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PUNE NEWS

PMC to levy value-based property tax on 100 properties

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By Abhay Khairnar

PUNE: The Pune Municipal Corporation (PMC) has decided to levy value-based property tax on 100 properties on a pilot basis and will extend the plan to the entire city if it proves successful.

Pune municipal commissioner Vikram Kumar said, "The PMC had appointed the Gokhale Institute of Politics and Economics to study value-based property tax. We held a meeting with them on Monday and decided to execute the scheme on a pilot basis. We will start with 100 properties in the city."

Presently, property tax is levied as per the ready reckoner rate of the year of registration of the concerned property due to which many old properties in the city are paying less property tax as compared to new properties. The property tax levied on old properties is disproportionate to their size whereas newly-registered properties are being charged huge amounts. So much so that in some areas of the city, the property tax for a 2 BHK (bedroom-hall-kitchen) is more than Rs35,000 per annum. This difference in property tax is exactly why the civic administration is considering levying property tax in accordance with the value of property. And, it is paying the Gokhale institute Rs22.57 lakh to carry out the study in the next four months and prepare a detailed report in terms of all aspects of making the shift.

Additional municipal commissioner Vilas Kanade, who was formerly the head of the property tax department, said, "It is true that there is a gap between old and new properties. It is also true that both kinds of taxpayers are using the same facilities, including roads, water, drainage and gardens. Then why so much difference?"

Another view however is that the amenities were developed out of the tax money previously paid by the owners of old properties. Back then, land acquisition and construction costs were also low. A PMC official on condition of anonymity said that the Gokhale institute will conduct a detailed study for preparing a tax structure based on capital costs, and the corporation will then take a call on the same.

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