



7. URBAN FINANCE AND MANAGEMENT

Under BPMC Act 1949 Corporation is empowered to levy the following taxes

- 1) Property Tax
- 2) Octroi Tax &
- 3) Other Taxes includes –
 - a) Rented Municipal Properties
 - b) Advertisement Tax
 - c) Municipal Market Fee etc.

1. PROPERTY TAX

BPMC Act 1949 section 127 allows to levy property tax. In Nashik Municipal Corporation property tax is assessed on the basis Annual Ratable Value (ARV). NMC has adopted the system of carpet area basis in case of owner occupied premises or portion of the premises or building and incase of rented properties actual rent basis ARV is calculated.

At present on vacant lands, open lands, no assessment of property tax in NMC.

Basis of determine of ratable value of buildings -

- I) Residential
 - a) Self occupied
 - b) Rented
- II) Non-residential properties
 - a) Self occupied
 - b) Rented
- III) Commercial
 - a) Self occupied
 - b) Rented

On the basis of three types property Tax charge at different rates.

1.1 Drawback in present Property Tax Assessment systems :

- ARV is calculated on the basis of actual rent received by owner. In same area different property tax is calculated.
- There is no property tax on vacant lands.
- On ready reckoner basis there is no zoning of different parts of NMC

The Revenue from Property Taxes and Number of properties for last three years

Sr no.	No. of years	Demand raised	Actually recovered	%	Total no. of properties as on 31 st March
1	2003-04	4808.05	3616.79	75.22	233294
2	2004-05	5236.10	3748.10	72.00	249762
3	2005-06	5604.43	3756.70	67.03	261312

NMC is decided to reform the present property tax assessment system in current financial year 2006-07.

Main Features of Reforms –

- In present property tax collection there is a huge amount of arrears due to incorrect assessment of ARV so there is a difference actual demand and demand raised.
- In 2006-07 NMC decided by special resolution no 1218 on dtd. 18-2-2006 to change the ARV assessment of property tax. In this system NMC is divided into 12 different zones accordingly to



market value of properties and fix the rented rates of residential and commercial properties area wise.

- NMC is decided to assess on open lands- non-agriculture land, un-authorised nonagriculture use and places use for parking, exhibition, Mangal Karyalaya, that will help to increase the revenue.
- ill legal and unauthorised building NMC charge 2 times higher than regular rate and 3 times on non residential. That will help to check the unauthorised constructions.
- GIS based property tax system – The total survey of buildings and lands within the municipal corporation area, house numbering, and computerisation for the purpose of assessment and taxation of properties. That will help to increase the revenue.
- To attract the IT & ITs industries towards Nashik, from 2006-07 NMC reduce the property tax at residential ratable value.
- Within Municipal corporation area NMC is decided @ 5% rebate on property tax those who are using solar water heating system.
- For increasing the regular taxpayers in year 2006-07 NMC is declared 50000 rupees insurance cover to property holders.
- 'Abhay Yojna' separate tribunal will be assigned for settling old cases of property tax disputes.

2. OCTROI

More than 65% income of NMC is arrived from octroi tax. Under the provision of BPMC Act 1949 and Maharashtra Municipality Octroi rules 1960. All the goods imported within municipal limit for the purpose of sell use and consumption are liable to pay octroi tax. There is no separate rule prepared by NMC under the provision of BPMC act. The most of the items are charged under weight basis under the provision of the 1968 octroi rule.

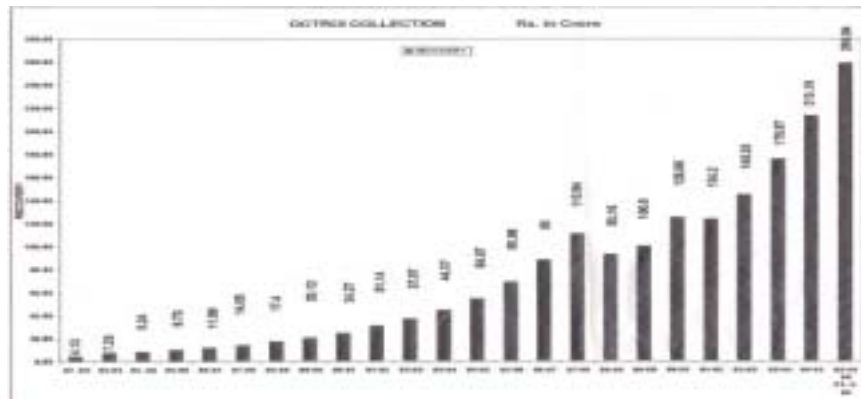
At present 18 octroi nakas situated at various entry point in the municipal limit. In additional central godown naka, ozar naka godown has been developed for checking the mix goods vehicles for proper valuation of goods to insure the correct recovery of octroi tax. Seven flying squad is working 24 hrs. for detecting the octroi evasion.

