

## Tax on Lands and Buildings

### A. Property tax on lands and buildings, surcharges and rebates

Property tax on lands and buildings.

- 134A. (1) For the purposes of this Act, a property tax determined under this chapter on the annual value of any land or building in the municipal area, including any land or building belonging to the State Government, or the Municipality, or any undertaking or public sector corporation under the control of the State Government or the Municipality, but excluding any land or building specifically exempted under this Act, shall be levied by the Municipality.
- (2) The rate of such property tax shall be, -
- (a) where the annual value does not exceed five thousand\* rupees, eleven *per cent* of the annual value,
  - (b) where the annual value exceeds five thousand rupees\* but does not exceed one lakh rupees\*, such percentage of the annual value as is worked out by dividing the annual value by five thousand\* and adding ten to the quotient, the sum thus worked out being rounded off to the nearest first place of decimal :
 

Provided that the figure five occurring in any place of decimal shall be rounded off to the next higher place of decimal, and
  - (c) where the annual value exceeds one lakh rupees\*, thirty *per cent* of the annual value.
- (3) The amount of property tax determined under this chapter shall be linked to the consumer price index of urban non-manual workers for a year in which a general valuation of all lands and buildings within the municipal area has been made, and it shall be lawful to realise the amount of such tax so determined on a yearly basis according to the changes in the aforesaid index till the next general valuation of such lands and buildings.
- (4) In calculating the amount of property tax and the amount payable per quarter after allowing rebate for timely payment, the fraction of a rupee shall be rounded off to the nearest rupee, fifty paise being treated as one rupee.

Property tax on Central Government properties.

- 134B. Notwithstanding anything contained in this Act, any land or building which is the property of the Central Government shall, save in so far as Parliament by law otherwise provides, be exempt from the property tax :

Provided that nothing in this section shall, until Parliament by law otherwise provides, prevent the Municipality from levying any tax on any property of the Central Government to which such property was immediately before the commencement of the Constitution of India liable or treated as liable, so long as the property tax continues to be levied by the Municipality.

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\* The figures in clause (a), clause (b) and clause (c) of sub-section (2) of section 134A have relevance and meaning only with reference to area linked system of valuation as proposed in section 134H of the TRF Model. Each State Government would have to arrive at these figures based on the minimum and maximum rates of property tax as desired by it.

**Explanation.** - A property of the Central Government shall not include any property vested in, or belonging to, any statutory body or public sector corporation under the control of the Central Government.

Rate of property tax on any land, hut or building in a slum.

134C. The rate of property tax shall not exceed, in respect of any land, hut or building in a slum, two-thirds of the rate of tax on land, hut or building not located in a slum as provided in this chapter.

Surcharge.

134D. (1) The Municipality may, where any land or building or hut or portion thereof is used for any non-residential purpose, levy a surcharge on the property tax on such land or building or hut or portion thereof at such rate, not exceeding seventy-five *per cent* of the rate of property tax, as the Municipality may, from time to time, determine :

Provided that where any portion of any land or building or hut is used for any non-residential purpose, the amount of the property tax payable in respect of such portion of land or building or hut shall, while fixing the property tax for the entire land or building or hut, be separately calculated :

Provided further\* that the Municipality may, subject to such rules as may be made in this behalf for the grant of exemption from surcharge in respect of any class or classes of lands or buildings or huts used for educational, public health, medical, cultural or sports purposes, exempt any such land or building or hut from payment of the surcharge :

Provided also\* that such exemption shall in no case exceed fifty *per cent* of the surcharge.

(2) For the avoidance of doubt, it is hereby declared that for the purposes of sub-section (1), “educational, public health, medical, cultural or sports purposes” shall mean -

- (a) the purposes of education intended to be imparted by a Government school or Government-aided school or municipal school or any other educational institution affiliated to any university or the All-India Council for Technical Education, and
- (b) the purposes of public health, medical treatment, cultural functions or sports, ensured or organized by a Government institution or Government-aided institution or the Municipality or an institution aided by the Municipality or any other public institution, not being a Government institution.

Additional surcharge.

134E. The Municipality may levy an additional surcharge at a rate, not exceeding twenty-five per cent of the rate of property tax, on such land or building or hut or portion thereof as is rented out :

Provided that in the case of any building which is partly occupied and partly rented out, the additional surcharge shall be levied only on the annual value of the rented portion.

Exemption of lands and buildings from property tax.

134F. (1) Notwithstanding anything contained in the foregoing provisions of this chapter, -

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\* These provisos are of an illustrative nature. Each State Government may take a view in these matters having regard to the politico-socio-economic environment of the State.

