

Copy of Memo, No. 01 (Finance) (Part-B)

Councils Ordinary Meeting  
Dated: 28-12-2022ITEM NO. 01 (Finance) (Part – B)1. Name of the Proposal

Determination of Municipal Tax, Rates, Cesses and Rebates for the Financial Year 2023-24 and other related matters.

2. Name of the Department : Property Tax Department3. Proposal for consideration of Council

- i. As per section-55(2), Council need to determine before 15<sup>th</sup> Feb., of each year the rates at which various municipal taxes, rates, cesses shall be levied in the next following year.
- ii. Section 60 of the Act mandates that the Council shall levy certain obligatory taxes specified under Section 60(1) of the Act and may levy certain discretionary taxes as specified under Section 60 (2) of the Act.
- iii. Council vide its resolution no. 11(Tax) dated 24.8.2022 has accorded in principle approval for change of Annual Cycle for Assessment and collection of property tax from the Financial year 2023-24 as per **Annexure –A (See pages 9 – 11 )**. In accordance with the approval of the council, the agenda for determination of various municipal taxes, rates and cesses is required to be incorporated in the Budget Agenda for approval of the Council Meeting.

Accordingly in view of para-3 above, the rates of taxes, rates and cess for the Financial Year 2023-24 is proposed as under :-

**Property Tax**

Sl.No	Lands and buildings or part thereof	Rate of Tax
i.	Where the rateable value does not exceeds Rs.10 Lakh	20% of the rateable value
ii.	Where the rateable value exceeds Rs.10 Lakh but does not exceeds Rs.20 lacs.	Rs.2,00,000/- plus 25% of the amount by which the rateable value exceeds Rs.10 lakh.
iii.	Where the rateable value exceeds Rs.20 lakh	Rs.4,50,000/- plus 30% of the amount by which the rateable value exceeds Rs. 20 lakh.

(B) **Tax on vehicles and animals:** As per Schedule –II of the Act at 'NIL' rate.

(C) **Theatre tax:** As per Schedule – III of the Act as 'NIL' rate.

(D) **Tax on advertisements other than advertisements published in the Newspapers:** As per Schedule-IV of the Act at maximum rate.

(E) **Duty on transfer of property :** Duty on transfer of property on the instruments specified in Sec. 93 (2)(b) and on instruments presented for mutation under Sec.74, at the following rate:-

28.12.2022

(a) 2% in case the transferee is a woman to the extent of her share in the property.

( b ) 3 % in case the transferees are persons other than women.

**(F) Tax on building payable along with the application for sanction of the building plan.**

As per Schedule-V of the Act.

**(G) Tax on sale or supply of Electricity:**

The tax may be @ 5% of tariff fixed by DERC for consumption, sale or supply of electricity or on sale of surplus electricity.

**4.** Section 124 of the NDMC Act provides that the Council may by resolution passed in this behalf exempt either wholly or in part from the payment of any taxes levied under this Act and any class of person or any class of property or goods. Under this provision, the Council has been giving rebate on the payment of tax and not from the levy of tax. These rebates for the year 2023-24 will be applicable if payment is made upto the pay by dates as decided by the Council as under:-

- i. A rebate of 50% of the tax calculated on the rateable value upto Rs.5.00 lakh of lands and buildings used or to be used and occupied or to be occupied for residential purposes (Max. Rs. 50,000/-).
- ii. A self occupancy rebate of 25% of the property tax payable after allowing the rebate at (i) above, in respect of self occupied residential properties singly owned by a Sr. citizen who is sixty years or more in age as on 01.04.2023 or by a women or a physically challenged person. Irrespective of their age or jointly owned by any of these categories (self attested proof is to be provided for claiming rebate).  
Provided that aforesaid rebate would not be allowed in respect of those portion of the building owned by such a Sr. citizen or women or physically challenged person which are on rent or is used for commercial purposes.
- iii. A rebate of 50% of the tax determined on rateable values upto Rs.1.00 Lakh, for properties other than residential properties (Maximum Rs.10,000/-)
- iv. A rebate of 40% of the tax payable in respect of aided schools and colleges and 20% of tax payable by unaided schools for the lands and buildings owned by Society or Body after deducting the rebate at (iii) above;

Provided that no such rebate shall be available on the portions on rent or used for commercial purposes or occupied for residential purposes by staff (employees);

- v. 100% exemption from payment of property tax on vacant lands and buildings owned exclusively by war widows, gallantry award winners in Defence Forces, Police and paramilitary Forces as also civilians who have received bravery awards of the highest order from the Government including Annual Bravery Awards given by the Hon'ble President of India, armed force personnel sustained disability between 76% to 100% in a war or war like operations.



