

CHAPTER XI

MUNICIPAL TAXATION

Taxes to be imposed under this Act

127. Taxes to be imposed under this Act.

(1) For the purposes of this Act, the Corporation shall impose the following taxes, namely :-

¹

[(a) Property taxes either under section 129 or property tax under section 141 B]

(b) a tax on vehicles, boats and animals :

²

[Provided that in the case of a local area constituted to be a City under sub-section (2) of section 3, until the expiry of a period of two years from the appointed day or of such further period not exceeding two years as the State Government] at the request of the Corporation for such City may, be notification in the Official Gazette, specify, the provisions of this section shall have effect as if there had been substituted for the words "the Corporation shall impose" the words "the Corporation may impose".]

³

[(1A) Notwithstanding anything contained in the proviso to sub-section (1), in the case of the Municipal Corporation of the City of Rajkot, for a period of two years commencing on the 19th November, 1975, the provisions of sub-section (1) shall have effect, and shall be deemed to have had effect, as if with effect on and from the 19th November, 1975 there had been substituted for the words "the Corporation shall impose" the words "the Corporation may impose" in the said sub-section (1).]

(2) In addition to the taxes specified in sub-section (1) the Corporation may for the purposes of this Act and subject to the provisions thereof impose any of the following taxes, namely :-

(a) octroi;

⁴

(c) a tax on dogs;

(d) a theater tax;

(e) a toll on animals and vehicles,, ⁵ ***** entering the City;

⁶

¹ These sub-section was substituted for "(a) property taxes," by Guj.3 of 1999 s.4

² This proviso was and was deemed always to have been added by Guj. 5 of 1967, s. 2.

³

Sub-section (1A) was inserted by Guj. 1 of 1979, s. 13.

⁴

Clause (b) was deleted by Presi. Act No. 11 of 1976, Schedule II, item I(a).

⁵

The words and figures "other than motor vehicles or trailers, save as provided in section 14 of the Bombay Motor Vehicles Tax Act, 1935" were deleted by Bom. 65 of 1958, s. 25,

⁶

Clause (f) of sub-section (2) of section 127 stood unmodified by the Gujarat Adaptation of laws (State and Concurrent Subjects) Order, 1960.

⁷(f) any other tax ⁸ [(not being a tax on professions, trades, callings and employment)] ⁹ [or a tax on payments for admission to any entertainment] which the ¹⁰ [State] Legislature has power under the ¹¹ [Constitution] to impose in the ¹² [State].

¹³

[¹⁴(2A) Notwithstanding anything contained in sub-section (1) or sub-section (2), no tax or toll shall be levied on motor vehicles save as provided in section 20 of the Bombay Motor Vehicles Tax Act, 1958.] (Bom. LXV of 1958)

(3) The municipal taxes shall be assessed and levied in accordance with the provisions of this Act and the rules.

^{14 15}

/ (4) Noting in this section shall authorise the imposition of any tax which the ¹⁶ [state] Legislature has no power to impose in the ¹⁷ [state] under the ¹⁸ [Constitution].

Manner of recovering municipal taxes

128. Manner of recovering municipal taxes.

A municipal tax may be recovered by the following processes in the manner prescribed by rules :-

- (1) by presenting a bill,
- (2) by serving a written notice of demand,
- (3) by distraint and sale of a defaulter's movable property,
- (4) by the attachment and sale of a defaulters, immovable property,
- (5) in the case of octroi and toll, by the seizure and sale of goods and vehicles
- (6) in the case of property tax by the attachment of rent due in respect of the property,
- (7) by a suit.

Property Taxes

Property-taxes leviable

129. Property taxes of what to consist and at what rate leviable.

For the purposes of sub-section (1) of section 127 property taxes shall comprise the following taxes which shall, subject to the exceptions, limitations and conditions hereinafter provided, be levied on buildings and lands in the City :-

¹⁹

(a) a water tax at such percentage of their rateable value as the Corporation shall deem reasonable, for providing a water supply for the city.

Property taxes of what to consist and at what rate leviable

⁷ Clause (f) of sub-section (2) of section 127 stood unmodified by the Bombay Adaptation of Laws (State and Concurrent Subjects) Order, 1956.

⁸

These brackets and words were inserted by Presi. Act No. 11 of 1976, Sch. II, item l(b)

⁹

These words were inserted by Guj. 16 of 1977, Sch., Sr. No. 1.

¹⁰

This word was substituted for the word "Provincial" by the Adaptation of Laws Order, 1950.

¹¹

This word was substituted for the portion "Government of India, Act, 1935", *ibid.*

¹²

This word was substituted for the word "Province", *ibid.*

¹³

This sub-section was inserted by Born. 65 of 1958, s. 25, Third Schedule.

¹⁴

Sub-section (4) of section 127, stood unmodified by the Gujarat Adaptation of Laws (State and Concurrent Subjects) Order, 19M.

¹⁵

Sub-section (4) of section 127, stood unmodified by the Gujarat Adaptation of Laws (State and Concurrent Subjects) Order, 19M

¹⁶

Same as 10.

¹⁷

Same as 12.

¹⁸

This word was substituted for the portion "Government of India Act, 1935", *ibid.*

¹⁹

Clause (a) and (b) of section 129 were substituted by Guj.15 of 1993 S.3

Provided that the Corporation shall with the previous sanction of the state Government, fix the minimum amount of such tax to be levied and may fix different minima for different classes of properties:

Provided further that the minimum amount of such tax to be levied shall,-

(i) in respect of any one separate holding of land or of any one building (not being premises used exclusively for residential purpose) or of any one portion of a building which is let as a separate holding, and which is not used exclusively for residential purpose, be not less than five rupees per mensem for the official year commencing on the first day of April, 1983;

(ii) in respect of any premises used exclusively for residential purpose, be not less than three rupees per mensem for any official year commencing on the first day April, 1993;

(b) a conservancy tax at such percentage of their rateable value as will in the opinion of the Corporation suffice to provide for the collection, removal and disposal, off all excrementitious and polluted matter from privies, urinals and cess-pools and for efficiently maintaining and repairing the municipal drains constructed or used for the reception or conveyance of such matter, subject however to the provisos that the minimum amount of such matters.

