

## 14. TAXES

### 14.3 Assessment of Railway properties in Panchayats for collection of House Tax and Service charges

Rural Development (C2) Department

G.O. (Ms) No. 19

Dated : 27.03.2002

Read :

1. G.O.No.3651, L & M dated 12<sup>th</sup> September 1932.
2. G.O.No.398, L A dated 31<sup>st</sup> August 1940.
3. G.O.(Ps) No.2200, L .A dated 25<sup>th</sup> October 1949
4. G.O.No.1386, L A dated 8<sup>th</sup> October 1954.
5. G.O.No.1628, L A dated 22<sup>nd</sup> November 1954
6. Government (Memo) No. 750/C2/67-2, RD & LA dated 19<sup>th</sup> January 1968
7. G.O.No.255, R.D.dated 13<sup>th</sup> December 1999
8. From the Commissioner of Rural Development Lr.No.88788/2000/PCA-4 dated 31.3.2001.

#### ORDER

In the reference one to seven read above, the Government have already issued various instructions for assessment of Railway Properties, Central Government Properties, other than the Railway Properties, State Government Properties, Panchayat Union and District Properties for levy of House Tax by the Village Panchayat under Tamil Nadu Panchayats Act 1958. In the G.O. seventh read above, the Government have issued Rules for assessment and collection of House Tax by the Village Panchayats under the Tamil Nadu Panchayats Act 1994. The Director of Rural Development has sent modified proposals consolidating various instructions already issued for approval of the Government. The Government have examined the proposals of the Director of Rural Development and issue the following orders.

#### **1. The following Principles to be observed for assessment of Railway Properties in Panchayats for collection of house tax**

- (i) Railway property acquired by the Central Government after the 25<sup>th</sup> January 1950 are exempted from local taxes.
- (ii) Railway property vested in the Central Government which was not liable to taxes on 25<sup>th</sup> January 1950 are exempted from local taxes.
- (iii) Railway buildings constructed after the 25<sup>th</sup> January 1950 are exempted from local taxes.
- (iv) In the case of completed or substantially completed or demolition of buildings and new railway buildings constructed after 25<sup>th</sup> January 1950 are exempted local taxes.
- (v) Extension made to railway buildings after 25<sup>th</sup> January 1950 are exempted from local taxes.
- (vi) Railway buildings partially demolished after 25<sup>th</sup> January 1950 where such demolition is necessary to effect adequate repairs will continue to be liable to tax although the effect of such demolition may be to enhance the amount of tax on account of the taxable value of the building increasing there by.
- (vii) With regard to improvements and partial demolitions which come in the category of improvements, made after the 25<sup>th</sup> January 1950, the liability to tax would depend in each case on whether the property in its final state is not substantially the same property as originally vested.
- (viii) The Government of India have agreed to pay enhanced rates of tax with effect from 1<sup>st</sup> April 1948 in respect of buildings which were liable to tax on 25<sup>th</sup> January 1950.

Service charges may be collected by the Village Panchayats in buildings acquired or constructed after 25<sup>th</sup> January 1950.

**2. Principle to be followed to collect service charges in respect of railway properties of the Central Government.**

Water and Drainage charges :

- |  |                         |
|--|-------------------------|
| a) Where a Railway administration derives no   | One third of the charge |
| b) Where a Railway administration derives only | Half of the charge      |
| c) Where a Railway administration derives full | Full charge             |
- direct benefit  
partial benefit  
benefit

Scavenging Charges :

- |   |                     |
|---|---------------------|
| a) Where a Railway administration has made efficient arrangements of its own for the daily removal and disposal of rubbish, filth etc., from its premises | No charge           |
| b) Where a Railway administration has made arrangements for removal of filth etc., but where the local authority is responsible for its final disposal.   | Half of the charge. |

Lighting Charges :

- |   |                     |
|---|---------------------|
| a) Where a Railway Administration does not take power from the local Authority for lighting its premises and where the roads leading to the Railway station are also not lit by the local Authority : | No charge.          |
| b) Where a Railway Administration does not take power from the local Authority for lighting its premises, but the roads leading to the Railway station are lit by the local Authority :               | Half of the charge. |
| c) Where a Railway Administration takes power from the local authority for lighting its premises :  | Full charge.        |

**3. Collection of service charges from Central Government Properties other than Railway properties.**

The Collectors shall ensure that the Village Panchayats in their area while assessing Central Government Properties for collection of service charges from all Central Government Properties, which are not assessed for the levy of house tax, the following principle be followed for levy of service charges.

