



INDIA – November 2021

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EDMC proposes hike in property tax to drop tax on milch vehicle-pulling animals

The East Delhi Municipal Corporation (EDMC) in its budget on Friday proposed to increase property tax on residential and commercial properties and suggested dropping taxation on cycle rickshaws, milch animals and those which pull vehicles.

EDMC Commissioner Vikas Anand presented the revised budget estimates for the financial year 2021-22 and budget estimates for 2022-23 fiscal at the corporation headquarters in Patparganj.

The decision to not levy taxes on owners of milch animals like cows, buffaloes, and those which pull vehicles like horses, has been taken as, "it is not appropriate with changing times," a senior official said.

These taxes were imposed during the British rule, he said.

Also, a professional tax, education cess and betterment tax have been proposed in the budget, the official said.

Residential, commercial and non-residential plots are currently divided into multiple categories in the city, there are no residential properties in the A-B category, officials said.

The EDMC budget has proposed an increase in property tax for the residential category with 13 per cent for the C-E category and 10 per cent for the F-H category. Currently, 11 per cent tax is charged on the C-E category, seven per cent on the F-H category, a senior official said.

Similarly, for the commercial category taxation on the A-E category is proposed to be 15 per cent, and 12 per cent on the F-H category, the official said. The current rates are 15 per cent tax on the A-B category, 12 per cent on the C-E category and 10 per cent in the F-H category.

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Tax levied on submission of building plan has also been proposed for a hike. It will be increased to Rs 50 per square metre for an area up to 50 square metres; and Rs 100 per square metre for an area more than 50 square metres. Earlier it was Rs 5 per square metre and Rs 10 square metre respectively, the official said.

According to the EDMC budget, the revised budget estimates for the financial year 2021-22 stands at Rs 4,479.43 crore, while the budget estimate for the year 2022-23 stands at Rs 4,735.77 crore.

Also, a public-private partnership cell has been set up to start remunerative projects to increase the revenue of the corporation and provide better civic facilities to citizens, the budget stated.

Electric vehicle charging stations will be set up in EDMC parking sites. More parking facilities in the EDMC areas under public-private partnership mode are planned, officials said.

The EDMC will lease out its newly-constructed building of Shahdara (South) zonal office at Karkardooma. It is estimated to generate an annual income of about Rs 18 crore.

Karnataka to cut property guidance value for Bengaluru areas

Property buyers and sellers may have a reason to cheer in the New Year with the government planning to reduce guidance value in parts of Bengaluru and revise it across Karnataka in January 2022.

Guidance value is the minimum selling price of a property fixed by the government depending on the locality and type of structure. While it is supposed to be revised every year, the government did not change the rates since January 2019 when they were hiked in the range of 5% to 25%.

Sources said the guidance value is likely to be increased marginally in rural areas where the property prices are low and purchase activities are picking up, and may be brought down in select localities in Bengaluru city where the prices are seen to be exorbitant.

“We have initiated the process of revising the guidance value after a gap of two years. We have asked district registrars to send their reports and recommendations by November end. We will finalise the rates for all districts, including Bengaluru Urban, based on the reports and further deliberations,” said Ravindra PN, inspector general of registration and commissioner of stamps.

Downward revision of guidance value will have cascading effect

Revenue minister R Ashoka had said the government is considering revision of guidance value in December, following which the central valuation committee headed by IGR met to initiate the process of rationalising the guidance value.

“The minister has asked the IGR to effect the revision of guidance value and the rates are being worked out. The new rates will kick in from January 2022,” said revenue principal secretary Tushar Girinath.

The significance of the policy is that a downward revision of guidance value will bring down property prices. It will have a cascading effect since 5% stamp duty and 1% registration fee is linked to the guidance value, while property tax and plan sanction fee for structures are also based on the guidance value.

“It has been a long-pending demand to cut guidance value since the unrealistic rates have inflated property prices in parts of Bengaluru. Recently, the government reduced the stamp duty to 3% for flats priced between

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Rs 35 lakh and Rs 45 lakh. We want it to be reduced to 3% for all properties apart from reduction guidance value,” said Bhaskar T Nagendrappa, president, Credai, Bengaluru.

“The reduction in guidance value will lead to a reduction in the overall cost of property, which is welcome,” said Sathish CG, director, Bangalore Zone, Casagrand

Hospitality sector in Mysuru hails rebate on property tax

A 50% waiver on property tax for hotels in 2021-22 is expected to revive the hospitality sector that is reeling from the impact of the pandemic.

The State Government’s notification announcing a waiver of 50% on property tax, to be paid by hotels, restaurants, and amusement parks for 2021-22, has been welcomed by local stakeholders in the hospitality sector.

However, they have sought clarity on whether there will be a reimbursement if the owners have already paid the tax. Though the Government’s intent on the waiver was announced in June, it was notified only on Saturday.

“Over 50% of the property owners have already paid the tax and the association has been flooded with calls on the subject of refund,” said Narayana Gowda, president, Mysuru Hotel Owners’ Association.

He said a rebate in property tax was one of their key demands to help tide over the financial distress caused by the pandemic.

Though the Government conceded to the demand, it was notified only on Saturday by when a majority of the stakeholders have already paid the tax.

In the absence of a notification, local bodies, responsible for tax collection, had gone on a drive to shore up their revenue and had forced commercial establishments to pay the tax.

“For those yet to pay the property tax, the waiver will definitely be beneficial. But for those who have already paid, there is no clarity on whether it will be refunded or whether it will be adjusted for next year, and hence we will approach the Government again for a clarification,” said Mr. Narayana Gowda. He pointed out that establishments registered under the Karnataka Tourism Trade (Facilitation and Regulation) Act, are eligible for the rebate and there are at least 300 of them in Mysuru alone.

The demand for rebate was made to help revive the faltering tourism and hospitality sector when the pandemic brought it to a halt resulting in massive job losses.

Meanwhile, the sector is beginning to look up again and the long weekend saw rise in footfall in and around Mysuru. Stakeholders say the peak tourism season before the pandemic used to commence around October and last through January.

“There are indications that the traffic is picking up and people are traveling again as evident in the room bookings and demand for taxis,” said Mr. Narayana Gowda.

The stakeholders aver if the present trend continues and there was no surge in COVID-19 cases, the sector could regain the pre-pandemic level of traffic and business turnover by March 2022.

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PAKISTAN

Traders laud reversal of property tax hike

Term it proof of government's business friendly approach

Businessmen have appreciated the government of Punjab's decision to withdraw the increase in property tax in its recent cabinet meeting.

In a statement on Saturday, the Lahore Chamber of Commerce and Industry (LCCI) office bearers said that the acceptance of LCCI's recommendation by the government was ample proof of its business friendly approach. LCCI President Mian Nauman Kabir, Senior Vice President Mian Rehman Aziz Chan and Vice President Haris Ateeq jointly thanked Chief Minister Punjab Sardar Usman Buzdar for providing relief to the business community.

They pointed out that Punjab Minister for Excise and Taxation Hafiz Mumtaz Ahmad and Excise and Taxation Secretary Waqas Ali played a vital role in the withdrawal of the hike in property tax. They further hoped that a formal notification in this regard would be issued soon.

They held the view that this decision would ease the problems of the business community which is severely impacted by the recent rupee devaluation, rise in the policy rate and soaring inflation.

They said that reversal of hike would help build trust on government and promote public-private partnership.

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