

The Times of India 08.09.2014

Civic body to assess property tax

CHENNAI: The city corporation will soon take up a massive exercise to assess properties in the extended areas to be able to format a uniform tax. This is the first time the civic body will be framing guidelines since the city expanded in 2011.

It had been found that many people were carrying on commercial activities from residential properties and paying low residential property tax, said a corporation official. "So we will assess the change of property usage as well as check on owners renting out their spaces and revise the tax accordingly," he said. The number of taxpayers increased from 6.5 lakh to 10.82 lakh after the city's expansion but Chennai still has the lowest property tax collections among all metros.

Property tax collection, the corporation's biggest revenue earner, has been hit hard due to late payments as well as by the civic body's failure to revise the tax since 1998. A proposal to levy a penalty of 2% on residents failing to pay within the half-yearly deadline has been pending with the government for more than a year. Despite a law stipulating that tax be revised once every five years, officials say nothing moved forward due

to political pressure.

Property tax is collected twice a year, before April 15 and October 15. "There are several habitual defaulters, but at present there are no provisions to fine them," an official said. "Unless we bring in a fine like in the case of electricity or water tax, people will not pay up in time," he said. Shortfalls in property tax collection eventually impacts infrastructure schemes and there is pressure on tax assessors to perform better.

The corporation recently initiated a lot of activities to boost tax collection. On all Saturdays through September, special camps will be held at zonal offices to update property tax records. "There are complaints from residents that online payments on the corporation website aren't getting updated. At the special camps, to be held between 10am and 5.45pm, residents can get payment details updated, lodge grievances, file legal cases and revision petitions and discuss new assessments and other matters," said an official.