Water and Drainage Charges :

- |  |                     |
|--|---------------------|
| a) Where a Central Government Property derives no direct benefit area. | Full charge         |
| b) Where only a partial benefit is derived                             | Half of the charges |
| c) Where full benefit is derived                                       | Full charges.       |

Scavenging Charges :

- |   |                      |
|---|----------------------|
| a) Where the Central Government administration has made own arrangements for daily removal and disposal of rubbish, filth etc., from its premises | No charges.          |
| b) Where the local authority is responsible for the final disposal of rubbish, filth etc.,  | Half of the charges. |

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### Lighting Charges :

- |   |   |
|---|---|
| a) Where the Central Government Administration does not take power from any local Authority for lighting its premises and where the roads leading to the building are not lit by the local Authority. | No charges.   |
| b) Where the Central Government Administration does not take power from the local Authority for lighting its premises but the roads leading to the property are lit by the local body.                | Half of the charges.  |
| c) Where the Central Government Administration takes power from the local body for lighting its premises  | Full charges in addition to the charges for energy consumed |

### 4. Procedure for collection of service charges in respect of Central Government Properties

The Service charges in regard to Union Government building located in Village Panchayat area should be claimed properly. The Executive Authority should ensure that there is no omissions in the claims. In order to ensure this, the procedure mentioned below should be adopted -

- (1) The Executive Authority should verify the buildings of the Union Governments located in the Village Panchayat.
- (2) A list of the Union Government buildings located in Village Panchayat should be drawn up for each District by the Assistant Director (Panchayats) concerned.
- (3) The Panchayats concerned should be asked to make formal claims of service charges. There should be separate claims for the properties of Railways and properties other than those belonging to the Railways.
- (4) The Assistant Director (Panchayats) shall verify whether the claims are proper and in order. After verification he shall transmit them to the District Collectors concerned.
- (5) The Collectors should consolidate the claims of the Village Panchayat under their jurisdictions and forward them to the concerned local department officer of the Union Ministers for payment.

### 5. Assessment of State Government buildings for House Tax

For purpose of assessment of house tax, the Executive Engineer in the case of Government buildings borne on the books of the Public Works Department and the Officers of the department concerned in the case of other Government buildings should ascertain from the Tahsildar of the taluk concerned, the estimated capital value of the sites of such buildings and communicate such valuation of the Executive Authority of the concerned along with the figures as to the estimated present cost of erecting the buildings.

The Executive Authority of the Village Panchayat should intimate to the officer or officers who are to make the valuation atleast three months before the date on which the revision of the Assessment Books is to come into force, the particulars of the buildings and other properties to be valued for the purposes of the revision. The officer or officers should see that the valuation is communicated to the Executive Authority sufficiently early to enable to the letter to show the revised Assessment Books on the date on which revision comes into force.

### 6. Assessment of Panchayat Union Buildings for House Tax

In the case of Panchayat Union building which are liable to house tax on the basis of the annual value and which is re-let out for rent, the actual gross annual rent less a deduction of 10% of such annual rent should be taken as the annual value of the buildings for purpose of assessment of house tax. In the case of Panchayat Union buildings which are liable to house tax and which are not let out for rent, the annual value or the capital value, as the case may be, estimated by the Divisional Engineer (Highways & Rural Works) of the division concerned should be adopted for

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purposes of assessment to the tax, in order to avoid disputes in valuation. For the purposes, the Divisional Engineer himself need not inspect the building, in all cases. He may depute an Assistant Engineer for making the valuation and forward the valuation statement with his counter signature, to the Commissioner of Panchayat Union and the Executive Authority of the Panchayat concerned. The valuation furnished by the Divisional Engineer (Highways & Rural works) should be adopted till the next quinquennial general revision of assessment. At each quinquennial general revision the Executive Authority of the Panchayat should obtain from the Divisional Engineer (Highways & Rural works), the fresh statement of valuation.

In the case of weekly markets only such Panchayat Union buildings as fall within the definition "house" in section 2(14) of the Tamil Nadu Panchayats Act 1994, are liable to house tax.

(By order of the Governor)

**L.N.VIJAYARAGHAVAN**  
SECRETARY TO GOVERNMENT