

The Times of India 19.12.2013

Nashik civic body's revenue through local body tax declines

NASHIK: The revenue of the Nashik Municipal Corporation (NMC) through Local Body Tax (LBT) has declined by 3.52 per cent to Rs 410 crore in the first eight months (till November 30) of the current fiscal, compared to the corresponding period in 2012-'13.

Following state government directives, a new tax system came into effect in the limits of the NMC on May 22, 2013, replacing the previous octroi system. However, the NMC has not yet received adequate response from traders. Around 60 per cent of the total LBT-registered traders have not paid the tax since the new tax system was introduced. This has led to the decline in revenue through LBT in the first eight months.

Around 23,500 traders and industrialists have been registered with the LBT, but only close to 9,000 traders are paying taxes. This means that around 14,500 traders have not been paying the LBT.

"It is a matter of grave concern for us that the proportion of tax payers is only 40 per cent. The NMC has decided to take action against tax evaders, including confiscating movable and immovable properties. Notices have been served to 1,500

traders for not paying the tax," an NMC official said.

The total revenue of the NMC through LBT and escort fee on octroi checkpoints was recorded at Rs 410 crore on November 30 in the current fiscal, against Rs 425 crore during the corresponding period last year. The revenue of Rs 410-crore includes Rs 269.21 crore as LBT, Rs 8.32-crore as escort fees, Rs 23.47 crore as stamp duty and Rs 109-crore as octroi. Octroi was effective over the period April 1 to May 21 in the current fiscal.

"Replacing octroi, LBT is now the major source of income. But revenue has decreased compared to octroi, since most registered traders have not been paying the new tax. We hope the revenue will increase over the next few months," the official said.