

# Property tax not yielding revenue

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With corporators stonewalling the proposal of changing the calculation of property tax in the city, the Brihanmumbai Municipal Corporation has not met even 50 per cent of the revenue that it had estimated it would get from property tax in 2011-2012.

The revenue estimates from property tax for this fiscal year was pegged at ₹4,134 crore, but so far, the BMC has managed to collect only ₹1,860 crore. Last year, the estimated revenue from property tax was ₹1,548 crore.

The civic body had kept the target high this year as it was hoping to issue bills on the basis of capital value from ratable value. However, with just three months for the fiscal year to end and the civic body a long way away from achieving its target, the development budget for the city stands to be adversely affected by this shortfall. Aware of this, the BMC has now issued property attachment notices to over 500 defaulters in each ward.

Meanwhile, additional municipal commissioner Rajiv Jalota said that the civic body would achieve its target. "We have started issuing attachment notices

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to defaulters. We hope they will pay up," he said.

However, even after the proposal for the conversion from ready-reckoner rates to capital value-based rates was tabled in front of the standing committee in August and then the revised proposals in November, no decision has been taken yet, as the corporators feel that the change could upset the citizens and damage their vote-bank.

Based on the new calculation, residents of the island city will have to pay twice the current property tax. Those in the suburbs will pay lesser — about 20 to 25 per cent of what they pay now.

"Until the standing committee approves the proposal, the buildings after April 2010 cannot be accessed. We estimate a revenue generation of at least ₹300 crore from these new buildings alone," a senior civic official said.