

Copy of Reso. No. 05(F-01)
of
Councils Ordinary Meeting
dated 29/01/2014

ITEM NO. 05 (F-01)

1. Name of the subject/project

Determination of municipal tax, rates, cesses and rebates for the year 2014-15 and other related matters.

2. Name of the Department

Property Tax Department

3. Detailed history of the subject and proposal for consideration of Council

4. Requirement of Sub-Section (2) of Section 55 of the New Delhi Municipal Council Act, 1994(hereinafter referred to as the "ACT") is that the Council has to determine the rates of various municipal taxes, rates and cesses for the year 2014-15 on or before 15th February 2014.

5. 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.

6. Executive instructions from the Central Government, as approved by the Hon'ble Supreme Court of India, provide that Council is entitled to Service Charges on land & building being properties of the Union, constructed on or after 26th Jan., 1950.

7. In Resolution No.06 (F-1) dated 31.01.2013 Council has determined rates of various municipal taxes, rates and cesses for the year 2013-14 and permissible rebates as per Annexure-I (See pages 53 - 58)

8. The property tax is a percentage of the retable value of lands and buildings and valuation of land and buildings under the Annual Rent Bye Laws of 2009. This Bye Law is under consideration of the Delhi High Court, where in so far no stay on the payment of taxes has been given by the Court so far.

9. It is for the consideration of the Council that the rates of property tax may continue to be the same as in 2013-14. Similarly, the rates of taxes on vehicles and animal, theatre tax, tax on advertisements other than the advertisements published in the newspaper, duty on transfer of property, tax on building payable along with the application for sanction of the building plan may be the same as in 2013-14. The tax on sale, supply and consumption of electricity may @ 5% of tariff fixed by DERC for consumption, sale or supply of electricity or on sale of surplus electricity. The rates of

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taxes, rates and cesses for the year 2014-15 are proposed for consideration for the Council as under:

(A) Property Tax

	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.

(E) Duty on transfer of property: Duty on transfer of property on the instruments specified in Sec. 93(2)(b) and on instructions 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) 2.5% 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.

10. 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 2014-15 may be 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;

(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 01.04.2014 or by a women

or a physically challenged person, irrespective of their age or jointly owned by any of these categories;

Provided that no portion of the building owned by such a Sr. citizen or women or physically challenged person is on rent or is used for commercial purposes and the building is actually owned and occupied by these categories;

- (iii) a rebate of 50% of the tax determined on rateable values upto Rs.1 lac, for properties other than residential properties;
- (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;

- (v) on the net tax payable, after rebate as above from (i) to (iv), a prompt payment of rebate of 10% of the net tax may be allowed, if the tax is paid, along with a return U/s-77 of the NDMC Act by 30th September, 2013 and 5% if the tax is paid after 30st September, 2014 but on or before 31st December, 2014;

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.

SERVICE CHARGES

- 11. Properties of the Union constructed prior to 26th of Jan., 1950 are subject to property tax and those constructed on or after 26th January 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 are payable on all such properties. There has been a change in the valuation of such properties in the Bye-laws of 2009. If the property tax and service charges are paid as per these bye-laws of 2009, the rebates under para-10(v) property tax and service charges would be admissible at the same rates as to the private properties.

- 12. Rebate on self occupied residential properties for earlier year 2010 to 2013.

Federation of Association of Babar Road, Diplomatic Enclave, Golf Link and Jor Bagh have represented that they had not opted for payment of property taxes on filing of returns for the years 2010-11, 2011-12 and 2012-13 as they were disputing the validity of the Bye Laws of 2009 and has now sought rebate for the self occupied residential properties, if they pay the tax under the Annual Rent Bye Laws of 2009.

- 12.1 As aforesaid, rebate for payment of tax is available under section 124 of the NDMC Act. The request of federation is only in respect of the self occupied residential properties. If they make the payment for the relevant years from 2010-11 to 2012-13 for the self occupied residential properties under Bye Law of 2009. The Council may agree for the grant of rebate of 25% to the Senior Citizen, handicap

and women, if no portion of building is on rent and the payment is made before 31.3.2014 and additional rebate of 10% for prompt payment may also be agreed to, in respect of these properties, if the payment is made before 31.3.2014. This rebate of 10% will also be available to all the self occupied residential properties not limited to only those owned and occupied by Senior Citizens, handicapped and women. This is the rebate on the additional amount to be paid by them and not on the payment already made in respective years, provided that it does not result in excess or refund.

