

Local Administration Secretariat – Levy of Property Tax on vacant lands – Revision of rate of tax on the analogy of property tax on Vacant Land – Orders – Issued.

LOCAL ADMINISTRATION SECRETARIAT

G.O.Ms.No.13/LAS/A4/2015

Pondicherry the 15.07.2015

- Read:** (1) G.O.Ms.No.133/LAS/98-99 dated 04.11.1998 of Local Administration Secretariat, Government of Pondicherry
 (2) G.O.Ms. No. 48/LAS/2004 dated 29.11.2004 of Local Administration Secretariat, Pondicherry.
 (3) Memorandum No.16486/LAD/PPS(3)/2004-05 dated 09.12.2004 of Local Administration Department, Puducherry.
 (4) Note No.148/LAM/PS/2014 dt. 12.02.2014 of Office of Local Administration Minister, Puducherry.
 (5) I.D.Note No.2671/PM/ROI/2013-14 dt. 20.02.2014 of the Commissioner, Puducherry Municipality, Puducherry.

ORDER:

The following notification shall be published in the next issue of the Official Gazette.

NOTIFICATION

As per the provisions contained under Section 121(3) (i) and (ii) of the Puducherry Municipalities Act 1973, the Municipal Council shall in the case of lands, which are not used exclusively for agricultural purposes and are not occupied by or adjacent and appurtenant to, buildings, levy these taxes, at such percentage of the capital value of such lands, not exceeding six percent of such capital value or at such rates with reference to the extent of such lands, as it may fix.

2. The Government of Puducherry had already notified the Municipalities to collect 0.5% of capital value of vacant lands as vacant land Tax vide reference 1st cited.
3. Various sections of the general public, particularly those who intend to construct new houses have expressed their inability to pay accumulated arrears of Vacant Land Tax, as they feel the same as abnormal and beyond their capacity. Consequent to the periodical increase of Guideline Value, which is the basic yardstick for arriving of capital value of those vacant lands in question, the quantum of vacant land tax is on higher side and this has increased manifold over a period of years in view of the manifold increase of the base value of Guideline Value Register (GLR).
4. It is brought to the knowledge of the Government that the Plot owners desist from paying the tax and resort to construction of unapproved buildings to evade payment of arrears of vacant land Tax and this result in violation of Town and Country Planning and building guidelines apart from causing revenue loss to the Municipalities. The Commissioner of Puducherry Municipality has also reported that the arrears of vacant land tax, which are high, are unfruitful without revenue collection.

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5. Section 121(3)(1) of the Puducherry Municipalities Act, 1973 permits the Municipalities to levy property Tax on vacant lands on the basis of the Capital value not exceeding 6 percent of such Capital value and at such rates as the Municipal Council may fix. Rules 6, 7 and 8 of the Puducherry Municipalities (Property Tax) Rules, 1978 lay down the procedure and method of assessment of property Tax in respect of vacant lands.

6. The Government has examined the issue and considered that the grievances are reasonable and considered that reduction of the rate of taxes will encourage the people to come forward to obtain NOC from local bodies and also to construct buildings after obtaining approvals.

7. It has been therefore, decided by the Government that all the Municipalities in the Union Territory of Puducherry shall impose the Property Tax on Vacant Lands at the minimum rate of **0.1 percent (Rupee one per thousand) of the capital value of such vacant lands**. This shall not have any effect on the amount of taxes already paid.

8. In Partial Modification of the G.O (1) reference cited above, the Commissioners of all the Municipalities are hereby directed to place this matter before the Municipal Councils (Authorised/Designated Officers) and cause to resolve to levy property Tax on Vacant Lands at the minimum rate of 0.1 percent (Rupees one per thousand) of the Capital Value of the Vacant Lands.

// BY ORDER OF THE LIEUTENANT – GOVERNOR //


(K. SARANGAPANI)

UNDER SECRETARY TO GOVERNMENT (LA)

To
The Director of Stationery and Printing, Puducherry, } with a request to consign 100 copies of the notified Gazette for records.

Copy to:-

1. The Director, Local Administration Department, Puducherry.
2. The Dy Director (Municipal Administration)/ (Rural Development), LAD, Puducherry.
3. The Assistant Examiner, Local Fund Accounts, Puducherry
4. The Deputy Director of Accounts and Treasuries, Karaikal/Mahe/Yanam.
5. The Deputy Director (Local Administration), Local Administration Department, Karaikal.
6. The Designated Officer, Municipal Councils, Directorate of Civil Supplies, Puducherry
7. The Designated Officer, Commune /Village Panchayat Councils, Revenue) South, Puducherry
8. The Designated Officer, Municipal Council, and Commune Panchayat Councils, Karaikal
9. The Regional Administrator Officer, Mahe/Yanam
- ✓ 10. The Commissioners of Municipalities /Commune Panchayat, Union Territory of Puducherry

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