Provided that the exemption shall be subject to the condition that:-

- a. The premises in question is in self-occupation for residential use and no portion thereof is let out for any purpose whatsoever;
- b. In case the person concerned has more than one property in Delhi, the exemption shall be applicable to only one property which is permanently used for self- residence.
- c. The benefit of exemption shall be limited to the life time of the person concerned, except where the award has been granted posthumously, in which case the exemption will be granted to the widow of the gallantry award winner limited to the life time of such widow.
- vi. The rebates would be granted to the tax payers who make payments as per the rateable value indicated in the Assessment List notified by the NDMC to public for the year 2023-24 or as per self assessment whichever is higher and payment received on or before the due date decided by the Council.
- vii. On the net tax payable, after rebate as above from (i) to (iv), a prompt payment rebate of 10% of the net tax may be allowed, if the tax is paid by 30<sup>th</sup> June, 2023 and 5% if the tax is paid after 30<sup>th</sup> June., 2023 but before 31<sup>st</sup> Sept., 2023;

Provided that the date of payment of tax with rebates can be extended by the Chairperson, generally or in specific case on facts of the case.

All the rebates are subject to payment made by "PAY BY DATE" i.e. the date upto which rebates are applicable, except mentioned at 4(ii), subject to providing self attested proof, the said rebate is applicable up to 31/03/2024. All other rebates as mentioned in para 4 (i), (iii) and (iv) will be allowed all together and not exclusively, if the payment is made by the date upto which rebates are applicable. The calculation of rebate under para 4(ii) shall be made after deducting para 4(i) rebate.

Provided further that in case of any dispute on the question of grant of rebates under clause (i) to (v), the decision of the Chairperson shall be final.

#### **05. SERVICE CHARGES FOR GOVT. PROPERTIES**

Properties of the Union Constructed prior to 26<sup>th</sup> Jan.-1950 are subject to property tax and those constructed on or after 26<sup>th</sup> Jan.- 1950 are exempt from the levy of property taxes. Under orders of the Govt. of India, as approved by the Hon'ble Supreme Court, Service Charges in the range of 33.33% to 75% are payable on all such properties vide O.M. No.200011(5)/70-Pol.I(PT) dated 21<sup>st</sup> June, 2006.

#### **06. Financial implication of the proposed subject**

This is a statutory requirement.

#### **07. Implementation schedule with timelines for each stage including internal processing.**

NA

**08. Comments of the Finance Department**

NA

**09. Comments of the Department on comments of Finance Department**

NA

**10. Legal implications of the subject/project**

This is a legal requirement as per Section 55(2) of NDMC Act 1996. Proposed rates would be effective from 1<sup>st</sup> April, 2023.

**11. Details of previous Council Resolution, existing law or Parliament and Assembly on the subject**

In Financial Year 2022-23, the rates and rebates were approved vide Resolution No.01 (F-01) dated 09.02.2022 by Council enclosed as Annexure 'B' (See pages 12 – 15 )

**12. Comments of the Law Department on the subject / project**

This is a requirement of statute and as such no legal implications.

**13. Comments of the Department on the comments of Law Department**

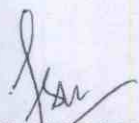
Not Applicable


**Recommendations**

A detailed proposal as contained in Paras - 03 to 05 on the Determination of Municipal Taxes, Rates, Cesses and Rebates for the Financial Year 2023-24 is placed before the Council for ratification.

**COUNCIL'S DECISION**

Resolved by the Council that the detailed proposal, as contained in Paras - 03 to 05 on the Determination of Municipal Taxes, Rates, Cesses and Rebates for the Financial Year 2023-24 is approved.

  
(VIKRAM SINGH MALIK)  
SECRETARY

  
(AMIT YADAV)  
CHAIRPERSON / PRESIDING OFFICER

28.12.2022



**08. Comments of the Finance Department**

NA

**09. Comments of the Department on comments of Finance Department**

NA

**10. Legal implications of the subject/project**

This is a legal requirement as per Section 55(2) of NDMC Act 1996. Proposed rates would be effective from 1<sup>st</sup> April, 2023.

