

The Times of India 12.09.2014

Civic body to bring new properties under tax net

AURANGABAD: The Aurangabad Municipal Corporation is once again gearing up to launch a drive to identify new properties and step up tax recovery. The civic body, facing financial difficulties, has planned to deploy more manpower for the purpose.

Sources in the civic body said that the increased financial liabilities of the AMC had left no other option for it but to consolidate its revenue generation.

Ramesh Pawar, additional municipal commissioner, also said that the civic is looking forward to generate more revenue. "We have found that many properties in the city are remaining out of the tax net. Looking at the city's population and geographic area, the number of properties registered with the municipal body is quite less. It seems that there is enough scope for identifying new properties and bringing them under tax net," he said.

The city has an estimated population of 12.5 lakh, while it covers nearly 152 square km area.

Pawar said that 1.91 lakh properties (commercial and residential) have been registered with the municipal body. "But it should be more than this. Municipal commissioner Prakash Mahajan has directed the authorities to make efforts to increase revenue. He has also agreed to provide additional manpower to the civic tax assessment department," he said.

Currently, the department has eight sub-overseers to take care of the entire city. Besides property assessment, these sub-overseers are also conducting surveys and resolving disputes. This ultimately affects the assessment process.

The AMC on Thursday claimed that it has identified nearly 10,000 new properties in the past two financial years and brought them under the ambit of property tax. In the current year, it has completed assessment of 2,221 new properties. The civic body is expecting additional revenue of Rs 5 to Rs 6 crore from new properties in the current financial year.

In 2012-13, the civic body had aimed to collect property tax of Rs 100 crore but the actual collection was only Rs 58.11 crore. In 2013-14, the AMC had collected about Rs 70 crore against the target of Rs 100 crore. In the current financial year, the AMC has set a target of Rs 130-140 crore, while the recovery till date stands at Rs 27 crore.

Increased financial liabilities

The Aurangabad Municipal Corporation has recently handed over two projects - water distribution and streetlights - to two

private players. This has resulted in additional financial liabilities on the civic body. For the street light project, the AMC has to pay Rs 2.71 crore per month for a period of 10 years, while, for the water distribution projects, it has to shell out Rs 5.25 crore per month.

Apart from this, the civic body has to take care of its monthly expenditure, including Rs 11.87 crore on salaries and Rs 3.3 crore on repayment of loans and other routine expenses. In all, the AMC's monthly liability is Rs 25 to 28 crore but its revenue generation is less than Rs 25 crore (average based of last three months' collection).