

PROPERTY TAXES HIKED MULTIFOLD ON THE EVE OF NEW ACT.

Citizens are shocked and surprised to receive new assessment orders/bills for back dated periods from 2008, 2009 and thereafter asking them to pay up immediately. Even loan sharks give their victims installments to pay up but not in the case of BMC.

Property owners of apartments and flats in Mumbai and the suburbs who have rented their properties to earn income to take care of their immediate needs with respect to Medical Expenses, Loan Debts, Day to Day Maintenance, Family Marriage Expenses, Academic Loans and other exigencies have been taxed upto @83.5% of the rentals by the BMC with demand notices and threats on their heads.

“Having been slapped with a whopping bill of Rs. 3.38 lacs per annum on a fully furnished two bedroom flat leased out on a monthly rent of Rs. 45,000 per month I am beginning to wonder about the rationality of our local laws”. Lament D D’Mello, Suburban Property Owner. Sadly saddled with a similar situation a poor widow of 70 years who stays down the road and lives off the rental income to lead an independent life of dignity – in trying times has also been slapped with an exorbitant Tax for her one bedroom kitchen for which she earns Rs. 28,000 per month and her taxes being 83,5% on half of the earnings.

80% of the lessors are above 65 and as a source of a retirement benefit have leased out their flats for the extra income they need whilst they stay with their children whilst they pay for the upkeep through this source of income.

Few are aware that the Government of Maharashtra has already passed a new Act which revises the assessment taxes based on the Ready reckoner rates instead of the rateable value method adopted earlier. The Governor has also signed the new bill.

In view of the enactment of the new act there is absolutely no need for the BMC to revise Municipal Taxes for the interim period as the Act has come into force already and it has been

passed in the State Assembly and has been published in the Maharashtra Government Gazette on the 13th April, 2009.

Due to harassment caused to all Citizens those who have rented their premises to others are coming together to take Legal Aid from some of Mumbai's well learned Lawyers.

For residential properties the tax is 83.5 % of the rateable value. The controversy has erupted because the BMC wants to calculate the property tax based on the rent amount.

It must be appreciated that most retired people consider property investment very safe for old age income on a regular basis without any speculation like the share market. Therefore any additional tax burden will seriously hurt these senior citizens who need at this juncture of their lives the safety and security for regular returns on their investments. Moreover the two lac flats which came back into the market for rentals after the Rent Act was amended will now bear large padlocks as it is no longer feasible to rent.

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