- (i) any land or building or portion thereof exclusively used for the purpose of public worship, or
- (ii) any land or building exclusively used for the purpose of public burial or as cremation ground, or any other place used for the disposal of the dead duly registered under this Act, or
- (iii) any open space including a parade ground which is the property of the Central Government or the State Government,

may be exempted by the Municipality from the property tax.

**Explanation.** – For the purposes of clause (i), any land or building used for public worship shall not be deemed to be exclusively used for such worship, if, on such land or in such building, any trade or business is carried on, or any rent or income is derived in respect of such land or building.

- (2) The Chief Municipal Officer shall cause to be maintained a register showing separately the lands and buildings exempted from the property tax under sub-section (1) in such Form as may be determined by regulations, and such register shall be open to the public for inspection.

Exemption of diplomatic or consular mission of a foreign State from payment of any rate, tax or fee.

134G. The State Government may, by order, exempt from the payment of any rate, tax or fee payable under the provisions of this Act, any diplomatic or consular mission of a foreign State and the diplomatic or consular officers of such mission.

### **B. Classification of lands and buildings and determination of annual values**

Classification of lands and buildings and fixation of annual values.

- 134H. (1) The Municipality shall, on the recommendation of the Municipal Valuation Committee constituted under section 134R, and having regard to -
  - (a) the location of lands and buildings in the municipal area, and
  - (b) the structural characteristics of buildings,

declare its intention to classify lands and buildings in each ward of the Municipality into such groups as the Municipality may specify by a public notice, and shall also specify in such public notice the annual value it proposes to fix per unit area of vacant land and per unit area of covered space of buildings within each such group.

- (2) If any owner or occupier of any land or building in any ward in respect of which a public notice has been issued under sub-section (1), has any objection to the manner of classification of any group or groups or the value per unit area of vacant land or the value per unit area of covered space of building in any group, he may submit to an officer of the Municipality, duly authorized by the Municipality in this behalf, his objection in such Form, and containing such particulars, as may be prescribed, within sixty days from the date of publication of such public notice, and such objection shall be considered by the Municipal Valuation Committee.
- (3) On the expiry of sixty days from the date of publication of the public notice under sub-section (1), and after considering the objections, if any, in accordance with the provisions of section 134-I, the Municipality shall, by a public notice, specify groupwise the value per unit area of vacant land and the value per unit area of covered space of building.

Procedure for hearing objection to classification of lands and buildings.

- 134-I. (1) Any objection under sub-section (2) of section 134H shall be entered in a register to be maintained for the purpose in such Form and manner, and containing such particulars, as may be prescribed.
- (2) Every such objection shall be determined by the Municipal Valuation Committee after giving the person submitting the objection an opportunity of being heard.
- (3) The procedure for hearing and disposal of objections shall be such as may be specified by regulations.
- (4) When an objection has been determined under sub-section (2), any order in this behalf shall be recorded in the register maintained under sub-section (1) with date, and a copy of the order shall be supplied to the person submitting the objection within ten days from the date of the order.
- (5) Any person aggrieved by an order under sub-section (4) may prefer an appeal before the Municipal Assessment Tribunal constituted under section 134U, and the decision of the Municipal Assessment Tribunal on such appeal shall be final.

Validity of unit area values and periodic revision thereof.

- 134J. The unit area value of vacant land and the unit area value of covered space of building, determined under section 134H, in respect of a group in any ward shall remain in force for a period of five years and shall be revised at the expiration of each such period of five years :

Provided that till the revision of such unit area values is completed, the existing unit area values shall continue to be in force.

Locational characteristics.

- 134K. (1) The location of any land or building in the municipal area, referred to in clause (a) of sub-section (1) of section 134H, shall be determined with reference to -
- (a) the ward in which the land or the building is situated, and
- (b) the category of public street as classified in section 320 on which such land or building is situated.
- (2) In the case of any private street or pedestrian pathway, the Chief Municipal Officer shall, having regard to the nature and width of the private street or pedestrian pathway on which any land or building is situated, and with the previous sanction of the Empowered Standing Committee, determine the category of such private street or pedestrian pathway under sub-section (1) of section 320.

Structural characteristics.

- 134L. (1) For the purposes of this Act, any building in any ward of the Municipality shall, according to the type of structure of such building, be classified as -
- (a) *pucca* building, or
- (b) *semi-pucca* building, or
- (c) *kutchha* building.

- (2) The Municipality shall, having regard to the materials of construction used and the construction practices employed, specify, by regulations, the types of buildings which may be classified as *pucca* building, or *semi-pucca* building, or *kutchra* building.

Annual value of land and building.

