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The Jammu and Kashmir Municipal (Property Tax) Rules, 2011

In exercise of the powers conferred by section 280 read with section 65 to 86 of the Jammu and Kashmir Municipal Act, 2000 (Jammu and Kashmir Act XX of 2000), the Government of Jammu and Kashmir hereby makes following rules, namely:-

1. Title and commencement.- (1) These Rules may be called the Jammu and Kashmir Municipal Property Tax Rules, 2011.

(2) They shall come into force from the date of its publication in the official Gazette.

2. Definitions.- (1) In these Rules unless the context otherwise requires,-

- (i) **“Act”** means the Jammu and Kashmir Municipal Act, 2000 (Jammu and Kashmir Act XX of 2000);
- (ii) **‘Alteration’** means structural changes or modifications resulting in additions or deletion to the existing built up area;
- (iii) **‘Block period’** means block of five years for the purpose of revision of property tax.
- (iv) **“Built up area”** means total area covered by building or high rise buildings above the plinth level, and including all covered area like basement, mezzanine flooring, balcony whether covered or not; garage area, constructed boundary of swimming pool, fuel storage tanks constructed underground or above the ground, storage of merchandise in open space like timber, granite, bricks etc, but does not include,-
 - (a) court yard at the ground level, garden, rocky area, well and well structures, plant, nursery platform around a tree, overhead water tank, fountain, bench with open top and the like;
 - (b) drainage, culvert, conduit, catch-pit, gully pit, chamber gutter and the like;
 - (c) compound or boundary wall, chajja, uncovered staircase, watchman booth/pump house not exceeding three-square meters and sump tank.

- (v) **'Commercial or non-residential building'** means a building or part of a building, which is used for commercial or non-residential purpose and include space which is used for shops or market, for display and sale of merchandise either wholesale or retail, storage and service facilities incidental to the sale of merchandise, for transaction of business, for keeping of accounts and records, for providing professional or other service facilities, corporate offices, software services, office of commercial undertakings and companies, petrol pump stations, restaurants, lodges, service apartments/homes, paying guest accommodation, hospital, nursing homes, cinema theatres, banks, clubs/association/institutes and for other purposes of non-residential natures.
- (vi) **"Current year"** means the year for which property tax is being paid.
- (vii) **"Excess Vacant Land"** means area of vacant land appurtenant to the building in excess of three times the plinth area of the building by excluding the plinth area;
- (viii) **"Form"** means forms specified under the rules;
- (ix) **"Gross rateable value"** means the total rateable value of the property calculated under the rules for twelve months before depreciation and such other deduction provided under the Act and the Rules made there under.
- (x) **"Industrial Building"** means a building used for industrial purpose;
- (xi) **Mass appraisal of property** means the appraisal of groups of properties falling in the various zone classification and categorization of usage by the Executive Officer using such appropriate methods and guidelines issued by the government to bring in uniformity and consistency for arriving at the unit rateable value of property.
- (xii) **"Multiplex Cinema"** means premises having more than two cinema screens.
- (xiii) **"Previous year"** means the financial year immediately preceding the current year.

- (xiv) **"Rateable value"** means the value of land or building fixed in a zone in accordance with the provisions of this Act and the rules made there under for the purpose of assessment to property taxes.
- (xv) **"Residential building"** means a building used or constructed or adopted to be used wholly for human habitation and includes garages and other out-houses necessary for the normal use of the building as a residence.
- (xvi) **"Return"** means self-assessment return form of the property tax to be filed by an assessee declaring property particulars and payment of property tax thereon;
- (xvii) **"Section"** means section of the Act;
- (xviii) **"Star Hotel"** means a hotel classified as such by the Department of Tourism, Government of Jammu and Kashmir.
- (xix) **"Unit Rateable Value"** means the rateable value of per square foot per month multiplied with the total built up area of a building or total area of excess vacant land or both for twelve months minus depreciation specified in the schedule to these rules, depending on the age of the building;
- (xx) **"Zone"** means the group of areas or street falling within the range of land values of the area or street determined on the basis of the average market value of land per square feet through mass appraisal method or real estate market information or any other reliable source or combination of these sources that may be considered as sufficient and reasonable by the Executive Officer."

(2) **Words and expressions** used in these Rules but not defined herein shall have the same meaning respectively as assigned to them in the Act;

(3) **3. Classification of Zones.**- For the purpose of determination of zones, the Executive Officer may adopt mass appraisal method or real estate market information or any other reliable source or combination of these sources that may be considered as sufficient and reasonable criteria, or as per the guidelines government may by notification issue to,-

- (i) classify both residential and non-residential property in different area or street in the municipal area into as many zones as he deems fit and assign them as Zone A, B, C, D, E etc., While doing

so, the Executive Officer shall, as far as it may be possible, group streets/area/locality falling under each range of land value into zone and publish:

Provided that if the name of any street/area/locality does not figure in the classification so published, then the Executive Officer shall classify and publish such street/area/locality as a appropriate zone subsequently during the year. Until such time the tax thereof shall be calculated based on the highest rates applicable to nearest neighboring /street/area/locality;

- (ii) suitably classify cinema theaters;
- (iii) classify the specific class of non-residential properties without reference to any zones i.e, irrespective of zonal classification.

