

# **The M.P. Municipality (Determination of Annual Letting Value of Building/Lands) Rules, 1997**

MADHYA PRADESH

India

## **The M.P. Municipality (Determination of Annual Letting Value of Building/Lands) Rules, 1997**

### **Rule**

### **THE-M-P-MUNICIPALITY-DETERMINATION-OF-ANNUAL-LETTING-VALUE of 1997**

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The M.P. Municipality (Determination of Annual Letting Value of Building/Lands) Rules, 1997 Published vide Notification No. 61-18-3-97, dated 29-5-1997, M.P. Rajpatra, Part 2, dated 28-11-1997 In exercise of the powers conferred by Section 433 read with Section 138 of the Madhya Pradesh Municipal Corporation Act, 1956 (No. 23 of 1956) and Sections 355 and 356 read with Section 126 of the Madhya Pradesh Municipalities Act, 1961 (No. 37 of 1961) the State Government hereby makes the following rules, relating to determination of property Tax of annual letting value of building/land, namely :-

### **1. Short title and commencement.**

(1) These rules may be called the Madhya Pradesh Municipality (Determination of Annual Letting Value of building/Funds) Rules, 1997. (2) These rules shall come into force with effect from the date of their publication in the "Madhya Pradesh Gazette".

### **2. Definitions.**

- In these rules, unless the context otherwise requires :- (a) "Act" means the Madhya Pradesh Municipal Corporation Act, 1956 or the Madhya Pradesh Municipalities Act, 1961 as the case may be; (b) "Municipality" means any Municipal Corporation constituted under Section 7 of the Madhya Pradesh Municipal Corporation Act, 1956 or any Municipal Council or Nagar Panchayat constituted under Section 5 of the Madhya Pradesh Municipalities Act, 1961, as the case may be; (c) "Municipal Officer" means in case of Municipal Corporations the Municipal Commissioner or any officer or

servant of the Municipal Corporation as authorised by him in this behalf and in case of Municipal Council and Nagar Panchayat the Chief Municipal Officer or any officer or servant of the relevant Municipal Council or Nagar Panchayat as authorised by him in this behalf;(d)"Return" means the form appended to these rules which shall be submitted by the owner of every building or land within the date fixed under clause (d) of Rule 6 by making self-assessment of the property tax and the amount of property tax shall be deposited in Municipal Treasury;(e)"Year" means financial year which shall start from 1st April and expire on the next 31st March;(f)"Residential" means any land reserved for residential purposes or any building constructed for residential purposes which are being used for the residential purpose provided that it shall not include any building which was constructed for the residential purpose but they are being used for [commercial] [Substituted by Notification No. 217-XVIII-3-99, dated 7-8-1999.] purposes;(g) ["Commercial or Industrial"] [Substituted by Notification No. 217-XVIII-3-99, dated 7-8-1999.] means such building or land on which any business is carried-out, shop is being run, workshop is established, trade, business is being done or any other similar activities are being conducted or reserved for such activities;(h)"Constructed area" means the constructed area of each floor or the house owned by the owner of building/land.

### **3. Classification of Municipal area.**

- Every Municipality shall classify the Municipal area in more than one zone on the basis of, as far as possible, similar locations of the buildings and lands (per square foot prevailing market value) situated therein.

### **4. [ Classification of buildings and lands. [Substituted by Notification No. 217-XVIII-3-99, dated 7-8-1999.]**

- The classification of buildings and lands situated in every zone shall be as follows ;-(a)Quality of construction-(i)Buildings having roof made of R.C.C./R.B.C. or stone;(ii)Buildings having roof made of sheets of cement or iron or tiles;(iii)Other semi-pakka or kuccha buildings which does not fall within sub-clause (i) or (ii).(b)On the basis of use-(i)Buildings/lands for the purpose of commercial or industrial;(ii)Buildings/lands for the purpose of residential.(c)On the basis of location-(i)Building/land situated at main road;(ii)Building/land situated at main market.]

### **5. [ Rate of annual letting value. [Substituted by Notification No. 217-XVIII-3-99. dated 7-8-1999.]**

- Every Municipality as per criteria described in Rule 4 shall fix separate rates for each type of houses and lands situated in each zone on the basis of their quality of construction, use and location for the purpose of determination of their annual letting value :Provided that the land where cultivation is going on and the vacant land attached to the building (Marginal open space) shall be exempted for the purpose of calculation of annual letting value :Provided further that apart from the criteria described in this rule or Rule 4 the municipality subject to the provisions of Sections 135, 136 and 138 of the Madhya Pradesh Municipal Corporation Act, 1956 in case of a Municipal

Corporation and Sections 126 and 127-A of the Madhya Pradesh Municipalities Act, 1961 in case of a Municipal Council or Nagar Panchayat, may also fix separate criteria.]