- 134M. (1) The annual value of any vacant land and building in any ward of the Municipality shall be the sum of the amount arrived at by multiplying the value per unit area of such vacant land by the total area of such vacant land and the amount arrived at by multiplying the value per unit area of the covered space of such building by the total area of such covered space, if any, and shall be determined accordingly by an order by the Chief Municipal Officer, and a copy of the order shall be supplied within ten days thereof to the owner or the occupier of the land or the building, as the case may be, in such Form, and in such manner, as may be prescribed.
- (2) The value of any machinery contained in, or situated upon, any land or building shall not be taken into consideration while determining the annual value.

**Explanation I.** – In the case of a building with appurtenant land, the area of the land under the plinth area of the building shall be excluded from the total area of land, the balance being treated as vacant land which shall be assessed as such.

**Explanation II.** – The covered space of any building shall mean the total floor area of the building in all the storeys.

**Explanation III.** – For the purposes of this section, “machinery” shall include lifts, air-conditioning equipment, and equipment for providing earthquake proofing.

Deduction from annual value for repair etc. of building.

- 134N. (1) In the case of a building, there shall be deducted from the annual value determined under section 134M a sum equal to ten *per cent* of such annual value, and such deduction shall be on account of cost of repair or insurance or on any other account.
- (2) The annual value of any land or building, as determined under this section, shall be a multiple of ten rupees, any fraction below five being ignored and any fraction of five or above being rounded off to the next ten rupees.

Determination of annual value of building where land is exempted from property tax.

- 134-O. Where any land is exempted from property tax under any law for the time being in force, the annual value of any building erected on such land, which is in existence for more than one year and is not entitled to any exemption from such tax under this Act or any other law for the time being in force, shall be determined separately from the tax on land in accordance with the provisions of this chapter.

Self-assessment.

- 134P. Any owner of any land or building or any other person liable to pay the property tax or any occupier in the absence of such owner or person shall compute the tax due on the basis of the annual value of such land or building as determined under section 134M and section 134N, and the rate of tax as determined under section 134A.

Unit of assessment.

- 134Q. (1) Every building together with the site and the land appurtenant thereto shall be assessed as a single unit :

Provided that where portions of any building together with the site and the land appurtenant thereto are separately owned so as to be entirely independent and capable of separate enjoyment notwithstanding the fact that access to such separate portions is made through a common passage or a common stair case, such separately owned portions shall be assessed separately.

- (2) All lands or buildings, to the extent they are contiguous or are within the same cartilage or are on the same foundation and are owned by the same owner or co-owners as an undivided property, shall be treated as one unit for the purpose of assessment under this Act :

Provided that if such land or building is sub-divided into separate shares which are not entirely independent and capable of separate enjoyment, the Chief Municipal Officer may, on application from the owners or co-owners, apportion the valuation and assessment of such land or building among the co-owners according to the value of their respective shares, treating the entire land or building as a single unit.

- (3) Each residential unit with its percentage of the undivided interest in the common areas and facilities constructed or purchased and owned by or under the control of any housing co-operative society registered under any law regulating co-operative housing for the time being in force, shall be assessed separately.
- (4) Each apartment and its percentage of the undivided interest in the common areas and facilities in a building within the meaning of any law regulating apartment ownership for the time being in force, shall be assessed separately.
- (5) Notwithstanding any assessment made before the commencement of this Act, the Chief Municipal Officer may, on his own or otherwise, amalgamate or separate, as the case may be, lands or buildings or portions thereof so as to ensure conformity with the provisions of this section.
- (6) If the ownership of any land or building or a portion thereof is sub-divided into separate shares, or if more than one land or building or portion thereof comes under one ownership by amalgamation, the Chief Municipal Officer may, on an application from the owner or the co-owners, as the case may be, separate, or amalgamate, such lands or buildings or portions thereof so as to ensure conformity with the provisions of this section.
- (7) The Chief Municipal Officer shall, upon an application made in this behalf by an owner, lessee, sub-lessee or occupier of any land or building and upon payment of such fee as may be determined by the Municipality by regulations, furnish to such owner, lessee, sub-lessee or occupier, as the case may be, information regarding the apportionment of the property tax on such land or building among the several occupiers of such land or building for the current assessment period or for any preceding assessment period :

Provided that nothing in this sub-section shall prevent the Municipality from recovering any arrear dues on account of property tax from any such person.

### **C. Municipal Valuation Committee\* and Municipal Assessment Tribunal\***

Constitution of Municipal Valuation Committee.

- 134R. (1) Subject to the provisions of section 10, the Municipality may, by notification, constitute a Municipal Valuation Committee.
- (2) The Municipal Valuation Committee shall consist of -
  - (a) a Chairperson, and
  - (b) other members being not less than three and not more than six.
- (3) The Chairperson and not less than one-half of the other members shall be appointed by the State Government, and the remaining members shall be appointed by the Municipality on the recommendation of the Empowered Standing Committee.

