

CHECKLIST OF REFORMS
PROPERTY TAX
Name of the ULB : Garulia

DESIRED OBJECTIVES:

Note: JNNURM requires certain reforms to be undertaken by states/ cities in Property Taxes, with the broad objective of establishing a simple, transparent, non-discretionary and equitable property tax regime that encourages voluntary compliance. States/cities need to ensure that their desirable objectives for reforms include these reforms, but need not restrict themselves to these items

1. **CURRENT STATUS**

a. Please indicate if Property tax is currently levied on the following types of properties:

- i. Residential
- ii. Commercial
- iii. Industrial

b. Please indicate the Amount of property tax being collected for year-ending 2004-05

- | | |
|-----------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| i. Residential | In section 97 of the West Bengal Municipal Act 1993, provision for imposition of a non-residential surcharge has been made for a building, if it is used partially for non residential purpose. Therefore, properties are not classified in the categories mentioned above, and thus segregation of properties in the categories is not possible. |
| ii. Commercial | |
| iii. Industrial | |

iv. Total 24.62 Lakh

c. Please provide the Method of Property Tax Assessment being followed
(Give short note, if necessary)

- i. Self-assessment
- ii. Demand-based

Note: The valuation of property in the municipal areas are done by the West Bengal Valuation Board. This Board is an independent organisation and the valuation is done on the basis of Annual Rental Value of the property. Property tax is being determined through a clear formula as spelt out in section 96 of the West Bengal Municipal Act, 1993. The aspect of self assessment has also been incorporated in section 115A of the said Act.

d. Please provide the below information on Current coverage

Type of Property	Estimated no. of properties	No. of properties in the records of the municipality	No. of properties paying property tax	Coverage ratio (4) / (2)	Demand raised	Demand collected	Collection Ratio
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Residential	In section 97 of the West Bengal Municipal Act 1993, provision for imposition of a non-residential surcharge has been made for a building, if it is used partially for non residential purpose. Therefore, properties are not classified in the categories mentioned above, and thus segregation of properties in the categories is not possible.						
Commercial							
Industrial							
Total		9,988			450.64 Lakh	24.62 Lakh	5.46%

e. Please list the Exemptions given to property owners

No.	Type of Exemption	Qualifying institution/ individual	Revenue implication of exemption
1	Full exemption	(1) Holdings with the annual valuation of Rs. 500 or less. (2) Diplomatic Mission (3) Central Government properties (4) Holdings exclusively used for public worship (5) Government and Government aided Educational Institutions (6) Holdings exclusively used for public charity or medical relief or for imparting education to the poor free of charge.	As the amount of these exemptions does not consist a considerable share of the revenue income of the ULBs (less than 1% of the total demand), the revenue implication of such exemptions does not affect function of the Municipalities.
2	Part exemption	(1) Properties of Ex-Servicemen (25% exemption) (2) In case of excessive hardship (the rate may be reduced in such cases for an year only) (3) Holdings remaining vacant and unproductive of rent for ninety or more consecutive days (50% remission on an application from the owner).	

(please use additional rows if necessary)

- f. Please provide the Basis of determination of property tax
- Capital value
 - Rateable value
 - Unit Area
 - Other (please specify)
- g. Please provide the Use of technology in property tax management
- GIS of property records
 - Electronic database of property records
 - Any software for compliance
- h. Please describe the Level of discretionary power available with assessing authority

The West Bengal Valuation Board, which is the assessing authority, follows a distinct methodology for determination of Annual Valuation of the properties, and thereafter statutory stipulation of the clear formula for determination of the rate of tax (in section 96) keep no scope for exercise any discretionary power in this regard.

- i. Please provide the last updation of property records and guidance values
- Last updation of property records
 - Last revision of guidance values
 - Frequency of revision of guidance values
- iv. Please indicate whether information from appropriate authorities on new building construction, or additions to existing buildings is being captured; if so, how (e.g. development authority etc)
- Yes No
-

Urban Local Body is the plan sanctioning authority within their jurisdiction limits.

