings adopting different basic rates with different percentages of taxation. He has also reported that the computerisation of calculations will be time saving, easy, uniform, neat and accurate and will eliminate the unwanted practices. Hence issuing a software for the calculation will be advantageous. The software can be locally arranged and if not available, the Municipal Commissioner, Kancheepuram may be contacted.

4. As per guidelines issued by this office circular No. 4024/C2/R. dated 10.02.2002, overall enhancement of tax in quinquennial revision should not be exorbitant as to cause, severe hardship to the assesses. Therefore, the following ceiling was fixed for the enhancement of taxes consequent on the quinquennial revision of property tax:-

- Owner occupied residential buildings : Enhancement should not exceed 50% of the pre-revision tax
- Rented residential buildings: Enhancement should not exceed 100% of the pre-revision tax
- For Industrial Buildings : Enhancement should not exceed 150% of pre-revision tax
- For Commercial Buildings : Enhancement should not exceed 20% of pre-revision tax

It has been decided that the ceiling in respect of Commercial buildings may also be brought on par with the ceiling in respect of industrial buildings.

Accordingly, the revised ceiling will be as follows:-

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etc
cases

Owner occupied residential buildings.	Enhancement should not exceed 50% of the pre-revision tax
Rented residential buildings	Enhancement should not exceed 100% of the pre-revision tax
For Industrial and Commercial Buildings	Enhancement should not exceed 150% of pre-revision tax.

5. The final calculation of tax shall be checked thoroughly and kept strictly confidential and shall be released for service only at the appropriate time, giving no room for leakage of information.

6. Certain Commissioners have reported that the existing assessments of property tax are still continued in certain Municipalities with reference to pre-election ward divisions, that they have not been changed over to the new electoral wards and that it would be convenient, if the revised electoral wards are adopted for the current quinquennial revision, which can be followed without change later on. There is no objection in changing over to the new electoral wards, where it had not been already done, provided the correlation numbers of old and new Assessments are correctly maintained and incorporated in the quinquennial revision registers for easy identification of arrears of taxes due. Though it has been decided to computerise the calculations, Revision Registers with the information required therein shall also be maintained. Special Notices with reasons for revision shall also be issued along with the working sheet in the prescribed format.

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7. 30% discount for owner occupied buildings is applicable only to residential buildings.

8. The receipt of this Circular may be acknowledged.

SH/- SANJAY RAY,
COMMISSIONER OF MUNICIPAL
ADMINISTRATION.

To
All the Municipal Commissioners thro' the
Chairman, Municipal Council
All the Municipal Commissioners
All the Commissioners of Corporations (Except Chennai)
thro' His Worshipful Mayors *for information*
All the Commissioners of Corporations *for information*
All the Regional Directors of Municipal Administration

/Forwarded By Order/

Sanjay Ray
for COMMISSIONER OF
MUNICIPAL ADMINISTRATION.

26/1/56