

Unique Premises Numbering System for Tax Mapping in India

As a part of a research study on property taxes in Calcutta sponsored by the Ministry of Urban Development and Poverty Alleviation, Government of India, an attempt was made during 1988 to cross check from official records as to what degree are the Municipal Assessment Registers of Calcutta Municipal Corporation incomplete. For this purpose, identification was done, *inter-alia*, of premises with trade licencees as issued by Calcutta Municipal Corporation itself, as also of the premises with factories registered under the Factories Act and under other regulatory statutes.

This analysis showed that, at that time, 46 *per cent* of the premises with trade licencees and 34 *per cent* of the factories which had up-to-date registrations under the Factories Act could not be traced in the Municipal Assessment Registers.

In this regard, TRF pointed out that mention of the *premises number* is a necessary requirement for all revenue records, as also for all the work related to the performance of various statutory and regulatory functions by any level of Government, or for provision of services such as of telephones, electricity, water-supply, piped gas supply, etc.

As a matter of fact, *the premises number is the most common denominator of all statutory, regulatory or even revenue records.*

It is noteworthy that the Calcutta Municipal Corporation, in a way, had already assigned premises numbers specifying, for each premises, the ward number, the street number, the premises number, and a sub-number.

It was submitted that if the “use category” of each premises is identified with such premises number and the *unique premises number* so developed is used for all Governmental purposes, numerous reform proposals for tax mapping and regulatory purposes would become possible.

In such cases, by exchanging information on the premises covered by various authorities, the Central and State revenue authorities would be able to conduct their tax mapping exercises on computers and supplement the same through field checks rather than undertaking extremely difficult, time consuming and costly field surveys, or by demanding large number of returns from those who may not be liable to pay taxes in the first place as is being done by the Income Tax Authorities.

The TRF proposal was examined by the Chairman of the Central Board of Direct Taxes*, at the instance of, the then Additional Secretary (AR&T), Department of Administrative Reforms and Public Grievances, Government of India. The following comments as received on behalf of the Chairman, CBDT are noteworthy :

“Unique premises number is a forward looking concept. Implementing the idea would require a census like effort with involvement of States and Municipalities. The suggestion to make mandatory for all tax payers to cite their unique premises number in communications with the Department can be considered only after successful completion and allotment of such numbers by the local authorities.”

Obviously, the initiative for adopting this system lies with the State Government.

To begin with, this idea can be implemented by the State Governments and all their statutory and regulatory bodies is, by executive orders, it is stipulated that a Unique Premises Number shall be compulsorily used in all dealings with Government and its agencies

The First Kerala State Finance Commission considered and approved the TRF proposal for use of the Unique Premises Numbers and it is hoped that the Government of Kerala would adopt this system, with a view to set an example for the rest of the country.

* Based on a personal communication as addressed to the then Additional Secretary and endorsed to TRF.