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Property tax: GHMC in troubled waters

Cash-strapped corporation told to share tax collection with Water Board

GHMC finding it tough to even pay contractors

Revenue-expenditure gap is already widening

HYDERABAD: The government might be mulling to bring Water Board under GHMC but its decision ordering sharing 25 per cent of property tax collection with the former has set alarm bells ringing. The corporation was anyway staring down the barrel with a bad fiscal position.

If last year's tax collection of about Rs. 380 crore is taken into account, at least Rs. 100 crore would have to be transferred to Water Board. With the economy downturn, municipal officials are hoping tax collection in the current financial year to be about Rs. 500 crore which meant that the Board's share is Rs. 125 crore.

Considering that the civic body is huffing and puffing to pay even pending bills of contractors, it's quite a heavy amount.

"The government orders will be followed though we are in a precarious state," sighed a senior official.

Though an official order was issued last month to share the tax revenue, GHMC has disbursed close to Rs. 20 crore in the last few months on some pretext or other. Officials accept that recessionary trends are sure to impact tax collection not only from commercial buildings but also from residential because of several 'To-let' boards coming up.

The innumerable work orders issued for taking up civic projects to tone up the suburbs after they were aligned with the erstwhile MCH in the last couple of years has literally broken its back. Works of more than Rs. 1,000 crore were sanctioned fairly liberally and even this year it has earmarked a whopping more than Rs. 2,000 crore for capital works.

When it's been struggling to complete or pay up for finished works and it has been accepted that other revenue outlets could be see a dip, where will the funds come from is a multi-crore question. The yawning gap between monthly revenue and expenditure is already widening.

Faint hope?

Officials, however, see a glimmer of hope in collecting Rs. 50-60 crore from processing Building Penalisation Scheme (BPS) applications this year. Demand notices for commercial and residential taxpayers in some of the posh localities based on the fresh data sourced from BPS applications about precise size of dwellings and conversion to commercial were being sent, explained an official. Yet, it won't be sufficient to tide over the dire financial state.

Debris removal

The GHMC will be concentrating on debris removal from Monday onwards as part of the preparations to keep the capital spick and span round-the-clock in view of Ganesh and Ramzan festivals.

Commissioner S.P. Singh at a meeting said that extra staff and machinery would be pressed into service during this time and special focus will be on debris dumping points. Similarly, works pertaining to streetlights, illumination, sanitation and road repairs will be taken up .