4. Categorization of use of building.- For the purpose of determination of rateable value, the Executive Officer, may adopt such criteria to categorize the buildings based on the roof type, floor type, quality of construction material used and such other categorization as he deems fit. Further, for commercial or non-residential building, the Executive Officer may follow a different categorization based on the quality of building, nature of commercial use of the building or the facilities offered therein.

5. Determination of rateable value.- 1. For the purpose of bringing uniformity in the determination of rateable value of the property, the Executive Officer shall determine the unit rateable value on a mass appraisal of rateable value based on the guidelines as may be issued by the government under rule 3 and the usage of property under rule 4.

6. Allowance for furniture let and for cost of repair and maintenance.-

(a) subject to furnishing a declaration, a deduction of five per cent on the gross ratable value is allowed if the premises is let along with the furniture for the use of the tenant.

(b) a deduction of ten per cent on the gross ratable value for the cost of repair and all other expenses necessary to maintain the building shall be allowed.

Provided that no deduction under sub-rule (a) and (b) shall be allowed during the middle of the block period:

Provided further that where there is any addition made to the existing building, within the same block period, the rate of depreciation shall continue to be the same for that block period.

7. Submission of self assessment return Forms.- The self-assessment form shall be prescribed by the Executive Officer, and every owner occupier who is liable to pay property tax shall submit self-assessment return in the prescribed forms to the Executive Officer or the officer authorized by him along with the property tax and penalty or interest payable, if any, calculated by him.

8. Mode of payment.- (1) Where the property tax payable is Rs.1000.00 and above, it shall be paid only by cheque/demand draft/pay order drawn on any bank payable in favour of the Executive Officer, or through electronic medium as notified by the Executive Officer

(2) Where the total tax payable is less than Rs.1000.00, it can be paid in cash at the office of the respective jurisdictional offices at the office or agency authorized by him in this behalf.

9. Levy of service charges for the buildings exempted from property tax.- Service charges for providing civic amenities in respect of buildings exempted from property tax under section 79 shall be at such percentage of property tax as may be specified by the Municipality.

Provided that such exempted properties that are let out for commercial purpose shall be charged at regular rates of property tax applicable for that zone and category.

10. Property Register.- The property tax collected from the owner shall be maintained in Property Tax register specified in the rules.

11. Method of random scrutiny.- (1) Every return filed by a owner shall be given a continuous serial number in a chronological order by the computer and thereafter it shall be taken up for random scrutiny on the basis of random computer generated numbers under supervision of an officer authorized by the Executive Officer.

(2) The cases selected for random scrutiny shall not exceed 10 percent of the returns filed in each year within the block period. While selecting the returns for random scrutiny within this percentage, the Executive Officer may stagger the scrutiny spread over the financial year.

(3) Selection of cases for random scrutiny and detail inspection shall have the approval of the Executive Officer,-

- (a) The cases selected for random scrutiny and detail inspection shall be displayed on notice boards of the respective municipal offices or any other place prescribed by the municipality.
 - (b) The Executive Officer or his authorized officer concerned shall inform in writing to the taxpayer the date and time set for scrutiny of the return filed and in respect of the property, if necessary.
 - (c) Cases that have already been taken up for scrutiny shall not be taken for scrutiny again within the same block period provided the taxpayer has not made further changes to the property.
 - (d) Cases once selected for random scrutiny and detail inspection shall not be excluded even if the taxpayer files a revised return.
 - (e) All cases selected for random scrutiny shall be completed within the financial year, failing which they shall lapse. However the lapsed cases may figure for the random scrutiny for the next financial year.
- (4) Cases taken up for random scrutiny and the details of its inspection shall be recorded in the checklist specified under the rules.
- (5) The cases taken up for random scrutiny shall be taken up for inspection and assessment by the Executive Officer or by an officer authorized by him.
- (6) The owner or the occupier of the property shall sign the checklist in the form specified under the rules. If the owner or occupier does not sign the checklist, the officer shall record as such and proceed on the basis of the information gathered.
- (7) After detail inspection, where discrepancy is noticed between the return filed and actual nature of the property, resulting in less payment of tax, the Executive Officer shall issue a notice to the taxpayer giving him an opportunity to file his objections. On receipt of the objections, if any, and after due consideration, the Executive Officer shall pass orders as he deems fit.
- (8) All cases taken up for random scrutiny shall be maintained in a separate register as specified under the rules.

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