**11. Details of previous Council Resolution, existing law or Parliament and Assembly on the subject**

In Financial Year 2022-23, the rates and rebates were approved vide Resolution No.01 (F-01) dated 09.02.2022 by Council enclosed as Annexure 'B' (See pages 12 – 15 )

**12. Comments of the Law Department on the subject / project**

This is a requirement of statute and as such no legal implications.

**13. Comments of the Department on the comments of Law Department**

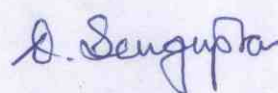
Not Applicable

**Recommendations**

A detailed proposal as contained in Paras - 03 to 05 on the Determination of Municipal Taxes, Rates, Cesses and Rebates for the Financial Year 2023-24 is placed before the Council for ratification.

**COUNCIL'S DECISION**

Resolved by the Council that the detailed proposal, as contained in Paras - 03 to 05 on the Determination of Municipal Taxes, Rates, Cesses and Rebates for the Financial Year 2023-24 is approved.



For Secretary  
New Delhi Municipal Council  
New Delhi.

28.12.2022

## ITEM NO. 11 (Tax)

- 9 -

JOURNAL ORDINANCE  
DATED: 24/08/20221. Name of the Subject/ Project

In principal Approval for Change of Annual Cycle for assessment and collection of property tax from Financial Year 2023-24.

2. Name of the Department Concerned:

Property Tax Department

3. Breif history of the Subject/ Project

Property Tax Department of NDMC levies and collects the property tax from all private Lands and Buildings in New Delhi area. The service charges are also collected from the central government properties in lieu of property tax. There are 13485 private property and 1494 government properties from whom the property tax and service charges are collected.

II The assessment and collection of property tax involves various stages and timeline from the date of placing agenda before council for determination of rates of taxes for following years, preparation of assessment list, inviting objections, approval of competent authority, issue of bills etc. As per existing scheduled the activities starts from the month of Feb of each year, when an agenda for determination of rates, rebate is placed before the Council for approval. Subsequently, the bills for service charges are issued in the month of July of the year. Thereafter, assessment list for private properties is prepared advertised and objection are invited from the citizen and bills are issued which takes almost 3 to 4 months and department have to extend the pay by date for rebate on prompt payment. There are instances, when the department could only raise the bills in the month of November, and start getting the payment of tax from the month of December.

III In contrary to above, MCD has their standard date of payment of tax each year i.e. in June every year and start getting tax revenue at an early stage. Though, the process of NDMC is different and lengthy from the MCD. NDMC has to invite the objection from the citizen in r/o proposed Rateable value of each property which is kept open for 1 month for public and has to settle all the objection before finalization of assessment list. After assessment list, the bills are raised and dispatched to all the tax payers.

4. Detailed Proposal on the Subject/Project

In order to curtail delay and rationalize the annual cycle of various activities of the tax department, following draft proposal are suggested for consideration:-

A) Placing the Tax Agenda with NDMC Budget: As per Section 55(2) of NDMC Act, 1994. Council needs to determine on or before 15<sup>th</sup> Feb of each year the rates of various municipal taxes, rates, cesses for the following year. It is observed during



the preceding years that while proposing the budget for next FY, the announcement of adoption of tax rates is made in the Chairman Budget Speech and as per budget regulations, the budget is approved on or before 15<sup>th</sup> January each year from the Council. As such, it is suggested that the agenda for determination of tax rate may also be incorporated in the budget agenda for approval in the special budget meeting.

(B) Once the Agenda is got approved as above from the Council, the other activities may be align as per following schedule:-

U/S of NDMC Act.	Activities	The date by which the activity may be completed
99	Presentation / raising of Government bills	Each year by 30 <sup>th</sup> of April.
70	<ul style="list-style-type: none"> <li>Preparation of Assessment of all Lands and Buildings containing particulars each land and building in the first quarter of the year and kept at the notify place for inspection and taking extract thereof.</li> <li>Public notice not less one month for inviting general objection.</li> <li>Disposal of all objections</li> <li>Authentication of assessment list and publication with respect to the authentication</li> </ul>	15 <sup>th</sup> April of each year.
72	Amendment of assessment list	Upto 15 <sup>th</sup> May each year.
99	Presentation of Private Bills	31 <sup>st</sup> May of each year
	Rebate	10% upto 30 <sup>th</sup> June & thereafter, 5% upto September of each year.

5. Financial implication of the proposed subject/ Project

NA

6. Implementation schedule with timelines for each stage including internal processing.

As per Para No 4

7. Comments of the Finance Department

Being a statutory requirement, department may place the draft agendum for appraising of their proposal before the Council subject to opinion of Law Department with regard to their proposal.