Provided that corporation shall, with the previous sanction of the State Government, fix the minimum amount of such tax to be levied and may fix different minima for different classes of properties.

Provided further that the .minimum amount of such tax to be levied in respect of any one portion of building or of any one portion of a building which is let as a separate holding shall be not less than two rupees per mensem for any official year commencing on the first day of April, 1993 and that the amount of such tax to be levied in respect of any hotel, club industrial premises or other legal premises may be specially fixed under section 137

Provided also that while-determining the rate of such tax under section 99or 150. the corporation may determine different rates for (Different classes of properties;]

(c) a general tax of not less than twelve per cent. ²⁰ [but not more than thirty per cent] of their rateable value, which may be levied, if the Corporation so determines on a graduated scale:

²¹

[*****]

²²

[(d) betterment charges leviable under Chapter XVI.]

Explanation.-Where any portion of a building or a land is liable to a higher rate of the general tax such portion shall be deemed to be a separate property for the purpose of municipal taxation.

²³

[129A. Temporary reduction in minimum rate of general tax in respect of Corporation of Baroda and Surat and Validation of action taken.

(1) Notwithstanding anything contained in clause (c) of section 129,

**Temporary
reduction in
minimum rate of
general tax in
respect of
Corporation of
Baroda and Surat**

²⁰These words were inserted by Guj. 8 of 1968, s. 4 (2) (i).

²¹This Proviso was deleted by Guj. 8 of 1968, s. 4 (2) (ii).

²²

Clause (d) was added by Guj. 19 of 1964. s. 5.

²³

New section 129A was inserted by Guj. 5 of 1967, s. 3.

and Validation of
action taken

in the case of the Municipal Corporation of the City of Baroda and the Municipal Corporation of the City of Surat, for a period of ²⁴ [four years] from the 1st April, 1967, the rate of general tax leviable under the said clause (c) may not be less than seven per cent. of the

²⁵ [rateable value] of the lands and buildings in the City.

²⁶ [(1A) Notwithstanding anything contained in clause (c) of section 129 and in sub-section (1), in the case of the Municipal Corporation of the City of Baroda, ²⁷ [for a period of two years from the 1st April 1971] the rate of general tax leviable under the said clause (c) may not be less than seven per cent. of the rateable value of the lands and buildings in the City.]

(2) Any action taken before the commencement of the Bombay Provincial Municipal Corporations (Gujarat Amendment) Act, 1967, (Guj. 1 of 1967) (herein after referred to as "the Amendment Act") by a corporation to which sub-section (1) applies for the purpose of imposing the taxes specified in sub-section (1) of section 127 for the official year commencing on the 1st April 1967 shall be deemed to have been validly taken as if the Amendment Act had been in force when such action was taken.]

²⁸

[129B. Temporary reduction in minimum rate of general tax in respect of Corporation of Rajkot and validation of action taken.

Temporary
reduction in
minimum rate of
general tax in
respect of
Corporation of
Rajkot and
validation of action
taken

(1) Notwithstanding anything contained in clause (c) of section 129, in the case of the Municipal Corporation of the City of Rajkot, for a period of four years commencing on the 19th November, 1973, the rate of general tax leviable under the said clause (c) may not be less than five per cent. of the rateable value of the lands and buildings in the said City and the provisions of the said clause (c) of section 129 shall have effect and shall be deemed to have had effect, as if during the said period of four years, the words "five per cent." had been substituted for the words "twelve per cent." in the said clause (c).

(2) Anything done or any action taken before the commencement of the Bombay Provincial Municipal Corporations (Gujarat Amendment) Guj. 1 of 1979 Act, 1979 (hereinafter in this sub-section referred to as "the said Act") by the Municipal Corporation of the City of Rajkot for the purpose of levying the tax specified in sub-section (1) at any rate as is or may have been authorised under that sub-section during the period between the 19th November, 1973 and the date of the commencement of the said Act shall be deemed to have been validly done or taken as if this Act as amended by the said Act had been in force when such thing was done or such action was taken: and no such thing done or action taken shall be called in question in any court or

²⁴ These words were and were deemed always to have been substituted for the words "two years" by Guj. 2 of 1969, s.2.

²⁵ These words were and were deemed always to have been substituted for the word "value", *ibid.* s. 2

²⁶ Sub-section (1A) was inserted by Guj. 5 of 1971, s. 2.

²⁷ These words, figures and letters were and were deemed always to have been substituted for the words, figures and letters "for a period of one year from the 1st April 1971" by Guj. 6 of 1972, s. 3.

²⁸ Section 129 B was inserted by Guj. 1 of 1979, s. 14.

The BPMC Act, 1949

before any other authority solely on the ground that such rate of tax was not authorised under the law as in force at the time when such

Water tax on what premises levied

thing was done or such action was taken.]

130. Water tax on what premises levied.

Subject to the provisions of section 134, the water tax shall be levied only in respect of premises-

- (a) to which private water supply is furnished from, or which are connected by means of communication pipes with, any municipal water works; or
- (b) which are situated in a portion of the City in which the Commissioner has given public notice that the Corporation has arranged to supply water from municipal water works by means of private water connections or of public standposts, fountains or by any other means.

