## CHECKLIST OF REFORMS PROPERTY TAX

## **DESIRED OBJECTIVES:**

Note: JNNURM requires certain reforms to be undertaken by states/ cities in Property Taxes, with the broad objective of establishing a simple, transparent, nondiscretionary and equitable property tax regime that encourages voluntary compliance. States/cities need to ensure that their desirable objectives for reforms include these reforms, but need not restrict themselves to these items

## 1. CURRENT STATUS

- a. Please indicate if Property tax is currently levied on the following types of properties:
  - i. Residential
  - ii. Commercial
  - iii. Industrial
- b. Please indicate the Amount of property tax being collected for year-ending 2004-05
  - i. Residential ii. Commercial iii. Industrial
- c. Please provide the Method of Property Tax Assessment being followed (Give short note, if necessary)
  - i. Self-assessment ii. Demand-based
- d. Please provide the below information on Current coverage

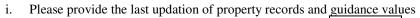
No.	Type of	Estimated no.	No. of	No. of	Coverage ratio	Demand raised	Demand	Collection
	Property	of properties	properties in	properties			collected	Ratio
			the records of	paying				
			the	property				
			municipality	tax	(4) / (2)			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Residential							
2	Commercial							
3	Industrial							

e. Please list the Exemptions given to property owners

No.	Type of Exemption	Qualifying institution/ individual	Revenue implication of exemption
1			
2			
3			
4			

(please use additional rows if necessary)

- f. Please provide the Basis of determination of property tax
  - i. Capital value
  - ii. Rateable value
  - iii. Unit Area
  - iv. Other (please specify)
- Please provide the Use of technology in property tax management g.
  - i. GIS of property records
  - ii. Electronic database of property records
  - iii. Any software for compliance
- h. Please describe the Level of discretionary power available with assessing authority



i.	Last updation of property records	
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iii. Frequency of revision of guidance values

ii. Last revision of guidance values

iv. Please indicate whether information from appropriate authorities on new building construction, or additions to existing buildings is being captured; if so, how (e.g. development authority etc) <u>Yes</u> <u>No</u>

v. Please indicate whether information from appropriate authorities on change of ownership and land valuation is being captured; if so, how (e.g. Dept of Stamps and Registration) Yes No

## 2. TIMELINE FOR ACTION ON REFORMS

*Please provide timelines for the following action items:* 

a. Extension of property tax regime to all properties	Year1 Year2 Year3 Year4 Year5 Year6 Year7
b. Elimination of exemptions	Year1 Year2 Year3 Year4 Year5 Year6 Year7
<ul> <li>Migration to Self-Assessment System of Property Taxation</li> <li>i. Setting up a Committee/Team to draft/amend legislation</li> </ul>	Year1 Year2 Year3 Year4 Year5 Year6 Year7
ii. Stakeholder consultations	Year1 Year2 Year3 Year4 Year5 Year6 Year7

iii. Preparation of Draft legislation	Year1 Year2 Year3 Year4 Year5 Year6 Year7
iv. Approval of the Cabinet/ Government	Year1 Year2 Year3 Year4 Year5 Year6 Year7
v. Final enactment of the legislation by Legislature	Year1 Year2 Year3 Year4 Year5 Year6 Year7
vi. Notification	Year1 Year2 Year3 Year4 Year5 Year6 Year7
vii. Preparation and notification of appropriate subordinate legislation	Year1 Year2 Year3 Year4 Year5 Year6 Year7
viii. Implementation by municipality (ies)	Year1 Year2 Year3 Year4 Year5 Year6 Year7
<ul><li>d. Setting up a non-discretionary method for determination of property tax (e.g. unit area, etc)</li><li>(Sub-Steps (i) to (viii) given in para(c) above may be repeated for thisstep also)</li></ul>	Year1 Year2 Year3 Year4 Year5 Year6 Year7

e. Use of GIS-based property tax system

f.

g.

h.

i.	Selection of appropriate consultant	Year1	Year2	Year3	Year4	Year5	Year6	Year7
ii.	Preparation of digital property maps for municipality	Year1	Year2	Year3	Year4	Year5	Year6	Year7
iii.	Verification of digital maps and preparation of complete data-base of of properties	Year1	Year2	Year3	Year4	Year5	Year6	Year7
iv.	Full migration to GIS system	Year1	Year2	Year3	Year4	Year5	Year6	Year7
Next rev	vision of guidance values	Year1	Year2	Year3	Year4	Year5	Year6	Year7
	odicity for revision of guidance values Periodicity to be adopted	Year1	Year2	Year3	Year4	Year5	Year6	Year7
ii.	Deadline for adoption	Year1	Year2	Year3	Year4	Year5	Year6	Year7
	h Taxpayer education programme Local camps for clarification of doubts and assistance in filling out forms	Year1	Year2	Year3	Year4	Year5	Year6	Year7
ii.	Setting up a website for property tax issues/ FAQs etc	Year1	Year2	Year3	9 Year4	Year5	Vear6	Year7

i.	Establish Dispute resolution mechanism	Year1 Year2 Year3 Year4 Year5 Year6 Year7
j.	Rewarding and acknowledging honest and prompt taxpayers	Year1 Year2 Year3 Year4 Year5 Year6 Year7
k.	Achievement of 85% Coverage Ratio (see item 1d above)	Year1 Year2 Year3 Year4 Year5 Year6 Year7
	(Specify target for each year of mission)	
1.	Achievement of 90% Collection Ratio (see item 1d above)	Year1 Year2 Year3 Year4 Year5 Year6 Year7
	(Specify target for each year of mission)	
m.	Any other reform steps being undertaken (please use additional space to specify)	Year1 Year2 Year3 Year4 Year5 Year6 Year7