Comments of the Department on comments of Finance Department

Opinion of Law department is at para 10 of the Agendum

24.08.2022

- II -

8. Legal implications of the Subject/Project

None

9. Details of previous Council Resolution, existing law or Parliament and Assembly on the subject

Item No 01(F-01) dated 09.02.2022

10. Final Comments of the Law Department on the subject/project

Draft agenda appears to be administrative in nature and no legal issue is involved.

Comments of the Department on comments of Law Department:

N.A

11. Certificate by the department that all Central Vigilance Commission (CVC) Guidelines have been followed while processing the case:

NA

12. Recommendations of the Department

The proposal at Para No 04 regarding rationalizing the annual cycle of various activities of the tax department, may be approved

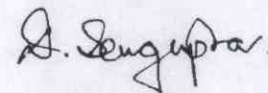
Draft Resolution:

Resolved by the Council that In principal Approval for Change of Annual Cycle for assessment and collection of property tax from Financial Year 2023-24 as proposed at Para No 04 of the Draft Agendum is accorded.

COUNCIL'S DECISION

Resolved by the Council to accord in principle Approval for Change of Annual Cycle for assessment and collection of property tax from Financial Year 2023-24 as proposed at Para No.04 of the Agendum.

It is further resolved by the Council that the departments concerned may initiate further necessary action on the decisions taken by the Council as above, in anticipation of confirmation of the Minutes.

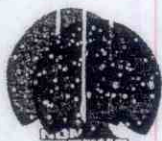


For Secretary  
New Delhi Municipal Council  
New Delhi.

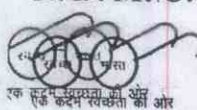
21/08/2022



(COUNCIL SECRETARIAT) - 12-



नई दिल्ली नगरपालिका परिषद  
न.द.म.स.प.  
N.D.M.C.C.



Sub: Circulation of agenda to the members of the Council – for approval thereof.

## ITEM NO. 01 (F-01)

1. Name of the Proposal

Determination of Municipal Tax, Rates, Cesses and Rebates for the Financial Year 2022-23 and other related matters.

2. Name of the Department :

Property Tax Department

3. Proposal for consideration of Council

- (i) As per section-55(2), Council need to determine before 15<sup>th</sup> Feb., of each year the rates at which various municipal taxes, rates, cesses shall be levied in the next following year.
- (ii) Section 60 of the Act mandates that the Council shall levy certain obligatory taxes specified under Section 60(1) of the Act and may levy certain discretionary taxes as specified under Section 60 (2) of the Act.
- (iii) Vide Resolution No.01 (F-02) dated 08.02.2021, Council has determined rates of various municipal taxes, rates and cesses for the year 2020-21 as per Annexure-A (placed on file).
- (iv) Chairperson while proposing the Budget for the Financial Year 2022-23 before the Council on 07/01/2022 stated in Budget Speech that there would be no increase in property tax rates for the Financial Year 2022-23. The Council has already approved the budget proposals along with the Budget Estimate.

03.1 Accordingly in view of para-3 (iv), the rates of taxes, rates and cess for the Financial Year 2022-23 is proposed as under:-

(A) Property Tax

Sl.No	Lands and buildings or part thereof	Rate of Tax
i.	Where the rateable value does not exceeds Rs.10 Lacs	20% of the rateable value
ii.	Where the rateable value exceeds Rs.10 Lacs but does not exceeds Rs.20 lacs.	Rs.2,00,000/- plus 25% of the amount by which the rateable value exceeds Rs.10 lacs.
iii.	Where the rateable value exceeds Rs.20 lacs	Rs.4,50,000/- plus 30% of the amount by which the rateable value exceeds Rs. 20 lacs.

(B) Tax on vehicles and animals: As per Schedule -II of the Act at 'NIL' rate.

(C) Theatre tax: As per Schedule - III of the Act as 'NIL' rate.

(D) Tax on advertisements other than advertisements published in the Newspapers: As per Schedule-IV of the Act at maximum rate.

1

(E) Duty on transfer of property: Duty on transfer of property on the instruments specified in Sec. 93 (2)(b) and on



-13-

instruments presented for mutation under Sec.74, at the following rate:-

- (a) 2% in case the transferee is a woman to the extent of her share in the property.
- (b) 3% in case the transferees are persons other than women.
- (F) Tax on building payable along with the application for sanction of the building plan.  
As per Schedule-V of the Act.
- (G) Tax on sale or supply of Electricity:

The tax may be @ 5% of tariff fixed by DERC for consumption, sale or supply of electricity or on sale of surplus electricity.