131. Conservancy tax on what premises to be levied.

Conservancy tax on what premises to be levied

(1) The conservancy tax shall be levied only in respect of premises-

- (a) situated in any portion of the City in which public notice has been given by the Commissioner that the collection, removal and disposal of all excrementitious and polluted matter from privies, urinals and cess-pools, will be undertaken by municipal agency; or
- (b) in which, wherever situate, there is a privy, water-closet, cess-pool, urinal, bathing place or cooking place connected by a drain with a municipal drain:

Provided that the said tax shall not be levied in respect of any premises situated in any portion of the City specified in clause (a), in or upon which, in the opinion of the Commissioner, no such matter as aforesaid accumulates or is deposited.

(2) Premises in respect of which the Commissioner has directed that a separate water-closet, privy or urinal need not be provided shall be deemed to be liable to the levy of conservancy tax if, but for such direction, the tax would be leviable in respect thereof.

132. General tax on what premises to be levied.

General tax on what premises to be levied

(1) ²⁹[The general tax shall be levied in respect of all buildings and lands in the City, the rateable value of which exceeds ³⁰[six hundred rupee except]

- (a) buildings and lands solely used for purposes connected with the disposal of the dead;
- (b) buildings and lands or portions thereof solely occupied and used for public worship or for a public charitable purposes;
- (c) buildings and lands vesting in the ³¹[Government] used solely for public purposes and not used or intended to be used for purposes of trade or profit or vesting in the Corporation, in respect of which the said tax, if levied, would under the provisions hereinafter contained by primarily leviable from the ³²[Government] or the Corporation, respectively.

²⁹These words were substituted for the words "The general tax shall be levied in respect of alt buildings and lands in the City except" by Guj. 1 of 1978, s. 3.

³⁰These words were substituted for the words "three hundred rupees" by Guj. 21 of 1989, s. 2.

³¹This word was substituted for the word "Crown" by the Adaptation of Laws Order, 1950.

³²Same as 31.

(2) The following buildings and lands or portions thereof shall not be deemed to be solely occupied and used for public worship or for a public charitable purpose within the meaning of clause (b) of sub-section (1), namely :-

(a) buildings or lands or portions thereof in which any trade or business is carried on; and

(b) buildings or lands or portions thereof in respect of which rent is derived whether such rent is or is not applied solely to religious or charitable purposes.

(3) Where any portion of any building or land is exempt from the general tax by reason of its being solely occupied and used for public worship or for a public charitable purposes, such portion shall be deemed to be a separate property for the purpose of municipal taxation.

133. Payments to be made to Corporation in lien of general tax by
³³

[State] Government.

Payments to be made to Corporation in lien of general tax by [State] Government

(1) The ³⁴ [State] Government shall pay to the Corporation ³⁵ [annually be the 31st day of March in every year] in lien of the general tax from which buildings and lands vesting in the ³⁶ [State Government] are exempted by clause (c) of sub-section (1) of section 132, a sum ascertained in the manner provided in sub-section (2) and (3).

(2) The rateable value of the buildings and lands in the City vesting in the ³⁷ [Government] and beneficially occupied, in respect of which, but for the said exemption, general tax would be leviable from the ³⁸ [state] Government shall be fixed by a person from time to time appointed in this behalf by the ³⁹ [State] Government with the concurrence of the Corporation. The said value shall be fixed by the said person, with a general regard to the provisions contained in this Act and the rules concerning the valuation of property assessable to property taxes, at such amount as he shall deem to be fair and reasonable. The decision of the person so appointed shall hold good for a term of five years, subject only to proportionate variation, if in the meant ime the number or extent of the buildings and lands ⁴⁰ [in the City vesting in the State Government] materially increases or decreases.

(3) The sum to be paid annually to the Corporation by the ⁴¹ [State] Government shall be eight-tenths of the amount which wo uld be payable by an ordinary owner of buildings or lands in the City, on account of the general tax, on a rateable value of the same amount as that fixed under sub-section (2).

³³This word was substituted for the word "Provincial", *ibid*.

³⁴Same as 33.

³⁵

These words, figures and letters were substituted for the words, figures and letters "annually in two half yearly installments payable by the 30th day of Sept. and the 31st day of March in every year" by Guj. 8 of 1968, s. 5.

³⁶

These words were substituted for the words "the Crown for the purposes of the Province" hy the Adaptation of Laws Order, 1950.

³⁷

This portion was substituted for the portion "vesting in the Crown in the City for the purposes of the "Province" by the Adaptation of Laws Order, 1950.

³⁸

This word was substituted for the word 'Provincial' *ibid*.

³⁹

Same as 38.

⁴⁰

Same as 37.

⁴¹

Same as 38.

Fixed charges and agreements for payments in lien of taxes for water supplied

Special provisions relating to water and conservancy taxes
134. Fixed charges and agreements for payments in lien of taxes for water supplied.

(1) The Commissioner may-
(a) in such cases as the Standing Committee shall generally approve, instead of levying the water tax in respect of any premises liable thereto, charge for the water supplied to such premises by measurement at such rate as shall from time to time be prescribed by the said Committee in this behalf or by the size of the water connection with the municipal main and the purpose for which the water is supplied at such rates as shall from time to time be prescribed by the Corporation.

(b) in such cases as the Standing Committee shall generally approve, compound with any person for the supply of water to any premises for a renewable term of one or more years not exceeding five, on payment of a fixed periodical sum in lieu of the water tax or charge by measurement or by the size of the water connection which would otherwise be leviable from such person in respect of the said premises.

(2) The Standing Committee may, for the cases in which the Commissioner charges for water by measurement or by the size of the water connection under clause (a) of sub-section (1), from time to time prescribe such conditions as it shall think fit as to the use of the water and as to the charge to be paid for water-consumed whilst a meter is out of order or under repair, and for the cases in which a composition is made under clause (b) of the said sub-section the said Committee may prescribe such conditions as to the use of the water as it shall think fit :

Provided that no condition prescribed under this sub-section shall be in consistent with the Act or rules or bye-laws.

