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Name transfer: linking tax with property value opposed

Staff Reporter

Coimbatore Consumer Cause has written to the Coimbatore Corporation seeking to reconsider its decision to levy tax on name transfer of property. The Corporation in its 2013-14 budget, presented on Thursday, had proposed to levy 0.1 per cent of the property or Rs. 200 – whichever was higher as tax whenever the buyer of the property applied for name transfer.

The Corporation had estimated that it would receive around Rs. 2 crore in revenue.

In response, CCC secretary K. Kathirmathiyon had said that while CCC welcomed the decision to levy tax on name transfer it was opposed to linking the tax with the property value. It had suggested to the Corporation that it could instead collect a nominal fee of Rs. 100 to Rs. 200 as there was nothing wrong in charging one for offering a service.

But, collection of tax in proportion to the value of the property was not appreciable.

It had pointed out that for transfer of ownership for a vehicle a fee was charged which had nothing to do with the value of the vehicle. In patta name transfer, a fee was charged, which, again had nothing to do with the value of the property.

The CCC had also said that even if name transfer was not effected to, the property legally belonged to the buyer. It had also cited the name transfer for electricity connection to buttress its argument.

It had said that if the Corporation were to go ahead and levy the tax, it would set a bad precedent.