

The Times of India 28.12.2013

NMC revenue through LBT drops by 5.8%

NASHIK: The revenue of the Nashik Municipal Corporation (NMC) through local body tax (LBT) has declined by 5.8% to Rs 442.72 crore by December in the current fiscal, as against Rs 470 crore during the corresponding period last year (2012-13).

The new tax system came into effect in the limits of the municipal corporation from May 22 this year, replacing the previous octroi. Earlier, octroi was the main source of income as the NMC would earn 62% of the total revenue through it. After the octroi system was scrapped, LBT has become a major source of income of the municipal corporation. However, the NMC has not received good response from the traders, as around 60% of the total LBT-registered traders and businessmen are not paying the tax since its commencement.

Of Rs 442.72 crore collected this year, Rs 301.56 crore was generated through LBT, Rs 11.27 crore through escort duty, Rs 23.47 crore through stamp duty and Rs 106.42 crore through octroi (collected between April and to May 21).

Speaking to TOI, an NMC official said, "We are yet to receive good response for LBT from the traders and businessmen. This is a major reason due to which LBT collection has declined by 5.8%. Moreover, market, industry, real estate and other

segments are facing slowdown due to which there has been decrease in the revenue generated through LBT. We have decided to take action against tax evaders. Therefore, we are optimistic that the revenue of the NMC through LBT will definitely increase in the last quarter (December to March) of the current fiscal."

Around 23,500 traders and industrialists have been registered with the LBT, but only 9,000 of them are paying taxes. The proportion of tax payers is only 40%. The NMC has decided to take action by confiscating movable and immovable properties of the tax evaders. As part of this, notices have been served to 2,000 traders so far.