13. Financial implication of the proposed subject

This is a statutory requirement.

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

Not applicable.

15. Comments of the Finance Department

N.A

16. Comments of the Department on comments of Finance Department

N.A

17. Legal implications of the subject/project

This is a legal requirement.

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

In 2013-14, the rates and rebates were approved in Resolution No.06 (F-1) dated 31.01.2013

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

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

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

NIL

1. Recommendations


Council may approve the proposals as contained in Paras - 09 to 12.1 and permit implementation, in anticipation of confirmation of minutes of the meeting.

Chairperson has seen the proposal and approved its being placed before the Council in its next meeting.

COUNCIL'S DECISION

Resolved by the Council to approve the proposals of the department contained in Paras - 09 to 12.1 of the preamble.

It was also resolved by the Council that further action may be taken by the Department in anticipation of confirmation of the Minutes by the Council.


13/2/14
For Secretary
New Delhi Municipal Council
Patika Kendra, New Delhi

ITEM No. 06 (F-01)1. Name of the subject/project

Determination of municipal tax, rates, cesses and rebates for the year 2013-14 and other related matters.

2. Name of the Department

Property Tax Department

3. Detailed history of the subject and proposal for consideration of Council

4. Requirement of Sub-Section (2) of Section 55 of the New Delhi Municipal Council Act, 1994(hereinafter referred to as the "ACT") is that the Council has to determine the rates of various municipal taxes, rates and cesses for the year 2013-14 on or before 15th February 2013

5. 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.

6. Executive instructions from the Central Government, as approved by the Hon'ble Supreme Court of India, provide that Council is entitled to Service Charges in lieu of property taxes, on the property of the Union,

07. In Resolution No.06 (F-1) dated 09/02/2012 Council has determined rates of various municipal taxes, rates and cesses for the year 2012-13 are as under:-

(A) Property Tax

	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.10Lacs 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.
- (E) Duty on transfer of property: Duty on transfer of property on the instruments specified in Sec. 93(2)(b) and on instructions 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) 2.5% 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.

8. Council had also resolved to allow in 2012-13 rebates for payment of tax in respect of properties paying tax under the Annual Rent Bye Laws-2009 are 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;
- (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 01.04.2012 or by a women or a physically challenged person, irrespective of their age or jointly owned by any of these categories;
Provided that no portion of the building owned by such a Sr. citizen or women or physically challenged person is on rent or is used for commercial purposes and the building is actually owned and occupied by these categories;
- (iii) a rebate of 50% of the tax determined on rateable values upto Rs.1 lac, for properties other than residential properties;
- (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;
- (v) the Chairperson is authorized to give rebate of not more than 20% of the tax payable by owner or tenant, for the shops occupied by him in Blocks A - H, K - N in Connaught Place as may be decided by Chairperson;
Provided that this rebate shall not be available to premises occupied by Banks or for office and commercial purposes or multiplex;
As resolved by the Council this rebate would be available for 2010-11, 2011-12 & 2012-13 also.
- (vi) on the net tax payable, after rebate as above from (i) to (v), a prompt payment of rebate of 10% of the net tax may be allowed, if the tax is paid, along with a return U/s-77 of the NDMC Act by 30th September, 2012 and 5% if the tax is paid after 30st September, 2012 but on or before 31st December, 2012;

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.

9. It is proposed for consideration for the Council that the rate of taxes and rebates for the year 2013-14 may remain the same as in the year 2012-13. Accordingly the rate of municipal taxes, rates, cesses for the year 2013-14 are proposed as under:-

(A) Property Tax

	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.10Lacs 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.

(E) Duty on transfer of property: Duty on transfer of property on the instruments specified in Sec. 93(2)(b) and on instructions 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) 2.5% in case the transferees are persons other than women.

(G) Tax on building payable along with the application for sanction of the building plan: As per Schedule –V of the Act.