## **6. Adoption of resolution by Municipality.**

- It shall be essential for every Municipality to adopt a resolution by including the following points, within [maximum six months] [Substituted by Notification No. 108-XVIII-3-97, dated 30-9-1997.] from the date of [commencement of each financial year] [Substituted by Notification No. 39-XVIII-3-98, dated 29-7-1998.]- (a) In case of Municipal Corporation under the provisions of Section 135 of the Act and in case of Municipal Council and Nagar Panchayat, under the provisions of sub-section (1) of Section 127-A of the Act, the determination of such rates of property tax which shall not be less than six per cent and more than ten per cent of the annual letting value. (b) The classification of Municipal area in more than one zone as far as possible, on the basis of the similar location of houses and lands situated therein, under Rule 3. (c) For the purpose of determination of annual letting value of the buildings and lands, the fixing of per square foot per annum for the constructed area of the houses and per square foot per annum for the lands, under Rule 5. (d) To fix the date within which the return and the payment of the amount of property tax by the owners of building or land shall be essential, provided that such date shall not be earlier to four months from the beginning of the year. (e) To fix the rate of surcharge if the return alongwith the amount of property tax is not filed within the date fixed under clause (d).

### **6A. [ Prevailing of the last year rates in case the resolution is not adopted. [Inserted by Notification No 15-XVIII-3-2000, dated 14-7-2000.]**

- If in any year the municipality does not adopt the resolution under the provisions of Rule 6, the owners of buildings/lands shall in a interim way deposit the amount of the tax alongwith the return in accordance with Rule 10 on the basis of the last year's rates and on the declaration of the rates for the current year the revised return alongwith the amount of difference, if any, shall be deposited.]

## **7. [ Omitted by Notification No. 39-XVIII-3-98, dated 29-7-1998.]**

x x x]

## **8. [ Publication of resolution. [Substituted by Notification No. 39-XVIII-3-98, dated 29-7-1998.]**

- As soon as a municipality adopts the resolution under Rule 6, the resolution be published by the municipal officer in atleast two daily newspapers which are in circulation in the municipal area concerned for the information of citizens and the copies of such resolution shall be kept in all the offices of the municipality for the perusal of the citizens.]

## 9. Calculation of annual letting value.

- On the basis of the rate determined under clause (c) of Rule 6, the annual letting value shall be calculated after deducting the following, and on the net annual value arrived as such, subject to the provisions of Section 136, in case of Municipal Corporation and sub-section (2) of Section 127-A in case of Municipal Councils and Nagar Panchayats, the property tax shall be payable at the rate fixed under clause (a) of Rule 6. For the purpose of maintenance of buildings :- Ten per cent" [;fn fdlh Hkou Lokeh }kjk vius Hkou esa ty iquHkZj.k ,oa Hkw&ty lao/kZu ds fy;s ;ksX; rduhdh midj.k yxk;s tkrs gSa] rc ,sls Hkou ds okf"kZd HkkM+k ewY; esa 6 izfr'kr dh vfrfjDr dVksRrh djus dh ik=rk ml o"kZ ds fy;s ekU; dh tkosxh] ftl o"kZ esa fd ,sls rduhdh midj.k yxk;s x;s gksaA] [Inserted by Notification No. 5-5-2001-XVIII-3, dated 13-3-2001.]

## 10. Self assessment of the property tax.

- [(1) Every owner of the building or land of the municipal area, shall himself calculate the annual letting value of his property and the amount of the property tax as per the rates of annual letting value described in resolution published by the municipality as per provisions of Rule 8 and by adding the amount of water lax and the consolidated amount of general sanitary cess, general lighting lax and general fire tax as determined under sub-sections (4) and (5) of Section 132, in case of Municipal Corporation and under sub-sections (4) and (5) of Section 127 in case of Municipal Council and Nagar Panchayats, in the amount of property tax payable and after indicating the information in the return appended to these rules, deposit the consolidated amount of the aforesaid taxes in the municipality within the prescribed time along with the return.] [Substituted by Notification No. 217-XVIII-3-99, dated 7-8-1999.](2)If any person is the owner of more than one house or land in the Municipal area, then every such owner shall pay the amount alongwith the separate return for each house or land; provided that the consolidated annual letting value of all his houses or lands or both, shall be deemed to be the basis for purpose of exemption under the provisions of clause (b) of Section 136 in case of Municipal Corporation and clause (b) of sub-section (2) of Section 127-A in case of Municipal Councils and Nagar Panchayats.[(2-A) Omitted.] [Omitted by Notification No. 217-XVIII-3-99, dated 7-8-1999.](3)If the owner of building or land finds any mistake in the return filed by him as above, then such owner of building or land may submit the revised return within sixty days from the date on which he had submitted the return and if the amount of property lax exceeds according to the revised return, then he shall deposit such amount in the Municipality alongwith the revised return :Provided that if the amount of property lax deposited earlier exceeded according to the revised return, then he may demand for refunding him such excess amount and after scrutinising if the demand is found to be correct, then the Municipal, Officer shall order to refund such excess amount.