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\* Each State Government may decide on the roles of the Municipal Valuation Committee and the Municipal Assessment Tribunal having regard to the design of the property tax system adopted by it.

- (4) The Chairperson shall be a person who is or has been a member of the State Higher Judicial Service for a period of not less than three years.
- (5) Of the other members, -
  - (a) at least one shall be a person who is or has been a qualified chartered accountant or a qualified valuer, and shall be appointed by the State Government, and
  - (b) at least one shall be a person who is or has been a qualified engineer, not below the rank of a Municipal Engineer, and shall be appointed by the Municipality.
- (6) If the Chairperson considers it necessary, he may constitute Municipal Valuation Sub-Committees, each consisting of not less than two members, which may independently discharge the functions of the Municipal Valuation Committee.

Terms and conditions of service of Chairperson and other members.

- 134S. (1) The Chairperson and the other members of the Municipal Valuation Committee shall hold office for a period of five years or till they attain the age of sixty-five years, whichever is earlier.
- (2) The other terms and conditions of service of the Chairperson and the other members of the Municipal Valuation Committee, including salaries and allowances, shall be such as may be determined by the Municipality with the approval of the State Government.
  - (3) The salaries and allowances of the Chairperson and the other members of the Municipal Valuation Committee shall be paid from the Municipal Fund.

Functions of Municipal Valuation Committee.

- 134T. The functions of the Municipal Valuation Committee shall be -
- (a) to make recommendations to the Municipality on matters relating to classification of lands and buildings into different groups and fixation of values per unit area of such lands and buildings under section 134H,
  - (b) to determine objections under sub-section (2) of section 134H,
  - (c) to advise the Empowered Standing Committee on all matters relating to determination of annual values of lands and buildings, and
  - (d) to perform such other functions as the Municipality may, by regulations, determine.

#### Constitution of Municipal Assessment Tribunal.

- 134U. (1) Subject to the provisions of section 10, the State Government may constitute a Municipal Assessment Tribunal\* consisting of a Chairperson and such other members, not exceeding five, as the State Government may determine.
- (2) The Chairperson and the other members shall be appointed by the State Government for a period of five years or till they attain the age of sixty-five years, whichever is earlier.
- (3) The other terms and conditions of service of the Chairperson and the other members of the Municipal Assessment Tribunal, including salaries and allowances, shall be such as may be determined by the State Government.
- (4) The salaries and allowances of the Chairperson and other members of the Municipal Assessment Tribunal shall be paid from the Municipal Fund.
- (5) The Chairperson and not less than half of the other members shall be persons who are or have been members of the State Higher Judicial Service for a period of not less than five years, and the remaining members, if any, shall have such qualifications and experience as the State Government may determine.

#### **D. Assessment**

##### Submission of returns.

- 134V. (1) The Chief Municipal Officer shall, with a view to determining the annual value of lands and buildings in any ward and the persons primarily liable for the payment of the property tax, by notice, require the owners and the occupiers of such lands or buildings or any portion thereof, including such owner or person computing the tax due under the provisions of section 134P, to furnish returns in such Form as may be prescribed and within such time, not being less than thirty days from the date of publication of such notice, as may be specified therein, containing the following particulars, namely :-
- (a) the name of the owner and the occupier,
- (b) the number of the ward, the number of the premises, and the name and number, if any, of the public street, or the description of the private street or the pedestrian pathway, on which such land or building is situated.
- (c) whether the building is *pucca*, or *semi-pucca*, or *kutchha*,
- (d) whether the land or the building is connected with the municipal water-supply main or the municipal drain,
- (e) the uses to which such land or building is put or intended to be put in terms of occupancy or use group as defined in this Act,
- (f) the area of the land and the covered area of the building with break-up of the area under various uses,
- (g) in the case of non-residential uses, whether wholly owner-occupied or wholly rented out, or partly owner-occupied and partly rented out and the areas thereof, and
- (h) such other particulars as may be prescribed.

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\* Each State Government may decide on the roles of the Municipal Valuation Committee and the Municipal Assessment Tribunal having regard to the design of the property tax system adopted by it.



- (2) Every owner or occupier shall be bound to comply with such notice and to furnish a return with a declaration that the statement made therein is correct to the best of his knowledge and belief.
- (3) The Chief Municipal Officer, or any person subordinate to him and duly authorized by him, in writing, in this behalf, may, with or without giving any previous notice to the owner or the occupier of any land or building, enter upon, and make any inspection or survey or take measurement of, such land or building with a view to verifying the statement made in the return for such land or building or for collecting the particulars referred to in sub-section (1) in respect of such land or building :

Provided that no such entry shall be made except between the hours of sunrise and sunset.