2.1 The steps taken to increase the octroi -

- NMC is prepared separate octroi rules i.e. Nashik Municipal Corporation Octroi Rules under BPMC act 1949 in which main provision as follows –
 - a) Octroi is calculated on the basis of price not on the weight.
 - b) To attract the mega Industries more than 500 Cr. investment towards Nashik we made octroi exemption on machinery and concession on raw material for first 5 years.
 - c) For seek units provision of octroi exemption is made.
 - d) For ITs, Food processing Industries, Automobile Industries we made provision of Octroi concession.
- For Mahendra & Mahendra of New Project 'Mahendra Renault' Logon Car Project 700 Cr. investment NMC is decided to give octroi exemption on machinery and 0.5 % octroi charge on raw material.
- Motor MICO industries, Common Rail DSLP Injector Project investment 700 Cr. Investment. NMC is decided to give octroi exemption on machinery and 0.5 % octroi charge on raw material.
- Computerisation of all Octroi nakas is completed in 2005-06.



- In the newly framed octroi rules NMC has proposed to increase in the rate of octroi of some commodities like Tobacco, Cigarettes, Spirit, wine etc. and also increase in the fees of Escort and Transit pass that will help to increase the revenue.



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In future more than 2% increase will be possible.

3. Water Supply Charges

The per capita water supply is 150 Ltr. per day. Total population of NMC is 10,77,236 according to 2001 census.

Water Supply Charges :

Three types of tap connections and rates are as given below.

Sr no.	Types of Connections	Rate/1000 Lit
1	Domestic	Rs. 3.50/-
2	Non-Domestic	Rs. 13.50/-
3	Commercial/Industrial	Rs. 18.00/-

Non-meter (Tap Connections) Charges – Half Inch only for Domestic use.

Sr no.	Types of Connections	Rate/1000 Annum
1	Two time supply	Rs. 1080/-
2	One time supply	Rs. 810/-
3	Rural area	Rs. 540/-

In Nashik municipal corporation limits more than 80 % area having water meter connections. 1,02,011 water meter connections & 24,851 are un-metered connections. The meter reading is taken within every three months , for commercial users within two months.

NMC is trying to give maximum individual water connections to slum dweller. and reduce No of group connection to avoid water losses.

The demand and recovery is as under.

Year	Budget demand	Actual receipt	Percentage
2001-02	1794.00	1578.46	87.98 %
2002-03	1900.00	1663.17	87.53 %
2003-04	2200.00	1768.54	80.39 %
2004-05	2400.00	1895.16	78.96 %
2005-06	2500.00	1815.91	72.64 %

The collection centres are at Divisional office level. This year, Nashik Municipal Corporation is proposed for computerisation of water billing section.

**4. Other Taxes**

Other Taxes Recovery Chart excluding Betterment & Development charges

Sr.No	Year	Recovery
1	2003-04	10,54,78,595
2	2004-05	10,51,79,932
3	2005-06	10,28,19,821
Total -		31,34,78,348

Other Taxes Recovery Chart Including Betterment & Development charges

Sr.No.	Year	Recovery
1	2003-04	24,46,93,069
2	2004-05	22,80,03,323
3	2005-06	18,73,68,993
Total -		66,00,65,385/-

In other taxes there is 33 different heads amongst that the important heads are as under.

1. Rented NMC properties
2. Market shops
3. Advertisement tax (Hordings)
4. Market Licence fees
5. Road damage fees
6. Different types of taxes
7. Betterment charges & development charges
8. Dadasaheb falke entrance fee
9. Parking places fee

These are some important sub heads under which revenue is recovers.

At presently in the year 2005-2006 development & Betterment charges recovery is less as compared to previous two years.

4.1 To increase the revenue from other source NMC is taking following steps.

1. Rented NMC properties & shops fresh agreement will be done & every three years 10 % rent will be increase.
2. For hoarding & posters some important places will be selected.
3. NMC will be setup 100-150 Bus Shelters from them NMC will get advertisement tax & shop rent.
4. For Advertisement purpose some important places, unique poll & Glow sign boards will be setup.
5. Mini market shopping center will be setup NMC area.

5. Income Expenditure & Surplus details of budget**Income Pattern**

(Rs. In Lakhs)

Year	Revenue	Capital	Loan	Total
2000-01	20983.00	177.00	4271.00	25431.00
2001-02	22908.00	3563.00	4457.00	30928.00
2002-03	25551.00	3481.00	392.00	29424.00
2003-04	28427.00	692.00	00.00	29119.00
2004-05	31467.00	427.00	00.00	31894.00

Expenditure, Surplus / Deficit Statement

(Rs. In Lakhs)

Year	Expenditure			Surplus / Deficit Pattern		
	Revenue	Capital	Total	Revenue	Capital	Total
2000-01	14163.35	10507.00	24670.35	(+) 1079.01	0	(+) 1079.01
2001-02	14786.76	17266.00	32052.76	(-) 32.96	0	(-) 32.96
2002-03	13701.62	16267.00	29968.62	(+) 1073.75	0	(+) 1073.75
2003-04	15662.23	13625.00	29287.23	(+) 665.29	0	(+) 665.29
2004-05	21887.46	8331.00	30218.46	(+) 2567.76	0	(+) 2567.76