### 10A. [ To declare place for depositing the amount of tax. [Inserted by Notification No. 15-XVIII-3-2000, dated 14-7-2000]

- Each Municipality shall declare the counter or the branch of the Bank as determined for depositing the amount of tax.]

## **11. Scrutiny of the return.**

- If on the scrutiny of return received under [Rule 10] [Substituted by Notification No. 108 XVIII-3-97, dated 30-9-1997.], it is found by the Municipal Officer that any information mentioned therein is not correct or is doubtful or he deems it necessary to reassess the annual letting value due to any reasons, then the Municipal Officer may take action for the reassessment of the annual letting value under the provisions of the Act :Provided that in the reassessment, the variation up to ten per cent on either side shall be ignored but where the variation is more than ten per cent, the owner of land or building, as the case may be, shall be liable to pay such penalty which will be equal to five times of the amount of difference of self-assessment made by such owner and the reassessment made by the Municipality :Provided further that against the order passed by the Municipal Officer under the first proviso, an appeal may be filed before the Mayor-in-Council in case of a Municipal Corporation and President-in-Council, in case of a Municipal Council or Nagar Panchayat within thirty days from the date of passing the orders, on which the Mayor-in-Council or President-in-Council, as the case may be, after hearing the parties concerned, shall give its decision, which shall be final.[Provided also that the scrutiny of the return deposited under Rule 10, shall be completed within one year from the receipt of return or before the expiry of the next financial year, whichever is earlier. After the expiry of the said period the return shall not be scrutinised.] [Inserted by Notification No. F. 1-83-2001-XVIII-3, dated 31-1-2002.]

## **12. Procedure on non-submission of return.**

(1)If any owner of building does not deposit the amount of tax in the Municipality alongwith the return, within the date fixed under clause (d) of Rule 6, then the Municipal Officer shall determine the annual letting value of concerned building or land, under the provisions of the Act and shall calculate the properly tax payable alongwith water tax and consolidated amount of general sanitary cess, general lighting tax and general fire tax and surcharge.(2)Any amount of the tax recoverable under Rule 11 and sub-rule (1) of this rule, shall be recovered by the Municipal Officer in accordance with the procedure described in the Act alongwith the surcharge under Rule 13.

## **13. Surcharge.**

- If any owner of the land or building does not deposit the amount of the tax alongwith the return up to the date fixed under clause (d) of Rule 6, then apart from the taxable amount, the surcharge at the rate determined under clause (e) of Rule 6 shall be payable.

## **13A. [ To provide pass book or card to the tax payers. [Inserted by Notification No. 15-XVIII-3-2000, dated 14-7-2000.]**

- Each Municipality shall provide to every tax payer a Pass Book or cards showing that-(a)what amount was payable pertaining to various laxes/fees/rent etc. to which period;(b)what amount was deposited in the Municipality on what date against the payable amount;(c)what amount pertaining to which tax/fees/rent etc. to which period is in arrear on the tax payer.]

## 14. Repeal.

- All rules, sub-rules, bye-laws, orders, etc., it any, enforced for the lime being on this subject, shall be repealed on the date of publication of these rules in the "Madhya Pradesh Gazette[Return for the Self-Assessment of Property-Tax] [Substituted by Notification No. 39-XVIII-3-98, dated 29-7-1998.][See Rule 10 (1)]

		Year.....
1	Name of the owner of the property (with Father's/Husband's name and permanent address. Telephone No., if any)	.....
2	Full address of the property, where it is situate	.....
3	Constructed area : (Rule 2(h))	.....
4	Whether building is pakka or kacheha [Rule 4(a)]	.....
5	Property is residential or commercial or industrial [Rule 4(b)]	.....
6	Area of the open land which is in the use only for the commercial or industrial purpose. [Rule 2(g)]	.....
7	Per square foot annual rate, as determined by the municipality for calculation of annual letting value. [Rule 6(c)]	.....
8	Annual letting value as calculated. [Rule 9]	.....
9	Property tax payable on the annual letting value. (Rule 10)	.....
10. [	Water lax (minimum amount prescribed by the Government + amount of percentage of property tax determined by the municipality)	.....
<p>Note:- If the owner of the building is paying the water tax as per minimum rate fixed on monthly basis then here only the amount as per percentage of the property tax determined by the municipality be indicated)</p>		
11	Consolidated amount of general sanitation tax, general lighting tax and general fire tax (minimum amount prescribed by the Government + the amount of percentage of property tax determined by the municipality)	.....

