

The Hindu 01.09.2014

MCC to soon introduce online payment of property tax

Online payment of property tax in the city will soon be a reality, consequent to upgrading of software.

The proposal was originally mooted in 2010. However, the concept failed to take off due to technical and administrative issues as the Municipal Reforms Cell had insisted on fine tuning the software on one hand and digitising the property database of MCC on the other, before it could be launched.

M.B.L. Bhyrappa, chairman, Standing Committee on Finance, Taxation and Appeals Committee, told *The Hindu* that payment of property tax online could be a reality as early as “within a month” as some of the technical glitches had been sorted out.

Fine-tuning of software

“The software had to be fine-tuned to indicate a 15 per cent upward revision in property tax once in three years under the self-assessment scheme (SAS) as stipulated by law and this aspect has been incorporated in the new software. Hence, we expect the online payment facility to become a reality within a month,” said Mr. Bhyrappa.

Bank

At present, only ICICI bank account holders with net banking facility can make property tax payment.

Impact

When launched, the efficiency in tax collection is expected to increase as many registered property owners tend to postpone payment of tax as they loathe standing in lengthy queues.

But the launch of online payment mechanism will obviate the need for the public to stand in queue and finish the payment at

the click of a button.

Setback

Meanwhile, the MCC plan to augment its revenue by bringing the mobile towers under tax-net, has received a setback. Mr. Bhyrappa said there was a High Court judgement against it, following which, the MCC was forced to revoke its earlier order making it mandatory to collect Rs.12,000 a tower as property tax.

Resource-base

The MCC had viewed the mobile towers as a “resource base which could be tapped to enhance its revenue collections. The MCC had argued that owners of vacant sites and those permitting installation of mobile towers on rooftops were doing so by charging exorbitant rent from the mobile service providers and hence it was a commercial transaction.

But, they were not paying any tax to the MCC. Mr. Bhyrappa said the court order had restrained them from implementing it.

Advertisement rates

In the meantime, the MCC has revised the advertisement rates to shore up its revenue.

The hike in tariffs is almost double but the rates vary from area to area depending on their commercial importance. In Zone A, the advertisement rate is Rs.70 a sq. ft. of hoarding, up from the earlier rate of Rs. 35 a sq. ft.

Target

The MCC aims at collecting Rs. 90 crore by way of property tax this fiscal against which, it had collected Rs. 45 crore so far. Besides, Rs. 20 crore arrears due from last year was pending collection.

Originally mooted in 2010, the proposal could not be introduced owing to technical reasons

Implementation of new system expected to augment property tax collection