(3) A person who is charged for water by measurement or by the size of the water connection or who has compounded for a fixed periodical sum shall not be liable for payment of the water tax but any sum payable by him on account of water shall, if not paid when it becomes due, be recoverable by the Commissioner as if it were an arrear of water tax.

135. 42 [Government] to be charged for water by measurement.

If, in respect of premises used solely for public purposes and not used or intended to be used for purposes of profit or for residential, charitable or religious purposes, water tax would be leviable under this Act from the 43 [Government], the Commissioner, in lieu of levying such tax, shall charge for the water supplied to such premises, by measurement, at such rate as shall be prescribed by the Standing Committee in this behalf not exceeding the minimum rate at the time being charged under clause (a) of sub-section (1) of section 134 to any other person; and such charge shall be recoverable as provided in sub-section (3) of the said section.

[Government] to be charged for water by measurement

⁴² This word was substituted for the word "Crown" by the Adaptation of Laws Order, 1950.

⁴³ Same as 42.

Supply of water at public drinking fountain, etc. not to be taxed

136. Supply of water at public drinking fountain, etc. not to be taxed.

No tax or charge of any kind shall be levied or demanded for the use of water in or from any drinking fountain, tank, reservoir, cistern, pump, well, duct, stand-pipe or other work used for the gratuitous supply of water to the inhabitants of the City and vesting in the Corporation :

Provided that the water in or from any such work shall be used only for personal or domestic purposes and not for the purpose of business or sale.

Conservancy tax may be fixed at special rates in certain cases

137. Conservancy tax may be fixed at special rates in certain cases.

(1) The Commissioner may, whenever he thinks fit, fix the conservancy tax to be paid in respect of any hotel, club, stable⁴⁴

[industrial premises or other large premises] at such special rate as shall be generally approved by the Standing committee in this behalf, whether the service in respect of which such tax is leviable be performed by human labour or by substituted means or appliances :⁴⁵

[Provided that if the Corporation shall have determined for any official year any different rate of a conservancy tax for any class of properties to which any of the properties referred to in this sub-section belongs, the Commissioner shall not, without the previous approval of the Corporation, fix, for such official year or part thereof, the conservancy tax to be paid in respect of any property belonging to such class for which such different rate may have been determined by the Corporation, at any other different rate under this sub-section.]

(2) In the case of premises used solely for public purposes and not used or intended to be used for purposes of profit or for residential or charitable or religious purposes in respect of which the conservancy tax is payable by⁴⁶ [Government] the Commissioner shall fix the said tax at a special rate approved as aforesaid.

(3) In any such case the amount of the conservancy tax shall be fixed with reference to the cost or probable cost of the collection, removal and disposal, by the agency of municipal conservancy staff, of excrementitious and polluted matter from the premises.

138. Water tax or conservancy tax paid by any person may be

Water tax or conservancy tax paid by any person may be recovered by him from the occupier of the premises for which it is paid

recovered by him from the occupier of the premises for which it is paid.

(1) Any person who has paid to the Commissioner any water tax or conservancy tax in respect of any premises shall, if he was not himself in occupation of the said premises during the period for which he has made such payment and subject to any agreement or contract to the contrary, be entitled to receive the amount of the said payment from the person, if any, in actual occupation of the said premises for the said period.

(2) For the recovery of the said amount from the person aforesaid, the person who has paid the same shall have the same rights and remedies as if such amount were rent payable to him by the person from whom he is entitled to receive the same.

⁴⁴These words were substituted for the words "or other large premises" by Guj. 8 of 1968, s. 6.

⁴⁵This proviso was added by Guj. 5 of 1970 s. 7.

⁴⁶This word was substituted for the word "Crown" by the Adaptation of Laws Order, 1950.

Liability for Property Taxes

139. Primary responsibility for property taxes on whom to rest.

Primary responsibility for property taxes on whom to rest

(1) Subject to the provisions of sub-section (2) property taxes assessed upon any premises shall be primarily leviable as follows, namely :-

(a) if the premises are held immediately from the ⁴⁷ [Government] or from the Corporation, from the actual occupier thereof :

Provided that property taxes due in respect of buildings vesting in the ⁴⁸[Government] and occupied by servants of the ⁴⁹ [Government] or other person on payment of rent shall be leviable primarily from the ⁵⁰

[Government];

(b) if the premises are not so held-

(i) from the lessor if the premises are let;

(ii) from the superior lessor if the premises are sub- let;

(iii) from the person in whom the right to let the premises vests if they are unlet.

(2) If any land has been let for any term exceeding one year to a tenant, and such tenant has built upon the land, the property taxes assessed upon the said land and upon the building erected thereon shall be primarily leviable from the said tenant or any person deriving title from the said tenant by the operation of law or by assignment or transfer but not by sub- lease or the legal representative of the said tenant or person whether the premises be in the occupation of the said tenant or person or legal representative or a sub-tenant : '

⁵¹

[Provided that where the building so erected on the land is of a temporary nature or is unauthorised the property taxes upon the land and building shall be primarily leviable from the person in whom the right to let the land vests.]

⁵²

[139A. Apportionment of responsibility for property tax when the premises assessed are let or sub let.

Apportionment of responsibility for property tax when the premises assessed are let or sub let

(1) If any building or land or premises assessed to any property tax are let, and their rateable value exceeds the amount of rent payable in respect thereof the person from whom, under the provision of section 139, the said tax is leviable, the said person shall be entitled to receive from his tenant the difference between the amount of the property tax levied from him, and the amount which would be leviable from him if the said tax were calculated on the amount of rent payable to him.