12	Amount of surcharge if payable .....
13	Total amount being paid to the municipal fund (Total of 9+10+11+12) (In figures and words) .....

Note :- (1) Fifty per cent property tax shall be payable on such property which is in occupation of owner for his residence. (2) Extracts of the rules as referred to in the return may be seen at the next page. (3) For each property separate return shall be filed in..... Signature of the owner of the property Verification I, ..... Son of..... resident of ..... do verify that the information given in the return is true and that I am the owner of the building/land for which I have given the return..... Signature of the owner of building/land Receipt Received the return along with the copy of the receipt of amount paid/ehallan relating to the year..... Signature of the recipient officer/employee (Indicate full name and designation) Extract of the Madhya Pradesh Municipality (Determination of Annual Letting Value of Building/Land) Rules, 1997 as referred to in the Return of the property tax for self assessment. Rule 2 (h) "Constructed area" means the constructed area of each floor of the house owned by the owner of buildings/land. Rule 2 (g) "Commercial or Industrial" means such building or land on which any business is carried-on, shop is being run, workshop is established, trade, business is being done or any other similar activities are being conducted or reserved for such activities. Rule 4 (a) on the basis of quality of construction - (i) Buildings having roof made by R.C.C., R.B.C. or stone; (ii) Buildings having roof made by sheets of cement or iron or tiles; (iii) Other semi-pakka or kuccha building which does not fall under sub-clause (i) or (ii). (b) On the basis of use - (i) Buildings/lands for the purpose of commercial or industrial; (ii) Buildings/lands for the purpose of residential; (c) On the basis of location - (i) Building/land situated at main road/main market; (ii) Building/land not situated at main road/main market. Rule 5 Every Municipality as per criteria described in Rule 4 shall fix separate rates for each type of houses and lands situated in each zone on the basis of their quality of construction, use and location for the purpose of determination of their annual letting value : Provided that the land where cultivation is going on and the vacant land attached to the building (Marginal open space) shall be exempted for the purpose of calculation of annual letting value : Provided further that apart from the criteria described in this rule or Rule 4 the municipality subject to the provisions of Sections 135, 136 and 138 of the Madhya Pradesh Municipal Corporation Act, 1956 in case of Municipal Corporation and Sections 126 and 127-A of the Madhya Pradesh Municipalities Act, 1961 in case of Municipal Council or Nagar Panchayat, may also fix separate criteria. Rule 6 Adoption of resolution by municipality. - It shall be essential for every municipality to adopt a resolution by including the following points, within maximum six months from the date of commencement of each financial year - (A)..... (B)..... (C) For the purpose of determination of annual letting value of the buildings and lands, the fixing of per square foot per annum for the constructed area of the houses and per square foot per annum for the lands, under Rule 5. Rule 9 Calculation of annual letting value. - On the basis of the rate determined under clause (c) of Rule 6, the annual letting value shall be calculated and after the deduction as follows..... the property tax shall be payable..... "For the purpose of maintenance of buildings :- Ten per cent" Rule 10 Self assessment of the property tax. - (1) Every owner of the building or land of the municipal area, shall himself calculate the annual letting value of his property and the amount of the property tax as per the rates of annual letting value described in resolution published by the municipality as per provisions of Rule 8 and by adding the

amount of water tax and the consolidated amount of general sanitary cess, general lighting tax and general fire tax as determined under sub-sections (4) and (5) of Section 132, in case of Municipal Corporation and under sub-sections (4) and (5) of Section 127 in case of Municipal Council and Nagar Panchayats, in the amount of property tax payable and after indicating the information in the return appended to these rules, deposit the consolidated amount of the aforesaid taxes in the municipality within the prescribed time along with the return.(2)If any person is the owner of more than one house or land in the municipal area, then every such owner shall pay the amount alongwith the separate return for each house or land :Provided that the consolidated annual letting value of all his houses of lands or both, shall be deemed to be the basis for purpose of exemption.....(3)If the owner of building or land finds any mistake in the return filed by him as above, then such owner of building or land may submit the revised return within sixty days from the date on which he had submitted the return and if the amount of property tax exceeds according to the revised return, then he shall deposit such amount in the municipality alongwith the revised return :Provided that if the amount of property tax deposited earlier exceeded according to the revised return, then he may demand to refund such excess amount and after scrutinising if the demand is found to be correct, then the, municipal officer shall order to refund such excess amount.]