- v. Please indicate whether information from appropriate authorities on change of ownership and land valuation is being captured; if so, how (e.g. Dept of Stamps and Registration)

Yes No

(Partially)

2. TIMELINE FOR ACTION ON REFORMS

Please provide timelines for the following action items:

- a. Extension of property tax regime to all properties

[Already done]

Year1	Year2	Year3	Year4	Year5	Year6	Year7

- b. Elimination of exemptions

[Not yet considered]

Year1	Year2	Year3	Year4	Year5	Year6	Year7

- c. Migration to Self-Assessment System of Property Taxation

- i. Setting up a Committee/Team to draft/amend legislation
[Amendments have already been enacted.]

Year1	Year2	Year3	Year4	Year5	Year6	Year7

- ii. Stakeholder consultations

Year1	Year2	Year3	Year4	Year5	Year6	Year7

- iii. Preparation of Draft legislation

Year1	Year2	Year3	Year4	Year5	Year6	Year7

- iv. Approval of the Cabinet/ Government

Year1	Year2	Year3	Year4	Year5	Year6	Year7

- v. Final enactment of the legislation by Legislature

Year1	Year2	Year3	Year4	Year5	Year6	Year7

- | | | | | | | | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|-------------------------------------|--------------------------|-------------------------------------|
| vi. Notification | Year1 | Year2 | Year3 | Year4 | Year5 | Year6 | Year7 |
| | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| vii. Preparation and notification of appropriate subordinate legislation | Year1 | Year2 | Year3 | Year4 | Year5 | Year6 | Year7 |
| | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| viii. Implementation by municipality (ies) | Year1 | Year2 | Year3 | Year4 | Year5 | Year6 | Year7 |
| | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| d. Setting up a non-discretionary method for determination of property tax
(e.g. unit area, etc)
(Sub-Steps (i) to (viii) given in para(c) above may be repeated for this step also) | Year1 | Year2 | Year3 | Year4 | Year5 | Year6 | Year7 |
| | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

[Non discretionary method is already in place. However, the process of switching over to Unit Area Valuation system has already been initiated and likely to be completed on the 5th year]

- | | | | | | | | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|--------------------------|-------------------------------------|--------------------------|--------------------------|--------------------------|-------------------------------------|
| e. Use of GIS-based property tax system | | | | | | | |
| i. Selection of appropriate consultant
[KMDA is already working as consultant.] | Year1 | Year2 | Year3 | Year4 | Year5 | Year6 | Year7 |
| | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| ii. Preparation of digital property maps for municipality
[Preparation of digital property maps have already been prepared for 63 Urban Local Bodies.] | Year1 | Year2 | Year3 | Year4 | Year5 | Year6 | Year7 |
| | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| iii. Verification of digital maps and preparation of complete data-base of properties | Year1 | Year2 | Year3 | Year4 | Year5 | Year6 | Year7 |
| | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| iv. Full migration to GIS system | Year1 | Year2 | Year3 | Year4 | Year5 | Year6 | Year7 |
| | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

f. Next revision of guidance values
[In an interval of 5 years]

Year1	Year2	Year3	Year4	Year5	Year6	Year7
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

g. Fix periodicity for revision of guidance values
[This system is already in place.]

i. Periodicity to be adopted

Year1	Year2	Year3	Year4	Year5	Year6	Year7
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

ii. Deadline for adoption

Year1	Year2	Year3	Year4	Year5	Year6	Year7
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

h. Establish Taxpayer education programme

i. Local camps for clarification of doubts and assistance in filling out forms
[The work has already been entrusted with the Ward Committee.]

Year1	Year2	Year3	Year4	Year5	Year6	Year7
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

ii. Setting up a website for property tax issues/ FAQs etc

Year1	Year2	Year3	Year4	Year5	Year6	Year7
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

i. Establish Dispute resolution mechanism
[This system is already in place.]

Year1	Year2	Year3	Year4	Year5	Year6	Year7
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

j. Rewarding and acknowledging honest and prompt taxpayers
[This system is already in place.]

Year1	Year2	Year3	Year4	Year5	Year6	Year7
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

k. Achievement of 85% Coverage Ratio (see item 1d above)

	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7

l. (Specify target for each year of mission)

m. Achievement of 90% Collection Ratio (see item 1d above)

Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
19.55%	33.64%	47.73%	61.82%	75.91%	90.00%

(Specify target for each year of mission)

n. Any other reform steps being undertaken (please use additional space to specify)

Year1	Year2	Year3	Year4	Year5	Year6	Year7
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

[This database shall, however, exclude both the demand and the collection from the State and Central Government properties, litigated properties and sick and closed industries.]