

PIL: Those owning less than 500 sq ft must pay tax too

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Mumbai: "When a luxury car like BMW and a small car like Nano pay the same toll tax, then why exempt properties below 500 sq ft from tax?" asked a PIL filed in the Bombay high court.

The petition by businessman Rajendra Phanse has urged the HC to direct the BMC to recover Rs 8,000 crore property tax arrears by bringing all properties under the tax net. At present Mumbai's tax revenue is Rs 2,800 crore.

His petition has challenged implementation of the capital value-based property tax, saying the BMC has increased tax without implementing the Jawaharlal Nehru National Urban Renewal Mission (JNNURM) reforms on property tax. The petition said that since the JNNURM's inception, BMC has availed of its grants but neglected its reforms. The JNNURM scheme ends in December 2012.

The petition further said that in the preceding years, BMC's average property tax recovery has been around 65%, which is much below the benchmark of minimum 85% mandated by the JNNURM for getting grants from it. The reforms call for proper mapping of properties using a geographical in-



formation system so that the urban local body can have a full record of properties in the city, bring them under the tax net and improve collections to achieve at least 85% of demand. The petition says to fulfil the financial criteria by hook or crook, BMC has hiked the property tax without justifiable reasons. "The hike is unequal and meting out injustice to part of the property holders in Mumbai. There is no uniformity and logic in the hiked property tax rates," it states.

Phanse's petition has relied on news reports, which state that out of 14.2 lakh residential properties in the city, nearly 7.4 lakh, which are less than 500 sq ft (including chawls), shall be totally exempt from taxes. On the other hand, nearly 2.75 lakh properties will see property tax rates hike up to 100%.

Phanse has urged the HC to direct BMC not to change the earlier system pending hearing and also sought stay on the bills issued at new rates to property holders. The PIL was mentioned by Phanse's advocate V P Patil before a vacation division bench of Justices A M Thipsay and Ramesh Dhanuka. The PIL has been tagged with another matter in respect of Thane Municipal Corporation, which is posted for hearing on June 14.

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