#### Periodic assessment.

- 134W. The Chief Municipal Officer shall, having regard to the recommendations under section 134H of the Municipal Valuation Committee relating to classification of lands and buildings into different groups and fixation of values per unit area of such lands and buildings, cause a general valuation of all lands and buildings in the municipal area in accordance with the provisions of this chapter as soon as possible after the constitution of a new municipal area and at periodic intervals in the case of all other municipal areas so as to ensure that there is a revision of such valuation of all lands and buildings at the expiration of successive period of five years :

Provided that it shall be lawful to divide the municipal area into groups of wards so that periodic assessment at the interval of five years may take place in each such group instead of in the entire municipal area at a time :

Provided further that the annual value of any land or building situated in the municipal area, which has been determined earlier and is in force on the date of commencement of this Act, shall remain in force, and shall be deemed to be the annual value for the purpose of assessment of property tax on such land or building under this chapter, until a fresh annual value is determined under the provisions of this Act :

Provided also that where, on the date of commencement of this Act, the determination of the annual value of any such land or building is under process under any law for the time being in force, such determination shall be completed under that law and shall be deemed to be the annual value in force under this Act, until a fresh annual value is determined under the provisions of this Act.

#### Period of validity of assessment.

- 134X. (1) The annual value of any land or building determined under this chapter -
- (a) shall have effect from the date of commencement of the quarter of a year ending on 30<sup>th</sup> June or 30<sup>th</sup> September or 31<sup>st</sup> December or 31<sup>st</sup> March, as the case may be, following that in which a public notice under sub-section (2) of section 134Z has been given, and
  - (b) shall, subject to the other provisions of this chapter, remain in force in respect of each ward of the Municipality for a period of five years.
- (2) Where the annual value of any land or building in any ward has not, for reasons which are on record in writing, been revised on the expiration of five years, the previous annual value of such land or building shall continue to remain in force until it is revised.

#### Revision of assessment.

- 134Y. (1) The Chief Municipal Officer may cause any revision to be made in the annual value of any land or building or any portion thereof in the following cases, namely :-

- (i) where any tenancy or any rent changes, or
  - (ii) where the nature of use changes, or
  - (iii) where a new building is erected or an existing building is redeveloped or substantially altered or improved during the period the annual value remains in force, or
  - (iv) where, on an application made in writing by the owner or the person liable to pay the property tax, it is established that during the period the annual value remains in force, its value has been reduced by reason of any substantial demolition or has suffered depreciation from any accident or any calamity proved to the satisfaction of the Chief Municipal Officer to have been beyond the control of such owner or such person, or
  - (v) where any land or building or portion thereof is acquired by purchase or otherwise by the Central Government or the State Government or the Municipality, or
  - (vi) where any land or building, or portion thereof, is sold or otherwise transferred to the Central Government or the State Government or the Municipality, or
  - (vii) where, upon the acquisition or transfer of any land or building in part, a residual portion remains, or
  - (viii) where it becomes necessary so to do for any other reason to be recorded in writing.
- (2) Any revision in the annual value of any land or building or portion thereof under this section shall come into force from the date of commencement of the quarter of a year ending on 30<sup>th</sup> June or 30<sup>th</sup> September or 31<sup>st</sup> December or 31<sup>st</sup> March, as the case may be, following that in which such revision comes into force and shall remain in force for the unexpired portion of the period during which but for such revision, such annual valuation would have remained in force.
- (3) Notwithstanding anything contained in sub-section (1) or sub-section (2), where the annual value of any land or building -
- (i) has not, for any reason, been determined under this Act, the annual value of such land or building may be determined by the Chief Municipal Officer at any time during the currency of the period of assessment in respect of such land or building under section 134W or section 134X, or
  - (ii) has been cancelled on the ground of irregularity, the annual value of such land or building may be determined by the Chief Municipal Officer at any time after such cancellation, and such annual value shall remain in force until a fresh valuation or revision is made and shall take effect from the beginning of the quarter from which the previous valuation which has been cancelled would have taken effect :

Provided that the valuation made under clause (i) or clause (ii) shall remain in force for the unexpired portion of the period specified in this chapter.

- (4) Any revision of annual value of any land or building or any portion thereof under this section shall be made with reference to the group into which such land or building or part thereof is classified under section 134H, and the annual value fixed per unit area of such land or building for that group shall be applicable.
- (5) Notwithstanding anything contained in the foregoing provisions of this section, no revision of the annual value of any land or building under this section shall be made without giving the owner or the occupier of such land or building a reasonable opportunity of being heard.

