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## **MCD to target tax defaulters**

Staff Reporter

*Property tax collection falls Rs. 400 crore short of target*

NEW DELHI: With its property tax collection falling Rs.400 crore short of target during the previous financial year, the Municipal Corporation of Delhi is planning to carry out a survey to identify defaulters, especially disguised commercial property owners, and net new categories including plush shopping malls that are not paying any tax to the civic agency at present.

A sum of around Rs.1,064 crore was collected as property tax for the year 2008-09 as against the targeted sum of around Rs.1,463 crore.

However, if the new plan is put in place, the civic body expects to realise a further Rs.500 crore from property tax.

### **Door-to-door survey**

According to MCD Standing Committee deputy chairperson Rajni Abbi, "Most people who live near the North Campus and South Campus of Delhi University rent out their houses or convert

a part of it into paying guest accommodation or hostels. They, however, do not pay any property tax. In order to increase our revenue collection, MCD officials need to go from door to door to identify such defaulters and charge commercial tax from them.”“The procedure of filing property tax also has to be simplified and streamlined if we want to bring more people under the tax net,” she added.

According to Leader of the House Subhash Arya, “One way of increasing property tax is by bringing commercial properties like malls, five-star hotels and guest houses under a separate category which can be taxed accordingly.”

Municipal councillors feel that in most cases the executive agency had failed to maintain and update the records of property tax collected in the recent past leading to inconvenience to taxpayers and revenue loss to the civic agency.

According to Leader of the Opposition J. K. Sharma, “There are some 25 lakh properties in the city but only 8.5 lakh are paying property tax. Moreover, about Rs.800 crore in tax is due from the government and other agencies including the Public Works Department, the Delhi Metro Rail Corporation and the Delhi Jal Board. Why is the MCD not initiating any proceedings to recover the tax due from these agencies?”

### Amnesty scheme

The MCD had earlier announced an amnesty scheme under which taxpayers evading tax since the introduction of new unit area method five years ago would get waiver of penalty and interest if they pay the total amount due from April 1, 2004, by October 31 this year.