4. Section 124 of the NDMC Act provides that the Council may by resolution passed in this behalf exempt either wholly or in part from the payment of any taxes levied under this Act and any class of person or any class of property or goods. Under this provision, the Council has been giving rebate on the payment of tax and not from the levy of tax. These rebates for the year 2022-23 will be applicable if payment is made upto the pay by dates as decided by the Council as under:-

- (i) A rebate of 50% of the tax calculated on the rateable value upto Rs.5 lacs of lands and buildings used or to be used and occupied or to be occupied for residential purposes (Max. Rs. 50,000/-).
- (ii) A self occupancy rebate of 25% of the property tax payable after allowing the rebate at (i) above, in respect of self occupied residential properties singly owned by a Sr. citizen who is sixty years or more in age as on 01.04.2022 or by a women or a physically challenged person. Irrespective of their age or jointly owned by any of these categories (self attested proof is to be provided for claiming rebate).

Provided that aforesaid rebate would not be allowed in respect of those portion of the building owned by such a Sr. citizen or women or physically challenged person which are on rent or is used for commercial purposes.

- (iii) A rebate of 50% of the tax determined on rateable values upto Rs.1 Lakh, for properties other than residential properties (Maximum Rs.10,000/-)
- (iv) A rebate of 40% of the tax payable in respect of aided schools and colleges and 20% of tax payable by unaided schools for the lands and buildings owned by Society or Body after deducting the rebate at (iii) above;

Provided that no such rebate shall be available on the portions on rent or used for commercial purposes or occupied for residential purposes by staff (employees);

- (v) 100% exemption from payment of property tax on vacant lands and buildings owned exclusively by war widows, gallantry award winners in Defence Forces, Police and paramilitary Forces as also civilians who have received bravery awards of the highest order from the Government including Annual Bravery Awards given by the Hon'ble President of India, armed force personnel sustained disability between 76% to 100% in a war or war like operations.  
Provided that the exemption shall be subject to the condition that:-

2







- 15 -

11. Details of previous Council Resolution, existing law or Parliament and Assembly on the subject

In Financial Year 2021-22, the rates and rebates were approved vide Resolution No.01 (F-02) dated 08.02.2021 by Council enclosed as Annexure 'A' (placed on file).

12. Comments of the Law Department on the subject/project

This is a requirement of statute and as such no legal implications.

13. Comments of the Department on the comments of Law Department

Not Applicable

Recommendations

A detailed proposal as contained in Paras - 03 to 05 on the Determination of Municipal Taxes, Rates, Cesses and Rebates for the Financial Year 2022-23 is placed before the Council for ratification.

COUNCIL'S DECISION


Resolved by the Council that A detailed proposal as contained in Paras - 03 to 05 on the Determination of Municipal Taxes, Rates, Cesses and Rebates for the Financial Year 2022-23 is placed before the Council for ratification.

It is further resolved by the Council that department may initiate further necessary action on the decision taken as above in anticipation of confirmation of the Minutes.

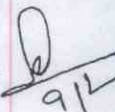
Dy. Director (CS) - On-leave

for   
H.A. (CS)

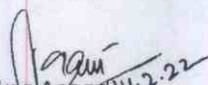
Director (CS)

  
9/2/22

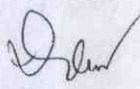
Secretary

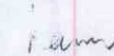
  
9/2/22

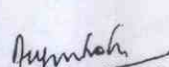
Chairperson


  
(Vikas Anand) 11.2.22  
Member


(Manisha Saxena)  
Member

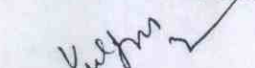
  
(D. Thara)  
Member

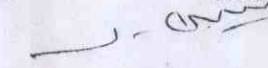
  
(Kamran Rizvi)  
Member

  
(Ashutosh Agnihotri)  
Member

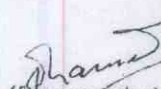
  
(Girish Sachdeva)  
Member


  
(Vishakha Sailani)  
Member


  
(Kuljeet Singh Chahal)  
Member

  
(Virender Singh Kadlan)  
MLA/Member

  
(Satish Upadhyay)  
Vice-Chairperson /  
Member

  
(Dharmendra)  
Chairperson

  
(Meenakshi Lekhi) 4  
M.P./Member

  
(Arvind Kejriwal)  
C.M. / Presiding Officer