(2) If the building or land or premises are sub- let and their rateable value exceeds the amount of rent payable in respect thereof to the tenant by his sub-tenant, or the amount of rent payable in respect thereof to a sub-tenant by the person holding under him, the said tenant shall be entitled to receive from his sub-tenant or the said sub-tenant shall be entitled to receive from the person hiding under him, as the case may be. the difference between any sum recovered under this section from such tenant or sub-tenant and the amount of property tax

⁴⁷This word was substituted for the word "Crown" by the Adaptation of Laws Order, 1950.

⁴⁸Same as 47.

⁴⁹

Same as 47.

⁵⁰

Same as 47.

⁵¹

This proviso was added by Guj. 19. of 1964, s. 6.

⁵²

New section 139A was and was deemed always to have been inserted by Guj. 5 of 1970.s. 8.

which would be leviable in respect of the said building or land or premises the rateable value thereof were equal to the difference between the amount of rent which such tenant or sub-tenant receives, and the amount of rent which he pays.

(3) The provision of this section shall apply only in relation to the property tax levied for any period prior to 1st April, 1970 referred to in sub-clause (i) of clause (1A) of section 2.]

When occupiers may be held liable for payment of property taxes

140. When occupiers may be held liable for payment of property taxes.

(1) If the sum due on account of any property tax remains unpaid after a bill for the same has been duly served under the rules upon the person primarily liable for the payment thereof and the said person be not the occupier for the time being of the premises in respect of which the tax is due, the Commissioner may serve a bill for the amount upon the occupier of the said premises, or, if there are two or more occupiers thereof, may serve a bill upon each of them for such portion of the sum due as bears to the whole amount due the same ratio which the rent paid by such occupier bears to the aggregate amount of rent paid by them both or all in respect of the said premises.

(2) If the occupier or any of the occupiers fails within thirty days from the service of any such bill to pay the amount therein claimed, the said amount may be recovered from him in accordance with the rules.

(3) No arrear of a property-tax shall be recovered from any occupier under this section which has remained due for more than one year, or which is due on account of any period for which the occupier was not in occupation of the premises on which the tax is assessed.

(4) If any sum is paid by, or recovered from, an occupier under this section, he shall be entitled to credit therefor in account with the person primarily liable for the payment of the same.

141. Property taxes to be a first charge on premises on which they are assessed.

Property taxes to be a first charge on premises on which they are assessed

(1) Property-taxes due under this Act in respect of any building or land shall, subject to the prior payment of the land revenue, if any, due to the ⁵³ [State] Government thereupon, be a first charge, in the case of any building or land held immediately from the ⁵⁴ [Government], upon the interest in such building or land of the person liable for such taxes and upon the movable property, if any, found within or upon such building or land and belonging to such person; and, in the case of any other building or land, upon the said building or land and upon the movable property, if any, found within or upon such building or land and belonging to the person liable for such taxes.

Explanation.-The term "property taxes" in this section shall be deemed to include charges payable under section 134 for water supplied to any premises and the costs of recovery of property-taxes as specified in the rules.

⁵³ This word was substituted for the word "Provincial" by the Adaptation of Laws Order, 1950.

⁵⁴ This word was substituted for the word "'Crown' ,ibid.

(2) In any decree passed in a suit for the enforcement of the charge created by sub-section (1), the Court may order the payment to the Corporation of interest on the sum found to be due at such rate as the Court deems reasonable from the date of the institution of the suit until realisation, & such interest & the cost of enforcing the said charge, including the costs of the suit & the cost of bringing the premises or moveable property in question to sale under the decree; shall, subject as aforesaid, be a fresh charge on such premises & moveable property alongwith the amount found to be due, & the Court may direct payment thereof be made to the Corporation out of the sale proceeds.

55

[141-A. Levy of interest on the sum due on account of property tax.

Levy of interest on the sum due on account of property tax

(1) If any person liable to pay property tax under this Chapter does not pay the property tax within the time prescribed for its payment under the rules made therefor, there shall be paid by such person for the period commencing on the date of the expiry of the aforesaid prescribed time and ending on the date of the payment of the amount of property tax, simple interest at the rate of eighteen percent. per annum on the amount of property tax not so paid or any less amount thereto remaining unpaid during such period :

Provided that where the property tax for an official year commencing on the first day of April, 1986 or for any official year thereafter in respect of premises used exclusively for residential purpose the rateable value of which does not exceed three hundred rupees is not paid before the end of the official year to which such tax relates but is paid thereafter, the interest shall be leviable for the period commencing on the date immediately after the expiry of the official year and ending on the date of the payment of the property tax.

(2) The interest levied under sub-section (1) may be recovered in the manner specified in section 128 for recovery of a municipal tax.]

56

[PROPERTY TAX

141-B. Property tax at what rate leviable

Property tax at what rate leviable

(1) For the purpose of sub-section (1) of section 127, property tax shall, subject to such exceptions and conditions hereinafter provided, be levied annually on building and lands in the city at such rate per square meter of the carpet area of building and of the area of lands (hereinafter to as "the rate of tax) as the corporation may determine.

(2) For the purpose of levy of tax on buildings in the city under sub-section (1)

(a) the buildings be classified into residential buildings and buildings other than residential; and

(b) the corporation may determine one rate of tax for residential buildings and other rate of tax for building other than residential;

Provided that it shall be lawful for the corporation to determine for residential buildings, the carpet area of which does not exceed forty square metres, such rate of tax as is lower than the rate of tax determined for residential buildings generally under this sub-section.

⁵⁵ Section 141A was inserted by Guj. S of 1986, s. 3.

⁵⁶ This heading und sections 141 B to 141 F were inserted by Guj.3 of 1999 s.5

(3) The rate of tax determined under sub-section (1) read with sub-section (2) shall not-

(a) in respect of residential buildings, be less than ten rupees per square metre of carpet area and more than forty rupees per square metre, such rate of tax as is lower than the rate of tax determined for residential buildings generally under this sub-section.