- (6) Where any revision of annual value of any land or building is made under this section, the order of such revision shall be communicated to the owner or the occupier of such land or building within ten days from the date of the order.
- (7) An appeal shall lie against an order under sub-section (6) to the Municipal Assessment Tribunal, if preferred by the owner or the occupier of such land or building within forty-five days from the date of receipt of the order.

Public notice and inspection of assessment list.

- 134Z. (1) Where the determination of the annual value of any land or building in any ward of the Municipality or part thereof has been completed, the Chief Municipal Officer shall cause the annual value to be entered in an assessment list in such Form, and containing such particulars with respect to each such land or building, as may be prescribed.
- (2) Where the assessment list has been prepared, the Chief Municipal Officer shall give public notice thereof and of the place where the assessment list or a copy thereof may be inspected, and every person claiming to be the owner or the occupier of any land or building included in the assessment list and any authorized agent of such person shall be at liberty to inspect the assessment list and to take extracts therefrom free of charge.
  - (3) The Chief Municipal Officer shall give notice fixing the place, time and date, being not less than thirty days of the preparation of the assessment list as aforesaid, when the annual value of any land or building entered in the assessment list shall be considered, and, in all cases in which any land or building is, for the first time, assessed, he shall also give a notice thereof in writing to the owner or the occupier of such land or building, as the case may be, and shall also specify in the notice the place, time and date, being not less than thirty days of such notice, when such annual value shall be considered.
  - (4) Where a revision of the annual value of any land or building has been made under section 134Y, the Chief Municipal Officer shall cause such annual value to be entered in the assessment list and shall give a notice thereof, in writing, to the owner or the occupier of such land or building, and shall also fix in the notice the place, time and date, being not less than thirty days of such notice, when such annual value shall be considered.

Objection.

134ZA. Any objection to the annual value of any land or building as entered in the assessment list may be made by the owner or the occupier of such land or building in writing to the Chief Municipal Officer before the date fixed in the notice under section 134Z, stating the reason for such objection.

Appointment of officer to hear objection.

- 134ZB. (1) The State Government shall appoint such number of officers, and on such terms and conditions, as it may determine to hear and determine objections to the annual value of any land or building entered in the assessment list.
- (2) The officers appointed under sub-section (1) shall be paid from the Municipal Fund such salary and allowances as the State Government may determine.
  - (3) Any of the officers as aforesaid may make such queries and observations in relation to any entry in the assessment list and call for such records, returns and explanations, as he thinks fit.
  - (4) Every such query and observation shall be promptly taken into consideration by the officer of the Municipality to whom it may be addressed and shall be returned by him to such officer as shall be appointed under sub-section (1) with necessary records, returns and explanations.

Hearing of objections.

- 134ZC. (1) Any objection made under section 134ZA shall be entered in a register maintained for the purpose in such Form, and in such manner, and containing such particulars, as may be prescribed.
- (2) On the date, time and place fixed under sub-section (3), or sub-section (4), of section 134Z, and, after giving the person making the objection a reasonable opportunity of being heard, either in person or through an authorized agent, the officer appointed under section 134ZB shall determine the objection.
- (3) Where an objection has been determined under sub-section (2), the order in this behalf shall be recorded in the register maintained under sub-section (1) with date, and a copy of the order shall be supplied within ten days thereof to the owner or the occupier of the land or the building, as the case may be, in such Form, and in such manner, as may be prescribed.
- (4) The procedure for hearing and disposal of objections shall be such as may be prescribed.
- (5) The annual value after determination of objection under this section shall take effect from the quarter in which such annual value would have taken effect, and shall continue to remain in force during the period such annual value would have remained in force, had no objection been made.

Appeal.

- 134ZD. (1) Any owner or occupier of any land or building aggrieved by an order of the Chief Municipal Officer under section 134M or by the determination of annual value under section 134ZC may prefer an appeal in such Form as may be prescribed before the Municipal Assessment Tribunal :

Provided that such appeal shall be preferred to the Municipal Assessment Tribunal within forty-five days from the date of supply of the order under section 134M or section 134ZC, as the case may be, and shall be accompanied by a copy of the said order.

- (2) No appeal under this section shall be entertained unless the property tax in respect of any land or building due on the date of presentation of the appeal has been deposited, and the appeal shall abate, unless such property tax is continued to be deposited till the appeal is finally disposed of.
- (3) The annual value of any land or building determined after the disposal of the appeal shall take effect from the quarter from which such annual value would have taken effect and shall continue to remain in force during the period such annual value would have remained in force, had no appeal been filed.
- (4) The provisions of Part II and Part III of the Limitation Act, 1963, relating to appeals shall apply to every appeal preferred under this section.
- (36 of 1963.)
- (5) The procedure for hearing and disposal of appeals shall be such as may be prescribed.
- (6) The decision of the Municipal Assessment Tribunal shall be final and no suit or other proceeding shall lie in any Civil Court in respect of any matter which has been, or may be, referred to, or has been decided by, the Tribunal.

