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IT buildings to pay hiked property tax from Oct 2012

Staff Reporter

The revised property tax for IT buildings is likely to be collected from the half-yearly period starting October, 1 2012. The Chennai Corporation Council on Wednesday passed a resolution seeking government approval to increase the property tax for buildings housing IT companies from the second half of 2012-2013. The total property tax collected from the owners of such buildings is just Rs.10.84 crore now.

The increase in the tax rates range from 50 to 200 per cent for property housing IT companies. The civic body had identified 344 IT companies in ten zones of the city except Tiruvottiyur, Manali, Madhavaram, Tondiarpet and Thiru.Vi.Ka. Nagar which do not have any IT companies. However, rates in these zones will also be increased. Over 3.3 crore sq ft of property used for housing IT companies in the southern and western parts of the city has been identified.

The decision of the Corporation will create a new category of IT buildings similar to hospitals, star hotels, lodging houses, cinema theatres and marriage halls. The existing tax rates for such commercial property in the 15 zones range from Rs.0.60 to Rs.11.25.

The existing average property tax rate for one sq ft for such buildings is Rs. 3.29. The proposed property tax rates for the newly created category of IT buildings approved by the Chennai Corporation council ranges from Rs.4 to Rs.27. Teynampet zone will have a 200 per cent increase.

Adyar, Kodambakkam and Anna Nagar will also have an increase of 200 percent.

Sholinganallur zone will have a 100 percent increase as will Manali, Tondiarpet, Royapuram, Thiru.Vi.Ka.Nagar.