(b) in respect of buildings other than residential, be not less than twenty rupees per square metre of carpet area and more than eighty rupees per square metre of carpet area.

(4) The Corporation may, subject to rules, increase or decrease or neither increase nor decrease the rate of tax determined under sub-section (1) read with sub-section (2) and (3).-

(a) in the case of residential buildings, having regard to the following factors, namely:-

(i) in market value of the land in the area of the city in which the buildings are situate,

(ii) the length of the time of the existence of the buildings .

(iii) the type of the buildings, and

(iv) whether the buildings are occupied by owners or tenants,

(b) in the case of buildings other than residential, having regard to the following factors, namely:-

(i) The market value of the land in the area of the city in which the buildings are situate,

(ii) the length of the time of the existence of the buildings,

(iii) the purpose for which the buildings are used, and

(iv) whether the buildings are occupied by owners or tenants.

(5) In lieu of the property tax leviable under sub-section (1) read with sub-section (2) and (3), there shall be levied annually on,-

(a) residential huts, and

(b) residential tenements in a Chawl, each such tenement having carpet area not exceeding twenty five square metres,

Such amount of tax as the Corporation may determine:

Provided that the amount so determined shall not be less than such amount as the State Government may, by notification in the official Gazette, specify

Explanation: For the purpose of levy of tax under this section, where an addition is made to an existing building whereby the Carpet area of that building is increased, such addition shall be treated as a separate building and the length of the time of its existence shall be computed from the year in which the addition is made.

141C. Property tax on what buildings and lands to be levied.

The property tax shall be levied in respect of all buildings and lands in the city except the buildings and lands vesting in the Government and used solely for the public purpose and not used or intended to be used for purpose of trade or profit, or vesting in the Corporation, in respect of which the said tax, if levied, would under the provisions hereinafter be primarily leviable from the Government or the corporation, respectively.

141.D. Payment to be made to Corporation in lieu of property tax.

The State Government shall pay to the Corporation annually by the

**Property tax on
what buildings and
lands to be levied**

**Payment to be made
to Corporation in
lieu of property tax.**

31st day of March in every year in lieu of property tax from which buildings and lands vesting in the State Government are exempted by section 141 C, "eight tenths" of the amount of tax which would be payable by an ordinary owner on account of property tax if such buildings and lands had vested in him.

141.E. Rebate in Certain Cases.

Rebate in Certain Cases(1) There shall be given a rebate of fifteen per cent of the amount of

property tax leviable on buildings-

(a) to which private water supply is not furnished from, or which are not connected by means of Communication pipes with, any municipal water works, or

(b) which are not situated in any portion of the city in which the commissioner has given Public notice that the Corporation has arranged to supply water from municipal water works by means of private water connections or public stand posts, fountains or by any other means.

(2) There shall be given a rebate of twenty per cent of the amount of the property tax leviable in respect of a cellar or any floor other than a ground floor, of a building other than residential.

141.F. Application of Certain Sections to levy of Property Tax.

Application of

This provisions of Sections 138,139, 140, 141 and 141A shall apply in **Certain Sections to**

levy of Property Tax relation to property tax levied under section 141B subject to modifications specified in Appendix-I.A]

Tax on Vehicles, Boats and Animals

142. Tax on vehicles, boats and animals.

Tax on vehicles,

boats and animals(1) Except as hereinafter provided, a tax at rates not exceeding those prescribed by order in writing by the ⁵⁷[State] Government in this behalf from time to time shall be levied on vehicles, boats and animals of the descriptions specified in the order, when kept for use in the City for the conveyance passengers or goods in the case of vehicles and boats and for riding, racing, draught or burden in the case of animals.

⁵⁸

[Provided that no tax shall be levied on motor vehicles save as provided in section 20 of the Bombay Motor Vehicles Tax Act, 1958. (Bom. LXV of 1958.)

Explanation. - A vehicle, boat, or animal kept outside the limits of the City but regularly used within such limits shall be deemed to be kept for use in the City.

(2) The Corporation shall from year to year, in accordance with section 99, determine the rates at which the tax shall be levied.

143. Exemptions from the tax.

(1) The said tax shall not be leviable in respect of-

Exemptions from

(a) vehicles, boats and animals belonging to the Corporation other than vehicles or animals used exclusively for the purposes of the Transport Undertaking;

(b) vehicles, boats and animals vesting in the ⁵⁹[Government], and used solely for public purposes and not used or intended to be used for purposes of profit, including vehicles, boats and animals belonging to

⁵⁷This word was substituted for the word "Provincial" by the Adaptation of Laws Order, 1950.

⁵⁸This proviso was inserted by Bom. 65 of 1958, s. 25, Third Schedule.

⁵⁹

This word was substituted for the word "Crown" by the Adaptation of Laws Order, 1950.

the Defence Forces;

(c) vehicles and boats intended exclusively for the conveyance free of charge of the injured, sick or dead;

(d) children's perambulators and tricycles;

(e) vehicles belonging to municipal officers or servants who are required by the terms of their appointment to maintain a conveyance for the discharge of their duties:

Provided that the exemption granted by this clause will not be available in respect of more than one vehicle for each officer or in respect of a vehicle which does not belong to the class of conveyance which the officer is required to maintain;

(f) vehicles or boats kept by bonafide dealers in vehicles or boats for sale merely, and not used;

⁶⁰

[(g) vehicles used exclusively for the conveyance of, disabled person:]

Provided that a tax at such rate as the Corporation shall with the approval of the ⁶¹ [State] Government fix in this behalf shall be levied half yearly in advance from every dealer in motor vehicles for every seven motor vehicles in respect of which a Trade Certificate is issued to him under rules made under the Motor Vehicles Act, 1939. (IV of 1939.)