Final valuation.

- 134ZE. Every valuation in the assessment list under section 134M or section 134Y shall, subject to the provisions of section 134ZC or section 134ZD, as the case may be, be final.

Municipal Assessment Book.

- 134ZF. (1) The Municipality shall maintain a Municipal Assessment Book in such Form, and in such manner, as may be prescribed.
- (2) The annual value of any land or building under section 134M or section 134ZD or section 134ZE, as the case may be, shall be entered in the Municipal Assessment Book.
- (3) The Chief Municipal Officer may, at any time, make such corrections in the Municipal Assessment Book as may be necessary to incorporate changes required to be made in accordance with the provisions of this Act or for removal of patent errors or defects on the face of the records.
- (4) The Municipal Assessment Book, duly authenticated in the manner prescribed, shall be kept in the office of the Municipality and shall be open for inspection, free of charge, during office hours and extracts therefrom shall be made available on payment of such fee as may be determined by the Empowered Standing Committee.
- (5) The Municipal Assessment Book shall be printed and published for every ward of the Municipality, and shall be made available for sale to the public, in such Form, and in such manner, as may be prescribed :

Provided that the publication of the Municipal Assessment Book shall not be kept pending on the ground that an objection or appeal has been made in respect of any case under section 134ZA or section 134ZD, as the case may be.

- (6) Wherever it is possible for the Municipality to do so, the Municipal Assessment Book shall also be put on a website for public information.

Amendment of Municipal Assessment Book.

134ZG. The Chief Municipal Officer may, at any time, amend the Municipal Assessment Book -

- (a) by inserting therein the name of any person whose name ought to have been inserted therein, or
- (b) by striking out the name of any person not liable for payment of property tax, or
- (c) by inserting therein any land or building together with the annual value thereof previously omitted, or
- (d) by making, or cancelling, any entry exempting any land or building from liability to property tax, or
- (e) by altering the assessment of any land or building which has been erroneously valued or assessed through fraud, mistake or accident, in which case such alteration shall take effect from the date from which such erroneous valuation took effect, or
- (f) by inserting or altering an entry in respect of any building erected, re-erected, altered or added to, after the preparation of the Municipal Assessment Book, in which case such insertion or alteration shall take effect from the date of such erection, re-erection, alteration or addition, as the case may be :

Provided that no such amendment shall be made without giving the person affected a reasonable opportunity of being heard.

#### E. Incidence of Property Tax

Property tax and surcharge thereon to be first charge on lands and buildings and movables.

134ZH. The property tax on any land or building and the surcharge thereon, due from any person, shall, subject to the prior payment of land revenue, if any, due to the State Government on account of such land or building, be a first charge upon such land or building belonging to such person and upon the movable property, if any, on or within such land or building and belonging to the person liable to such property tax and surcharge thereon.

Incidence of property tax.

- 134ZI. (1) The property tax on any land or building shall be primarily leviable upon the owner thereof.
- (2) The liability of the several owners of any land or building constituting a single unit of assessment, which is, or purports to be, severally owned in parts or flats or rooms, for payment of property tax or any instalment thereof, payable during the period of such ownership, shall be joint and several :

Provided that the Chief Municipal Officer may apportion the amount of property tax on such land or building among several co-owners :

Provided further that in any case where the Chief Municipal Officer is, for reasons to be recorded in writing, satisfied that the owner is not traceable, the occupier of such land or building for the time being shall be liable for payment of the property tax and the surcharge thereon and shall also be entitled to the rebate, if admissible.

- (3) The property tax on any land or building, which is the property of the Municipality and the possession of which has been delivered under any agreement or licensing arrangement, shall be leviable upon the transferee or the licensee, as the case may be.

Incidence of surcharge.

134ZJ. Where a surcharge has been imposed under section 134D, such surcharge shall be payable by the owner or the occupier, as the case may be, who uses such land or building for any purpose other than residential purpose.

Apportionment of surcharge.

134ZK. The person primarily liable to pay the property tax in respect of any land or building may recover the entire amount of the surcharge on the property tax on such land or building from the occupier who uses it for any purpose other than residential purpose :

Provided that if there is more than one occupier, the amount of surcharge may be apportioned and recovered from each of such occupiers in such proportion as the annual value of the portion occupied by each such occupier bears to the total annual value of such land or building.

