



INDIA – March 2022

CONTENTS

GHMC INTRODUCES NEW SYSTEM FOR ASSESSING PROPERTY, VACANT LAND TAX.....	1
HYDERABAD CIVIC BODY LAUNCHES ONLINE SERVICE FOR ASSESSMENT OF PROPERTIES, TAX CALCULATION	2
THIRUVANANTHAPURAM CORPORATION ADDRESSES CONFUSIONS ABOUT PROPERTY TAX COLLECTION	3
COMMITTEE OPPOSES CAPITAL VALUE SYSTEM-BASED PROPERTY TAX REVISION	3

GHMC INTRODUCES NEW SYSTEM FOR ASSESSING PROPERTY, VACANT LAND TAX

Hyderabad: To combat the existing property tax assessment system, the Greater Hyderabad Municipal Corporation (GHMC) has introduced the online mutation and assessment of properties.

In a press note issued by the GHMC, the civic body addressed the fact that the existing property tax system is not citizen-friendly and as such people struggle to get their assessments. This is made worse by the fact that the GHMC is currently short-staffed. In that regard, the new system hopes to provide some relief.

The following are the major changes the mutation system will bring in to make way for easy tax assessments:

- On registration of any existing property which was already assessed to Property Tax/Vacant Land Tax, the property is automatically mutated in the name of the new owner without changing the existing PTIN/VLTN and Tax amount.
- If the Registered property is new or not assessed to Property Tax or Vacant Land Tax, a new PTIN/VLTN is generated and sent to GHMC online.
- On receipt of PTIN/VLTN with property details from Registration Department, Based, GHMC is generating Property Tax to residential properties with a Monthly Rental Value of Rs 1.25 per sft for Jubille Hills Circle and Rs 1.00 per sft for Other Circles.

International Property Tax Institute

IPTI Xtracts- The items included in IPTI Xtracts have been extracted from published information. IPTI accepts no responsibility for the accuracy of the information or any opinions expressed in the articles.

- In case of Vacant Land, the Vacant Land Tax is generated online @ 0.50% of Registration Value.
- On assessment of their Property to Property Tax/Vacant Land Tax, Citizen will receive SMS with two links one to download the Assessment Copy and another for Payment of property tax.
- The New System will ensure that all the properties registered are assessment to property/Vacant Land tax instantly without any human intervention.
- There will be no Pendency of Assessments in GHMC Offices.
- Eliminate the discretion and encourage citizens to pay Taxes promptly.

HYDERABAD CIVIC BODY LAUNCHES ONLINE SERVICE FOR ASSESSMENT OF PROPERTIES, TAX CALCULATION

However, the new method eliminated the difference between the privileged and the underprivileged home owners in terms of rate per sqft.

HYDERABAD: To solve the problems faced by citizens while dealing with property tax, and to bring all the new properties into tax net, the online mutation and assessment of properties has been introduced by Greater Hyderabad Municipal Corporation (GHMC). The existing property tax assessment system is seen as 'not citizen friendly'.

Due to shortage of staff and difficulty in assessment, 100 per cent properties are not assessed and results in non-payment of property tax. On registration of any existing property which was already assessed for property tax/vacant land tax, the property is automatically mutated in the name of the new owner without changing the existing PTIN/VLTN and tax amount.

If the registered property is new or not assessed, a new PTIN/VLTN will be generated and sent to GHMC online. On receipt of PTIN/VLTN with property details from registration department, GHMC will fix property tax to residential properties with a monthly rental value of `1.25 per sqft for Jubilee Hills Circle and `1.00 per sqft for other circles. In case of vacant land, the vacant land tax is generated online at 0.50 per cent of registration value.

Doubts over revision

Sources claimed that the GHMC has revised property tax for new assessment of properties in the city. The civic body has come up with an amendment in calculation of monthly rental value of residential properties for calculation of property tax, in order to do away with human intervention.

However, the new method eliminated the difference between the privileged and the underprivileged home owners in terms of rate per sqft. In different areas across the

International Property Tax Institute

IPTI Xtracts- The items included in IPTI Xtracts have been extracted from published information. IPTI accepts no responsibility for the accuracy of the information or any opinions expressed in the articles.

city, GHMC was levying `0.60 paisa to `0.90 paisa per sqft, now it is going to levy `1 per sqft based on the type of property.

If the property was a tin roofed shed, lowest rate would be applicable, and if it is a luxury flat, the highest rate will be applicable. The officials have denied the claims and said there is no such revision on new assessment of properties.

THIRUVANANTHAPURAM CORPORATION ADDRESSES CONFUSIONS ABOUT PROPERTY TAX COLLECTION

The city Corporation, in a press release on Monday, addressed confusions regarding property tax payment for the public due to several changes that have happened in recent years.

The property tax was revised in April 2016, by changing the earlier system of calculating the tax based on the building's rental value to one based on the plinth area and type of use of the building. The entire building tax database was also shifted to an online platform in the past few years. An additional service cess of 10% has been added.

According to the Corporation authorities, it was quite natural for the public to have confusions about tax payment due to the above changes. Due to the change in the property tax calculation method, those who have been paying tax as per schedule might also end up with arrears. The records of some people might show outstanding amounts under service cess even if they have already paid the same due to an issue that cropped up during the shift to the online system.

Although the service cess had been collected since April 2016, it was done manually. However, when the system shifted online in 2018, there was no separate head for service cess in the system, due to which it was added under the property tax head as an advance amount. However, when the online system introduced a separate head for service cess in 2019, these amounts were erroneously shown as outstanding in the system.

COMMITTEE OPPOSES CAPITAL VALUE SYSTEM-BASED PROPERTY TAX REVISION

It is unbearable for common people, members say

The Ongole Town Development Committee(OTDC) has decided to step up struggle against the capital value system (CVS) based property tax revision undertaken by the civic body.

International Property Tax Institute

IPTI Xtracts- The items included in IPTI Xtracts have been extracted from published information. IPTI accepts no responsibility for the accuracy of the information or any opinions expressed in the articles.

The committee chairman Marella Subba Rao said the new system, based on the registration value of the property revised upward by the registration department from time to time, was unbearable for the common people.

The OTDC, along with like-minded civil society organisations, would intensify agitation to exert pressure on the civic body to revert to old system of annual rental value-based property tax assessment.

The new garbage tax was “illegal” as property tax covered all taxes, including the ones for provision of civic amenities such as water, drainage and collection of garbage by the Municipal corporation.

The OTDC would undertake a vigorous campaign against the monthly garbage tax of ₹100 fixed for individual houses, ₹200 for small commercial establishments, ₹2,000 for apartments and ₹5,000 for big commercial establishments, he said, adding that even dwelling units in slums were not spared as they had to shell out ₹50 per month for each unit.