(2) If any question arises under clause (b) of sub-section. (1) whether any vehicle, boat or animal vesting in the ⁶² [Government] is or is not used or intended to be used for purposes of profit, such question shall be determined by the ⁶³ [State] Government whose decision shall be final.

144. Livery stable keepers and others may be compounded with.

The Commissioner may, with the approval of the Standing Committee, compound with any livery stable keeper or other person keeping vehicles or horses or bullocks for hire. or with any dealer having stables in which horses are kept for sale on commission or otherwise, for the payment of a lump sum for any period not exceeding one year at a time, in lieu of the taxes leviable under section 142 which such livery stable keeper or other person or dealer would otherwise be liable to pay.

Livery stable keepers and others may be compounded with

145. Power to inspect stables & summon persons liable to the tax.

(1) The Commissioner may make an inspection of any stable, garage or coach house or any place wherein he may have reason to believe that there is any vehicle, boat or animal liable to a tax under this Act.

(2) The Commissioner may by written summons, require the attendance before him of any person whom he has reason to believe to be liable to the payment of a tax in respect of a vehicle, boat or animal, or of any servant of any such person, and may, examine such person or servant as to the number and description of vehicles, boats and animals owned by or in the possession or under the control of such person; and every person so summoned shall be bound to attend

Power to inspect stables & summon persons liable to the tax

⁶⁰ Clause (g) was added by Guj. 28 of 1981, s. 2.

⁶¹ This word was substituted for the word "Provincial" by the Adaptation of Laws Order, 1950.

⁶²

Same as 59.

⁶³

Same as 61.

before the Commissioner and to give true information to the best of his knowledge or belief, as to the said matters.

Exemptions from Octroi

146. Exemption of articles belonging to ⁶⁴ [Government] from octroi, & refund of octroi on articles becoming property of ⁶⁵

Exemption of articles belonging to [Government] from octroi, & refund of octroi on articles becoming property of [Government]

[Government].

(1) No octroi shall be leviable on any article which, at the time of its importation, is certified by an officer empowered by the Government concerned in this behalf to be the property of the ⁶⁶ [Government], to be used or intended to be used solely for public purposes and not to be used or intended to be used for purposes of profit.

(2) If any article on which octroi is paid is imported under a written declaration signed by the importer that such article is being imported for the purpose of fulfilling a specified contract with the Government or otherwise for the use of the ⁶⁷ [Government], the full amount of the duty paid thereon shall be refunded on production, at any time within six months after importation, of a certificate signed by an officer empowered by the Government concerned in this behalf certifying that the article so imported has become the property of ⁶⁸

[Government], is used or intended to be used solely for a public purpose and is not used or intended to be used for purposes of profit.

147. Articles imported for immediate exportation.

Articles imported for immediate exportation.

Until the contrary is proved any goods imported into the City shall be presumed to have been imported for the purposes of consumption, use or sale therein unless such goods are conveyed from the place of import to the place of export by such routes, within such time, under such supervision and on payment of such fees therefor as shall be determined by the standing orders.

Exemption from Theatre Tax

148. Exemptions from theatre tax.

Exemptions from theatre tax.

The theatre tax shall not be leviable in respect of -

- (a) any entertainment or amusement for admission to which no charge is made or only a nominal charges is made;
- (b) any entertainment or amusement which is not open to the general public on payment;
- (c) any entertainment or amusement the full proceeds of which, without the deduction of expenses, are intended to be utilised for a public charitable purpose.

Explantion.- For the purposes of this section a nominal charge shall be such charge as may be fixed by the rules.

Other taxes

149. Procedure to be followed in levying other taxes.

Procedure to be followed in levying other taxes

(1) In the event of the Corporation deciding to levy any of the taxes specified in sub-section (2) of section 127. it shall make detailed provision, in so far as such provision is not made by this Act in the

⁶⁴This word was substituted for the word "Crown" by the Adaptation of Laws Order, 1950.

⁶⁵Same as 64.

⁶⁶

Same as 64.

⁶⁷

Same as 64.

⁶⁸

Same as 64.

form of rules, modifying, amplifying or adding to the rules at the time in force for the following matters, namely -

- (a) the nature of the tax, the rates thereof, the class or classes of persons, articles or properties liable thereto and the exemptions therefrom, if any, to be granted;
- (b) the system of assessment and method of recovery and the powers exercisable by the Commissioner or other officers in the collection of the tax;
- (c) the information required to be given of liability to the tax;
- (d) the penalties to which persons evading liability or furnishing incorrect or misleading information or failing to furnish information may be subjected;
- (e) such other matters, not inconsistent with the provisions of this Act, as may be deemed expedient by the Corporation :

Provided that no rules shall be made by the Corporation in respect of any tax coming under clause (f) of sub-section (2) of section 127 unless the ⁶⁹[State] Government shall have first given provisional approval to the selection of the tax by the Corporation.

(2) The rules shall be submitted by the Corporation to the ⁷⁰[State] Government and the ⁷¹[State] Government may either refuse to sanction them or refer them back to the Corporation for further consideration or sanction them either as they stand or with such modifications as it thinks fit, not, however, involving an increase in the rate or rates or the levy or the extent thereof.

(3) Any sanction given by the ⁷²[State] Government under sub-section (2) shall become operative on such date not earlier than one month from the date of the sanction as the ⁷³[State] Government shall specify in the order of sanction, and the Corporation shall be competent to levy the tax covered by the sanction as from the date so specified.