10. The rebates for the year 2013-14 are also proposed on the same lines as for the year 2012-13, which are 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;

(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 01.04.2013 or by a women or a physically challenged person, irrespective of their age or jointly owned by any of these categories;

Provided that no portion of the building owned by such a Sr. citizen or women or physically challenged person is on rent or is used for commercial purposes and the building is actually owned and occupied by these categories;

(iii) a rebate of 50% of the tax determined on rateable values upto Rs.1 lac, for properties other than residential properties;

- (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;
- (v) the Chairperson is authorized to give rebate of not more than 20% of the tax payable by owner or tenant, for the shops occupied by him in Blocks A – H, K – N in Connaught Place as may be decided by Chairperson;
Provided that this rebate shall not be available to premises occupied by Banks or for office and commercial purposes or multiplex;
As resolved by the Council this rebate would be available for 2010-11, 2011-12 & 2012-13 & 2013-14 also.
- (vi) on the net tax payable, after rebate as above from (i) to (v), a prompt payment of rebate of 10% of the net tax may be allowed, if the tax is paid, along with a return U/s-77 of the NDMC Act by 30th September, 2013 and 5% if the tax is paid after 30st September, 2013 but on or before 31st December, 2013;
- 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.

SERVICE CHARGES

11. Properties of the Union constructed on or after 26th January 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 are payable on all such properties. There has been a change in the valuation of such properties in the Bye-laws of 2009. If the property tax and service charges are paid as per these bye-laws of 2009, the rebates under para-10(vi) property tax and service charges would be admissible at the same rates as to the private properties.
12. Rebate for prompt payment of tax for the additional demand raised in 2012-13 .
- (i) The Council has been resolving to grant rebates at the time of payment of taxes but these are relevant and available only for the year for which the Council has determined the rate of taxes.
- (ii) No Resolution of the Council is available to give rebates for the prompt payment of taxes, where the demand is raised in a year of assessment for more than one year. In such cases it is claimed by the tax payer that since the demand has not been raised in the year of assessment, they are finding it difficult to make the payment in one go and that they have already suffered the benefit of its payment in the Income Tax assessment, for the relevant years.
- (iii) The Council's Resolution relates to the grant of rebate only where the tax payer has made payment under self assessment through the return and such rebate is 10% if tax is paid by 30th of Sept. and 5% if the tax is paid between 1st of Oct., to 31st of Dec., through self assessment under the new Bye Laws. No rebate is available for the additional demand on scrutiny of such returns or where fresh demand is raised for more than one year. Payment of Property

Tax Bye Laws have a provision for grant of installment in such cases, where the demand is more than two years such demand cannot be enforced in one go and tax payer is entitled to pay in installments. Even when the demand is of two years or of current year, the tax payer has a right to approach the Chairperson for grant of installment and the Chairperson can give installments on such conditions as he may consider necessary.

- (iv) It is proposed that in respect of the additional demand already raised or to be raised in the year 2012-13, on the scrutiny of the Returns under new Bye Law or where demand is raised for more than two years in 2012-13, the Council may resolve to give 5% rebate on such additional demand, if the same is paid on or before 31st of March, 2013. This rebate shall be available only if the additional demand is paid prior to 31st of March 2013. This rebate is not intended to work out excess payment or to give refund, where the additional demand has already been paid.
- (v) Other rebates granted by the Council for payment of tax with Self Assessment Returns shall not be available.
- (vi) In respect of Government of India properties, particularly CPWD managed properties, service charges demand has been raised and if such demand is paid before 31st of March, 2013, 5% rebate shall also be available on such demand if the demand is paid by 31/03/2013.

13. Financial implication of the proposed subject

This is a statutory requirement.

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

Not applicable.

15. Comments of the Finance Department

In the budget speech presented by the Chairperson on the recommendations of the Finance no change in tax was proposed. As such no comment from Finance Department now appears necessary.

16. Comments of the Department on comments of Finance Department

Nil

17. Legal implications of the subject/project

This is a legal requirement.

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

In 2012-13, the rates were approved in Resolution No.06(F-1) dated 09/02/2012

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

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

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

NIL

20. Recommendations

Council may approve the proposals as contained in Paras - 09 to 12 (i to vi) and permit implementation, in anticipation of confirmation of minutes of the meeting. Chairperson has seen the proposal and approved its being placed before the Council in its next meeting.

Agenda has been seen by the Chairperson for being placed before the Council as an Urgent Item of business from the Chairperson for the Council.

COUNCIL'S DECISION

Resolved by the Council to accord approval to the proposals as contained in Paras - 09 to 12 (i to vi) of the agenda and to permit implementation of the same in anticipation of confirmation of minutes of the meeting.

For Secretary
New Delhi Municipal Council
Palika Mandra, New Delhi