Recovery of property tax on lands and buildings from occupiers.

134ZL. (1) On the failure to recover any sum due on account of property tax on any land or building from the person primarily liable therefor under section 134ZI, the Chief Municipal Officer shall, notwithstanding anything contained in any law regulating premises tenancy for the time being in force, recover from every occupier of such land or building, by attachment of the rent payable by such occupier, a portion of the total sum due which bears, as nearly as may be, the same proportion to such sum as the rent annually payable by such occupier bears to the total amount of rent annually payable in respect of the whole of such land or building.

- (2) An occupier, from whom any sum is recovered under sub-section (1), shall be entitled to be reimbursed by the person primarily liable for the payment of such sum, and may, in addition to having recourse to other remedies that may be open to him, deduct the amount so recovered from the amount of any rent becoming due from time to time from him to such person.

Payment of property tax on land and building.

- 134ZM. (1) Save as otherwise provided in this Act, the property tax on any land or building under this chapter shall be paid by the person liable for the payment thereof in quarterly instalments and, for the purposes of this section, each quarter shall be deemed to commence on the first day of April, first day of July, first day of October, and first day of January, of a year.
- (2) The Chief Municipal Officer shall cause to be presented to the person liable for payment of property tax a comprehensive bill in respect of such tax to be paid in quarterly instalments, showing separately the amount of the property tax due against each quarter and the date on which the property tax for each such quarter is due.
  - (3) Such bills shall be sent by post under certificate of posting or by courier agency to the person liable for payment of the property tax, not later than the 31<sup>st</sup> day of May of the year to which such property tax relates.

**Explanation.** – “Courier agency” shall mean any agency engaged in door to door delivery of time-sensitive documents, utilizing the services of a person, either directly or indirectly, to carry such documents.

Self-assessment and submission of return.

- 134ZN. (1) Any owner of any land or building or any other person liable to pay the property tax or any occupier in the absence of such owner or person, who computes such property tax under section 134P, shall, on such computation, pay the property tax on lands and buildings, together with interest, if any, payable under the provisions of this Act on -
- (a) any new building or existing building which has not been assessed, or
  - (b) any existing building which has been redeveloped or substantially altered or improved after the last assessment, but has not been subjected to revision of assessment consequent upon such redevelopment or alteration or improvement, as the case may be, or
  - (c) any new building referred to in clause (a) or any existing building referred to in clause (a) and clause (b), the bills in respect of which have not been issued.

**Explanation.** – For the purposes of this sub-section, -

- (1) “last assessment” shall mean the assessment where the annual value has been determined by the officer appointed under section 134ZB and communicated to the assessee, and
  - (2) “Institution of Surveyors” shall mean the Institution of Surveyors recognized as such by the Central Government.
- (2) Such owner or person, as the case may be, shall furnish to the Chief Municipal Officer a return of self-assessment in such Form, and in such manner, as may be prescribed. Every such return shall be accompanied by proof of payment of property tax and interest, if any.
  - (3) The payment of property tax and interest, if any, shall be made, and the return shall be furnished, within sixty days of the coming into force of this Act.

- (4) In the case of any new building for which an occupancy certificate has been granted or which has been taken possession of after the coming into force of this Act, such payment shall be made, and such return shall be furnished, within thirty days of the expiry of the quarter in which such occupancy certificate is granted or such possession is taken, whichever is earlier.

**Explanation.** – For the removal of doubt, it is hereby declared that occupancy certificate may be provisional or final and may be for the whole or any part of the building and possession may be of the whole or any part of the building.

- (5) Such payment shall continue to be made for each subsequent quarter and the last date of such payment shall be thirty days after the expiry of each such quarter.
- (6) After the determination of annual value of land or building under section 134M, or revision thereof under section 134Y, has been made, any amount paid on self-assessment under this section shall be deemed to have been paid on account of such determination under section 134M or such revision under section 134Y, as the case may be.
- (7) If any owner or other person, liable to pay the property tax under this Act, fails to pay the same together with interest, if any, in accordance with the provisions of this section, he shall, without prejudice to any other action to which he may be subject, be deemed to be a defaulter in respect of the property tax or interest or both, remaining unpaid, and all the provisions of this Act applicable to such defaulter shall apply to him accordingly.
- (8) If, after the assessment of annual value of any land or building is finally made under this Act, the payment on self-assessment under this section is found to be less than that of the amount payable by the assessee, the assessee shall pay the difference within two months from the date of final assessment, failing which recovery shall be made in accordance with the provisions of this Act, but, after the final assessment, if it is found that the assessee has paid excess amount, such excess amount shall be adjusted against the tax payable by the assessee.