(4) The Corporation and the ⁷⁴[State] Government shall take such steps as may be practicable to ensure that the date specified in the order of sanction is the first day of April, unless the sanction is given in pursuance of a proposal for supplementary taxation under section 150: Provided that nothing in sub-section (4) shall affect the power of the Corporation to levy a tax as from a date later than the first day of April if the sanction of the ⁷⁵[State] Government is not given by the first day of March immediately preceding and if the ⁷⁶[State] Government in the order of sanction specifies a date later than the first day of April for the commencement of the levy of the tax.

(5) The provisions of this section shall apply, as far as may be, to any alteration which the Corporation may from time to time decide to make in the rates fixed for any tax, or in the class or classes of

⁶⁹This word was substituted for the word 'Provincial' by the Adaptation of Laws Order, 1950.

⁷⁰Same as 59.

⁷¹

Same as 59.

⁷²

Same as 59.

⁷³

Same as 59.

⁷⁴

Same as 59.

⁷⁵

Same as 59.

⁷⁶

Same as 59.

persons, articles, or properties liable thereto or in the exemptions therefrom, if any, to be granted.

Supplementary Taxation

Any tax imposable under this Act may be increased or newly imposed by way of imposing supplementary taxation

150. Any tax imposable under this Act may be increased or newly imposed by way of imposing supplementary taxation.

Whenever the Corporation determines under section 104 to have recourse to supplementary taxation in any official year, it shall do so by increasing, for the unexpired portion of the said year, the rates at which any tax imposable under this Act is being levied, subject to the limit and conditions for such tax prescribed in this Act or in the orders or sanction of the ⁷⁷ [State] Government or by levying, with due sanction, a tax imposable under this Act but not being levied at the time being.

Refunds

Refunds of taxes how obtainable

151. Refunds of taxes how obtainable.

Refunds of a municipal tax shall be claimable in the manner and subject to the conditions prescribed by rules.

Writing off of taxes

Writing off of irrecoverable taxes

152. Writing off of irrecoverable taxes.

The Commissioner may, with the approval of the Standing Committee, from time to time write off any sum due on account of any tax or of the costs of recovering any tax, which shall, in his opinion, be irrecoverable.

⁷⁸

Assessment, levy, etc. of property taxes in the city of Ahmedabad for past years in respect of certain properties

[152A. Assessment, levy, etc. of property taxes in the city of Ahmedabad for past years in respect of certain properties.

(1) In the City of Ahmedabad if in respect of premises included in the assessment book relating to Special Property Section, the levy, assessment, collection or recovery of any of the property taxes for any official year preceding the official year commencing on the 1st April, 1968 is affected by a decree or order of a court on the ground that the determination of the rateable value of the premises on the basis of rental value per foot of the floor area was not according to law or that sub-rules (2) and (3) of rule 7 of the rules contained in Chapter VIII of Schedule A to this Act were invalid, then it shall be lawful for the Municipal Corporation of the City of Ahmedabad to assess or reassess in respect of such premises any such property tax for any such official year at the rates applicable for that year in accordance with the provisions of this Act and the rules as amended by the ⁷⁹ [Bombay Provincial Municipal Corporation (Gujarat Amendment) Act, 1968 and the Bombay Provincial Municipal Corporations (Gujarat Amendment and Validating Provisions) Act, 1970, (Guj. 8 of 1968-Guj. 1 of 1970) as if the said Acts] had been in force during the year for which any such tax is to be assessed or reassessed; and accordingly the rateable value of lands and buildings in such premises may be fixed and any such tax when assessed or reassessed may be levied, collected and recovered by the said Corporation and

⁷⁷This word was substituted for the word 'Provincial' by the Adaptation of Laws Order, 1950.

⁷⁸Section 152A was inserted by Guj. 8 of 1968, s. 7.

⁷⁹

These words, brackets and figures were substituted for the words, brackets and figures "Bombay Provincial Municipal Corporations (Gujarat Amendment) Act, 1968, as if the said Act" by Guj. 5 of 1970, s. 9 (1) (i).

the provisions of this Act, the rules shall so far as may be apply to such levy, collection and recovery and the fixation of rateable value and the assessment or reassessment, levy, collection and recovery of and such tax under this section shall be valid and shall not be called in question on the ground that the same were in any way inconsistent with the provisions of this Act and the rules as in force prior to the

⁸⁰
[commencement of the aforesaid Acts:]

Provided that if in respect of any such premises the amount of tax assessed or reassessed for any year in accordance with the provisions of this section exceeds the amount of tax which but for the decree or order of the court as aforesaid could have been assessed for that year in respect of the premises, then the amount of tax to be levied for that year in respect of the premises in accordance with the provisions of this section shall be an amount arrived at after deducting from the amount of tax so assessed or reassessed such amount as may be equal to the amount as so in excess.

(2) Where any such property tax in respect of any such premises is assessed or reassessed under sub-section (1) for any official year and in respect of the same premises, the property tax for that year has already been collected or recovered then the amount of tax so collected or recovered shall be taken into account in determining the amount of tax to be levied and collected under sub-section (1) and if the amount already collected or recovered exceeds the amount to be so levied and collected, the excess shall be refunded in accordance with the rules.]

⁸¹

[(3) Notwithstanding anything contained in any judgement, decree or order of any court, it shall be lawful and shall be deemed always to have been lawful, for the Municipal Corporation of the City of Ahmedabad to withhold refund of the amount already collected or recovered in respect of any of the property taxes to which sub-section (1) applies till assessment or reassessment of such property taxes in made, and the amount of tax to be levied and collected is determined under sub-section (1) :

Provided that the Corporation shall pay simple interest at the rate of six per cent. per annum on the amount of excess liable to be refunded under sub-section (2), from the date of decree or order of the court referred to in sub-section (1) to the date on which such excess is refunded.]

⁸⁰ These words were substituted for the words "Commencement of the said Act", *ibid.*, s.9 (1) (ii)

⁸¹ Sub-section (3) was inserted by Guj. 5 of 1970, s.9(2).