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~~इत्तसी~~ दिल्ली नगर निगम

As discussed:-

Subject: - Draft schedule of Municipal Taxes (Property Tax rates) for the Financial Year 2023-24.

A letter has been received from CA-cum-FA bearing No. CA/FA/FMB/DCA/2022/D-126 dated 10.10.2022 requesting therein to provide the proposed rate of taxes for the Financial Year 2023-24.

The proposed schedule of property tax rates for the financial year 2023-24 are given as under:-

Property Taxes:-

The Corporation vide item No. 55/ Decision No. 45 dated 05.07.2022 consequent upon unified Municipal Corporation of Delhi implement the Unified policy of the taxation of A&C Department which was circulated vide office order No. A&C(HQ)/MCD/2022-23/119 dated 15.07.2022.

The rate of building tax u/s 114D and the rate of vacant land tax u/s 114E to be levied for building tax u/s 114A and vacant land tax u/s 114C respectively for the Financial Year 2023-24 on lands and buildings under the jurisdiction of MCD shall be at the rates specified below of the annual values of covered space of buildings and vacant lands of part thereof (based on the unit area values and multiplicative factors specified) as per the DMC Act, 2003 (As amended).

The rates of tax are percentage of Annual Value (AV) of covered space of buildings and vacant lands or part thereof situated in mentioned categories of colonies unless specifically mentioned otherwise.

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| S N o | Type of properties | Approved/Existing Rates of Taxes for FY 2022-23 | | | | | | | | Proposed Rates of Taxes for FY 2023-24 | | | | | | | | |
|-------------|--|---|----|----|----|----|----|----|----|--|----|----|----|----|----|----|----|--|
| | | A | B | C | D | E | F | G | H | A | B | C | D | E | F | G | H | |
| 1. | Residential Rate of tax (%) | 12 | 12 | 11 | 11 | 11 | 7 | 7 | 7 | 12 | 12 | 11 | 11 | 11 | 7 | 7 | 7 | |
| 2. | Non-residential less than 1500 Sq.ft (139.35 Sq.mtr.) | 20 | 20 | 20 | 20 | 20 | 15 | 15 | 15 | 20 | 20 | 20 | 20 | 20 | 15 | 15 | 15 | |
| 3. | Non-residential above 1500 Sq. Ft. (139.35 Sq.mtr.) | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | |
| 4. | Industrial properties | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 | |
| 5. | Union and Railway Properties (for the calculation of Service charges @ 75% of the Property Tax) and Property Tax on the Govt. Company, Autonomous Bodies, Public Sector Undertakings (PSUs), Statutory Corporation Properties etc. Including Departments/PSUs/Authorities etc. of the State Government | | | | | | | | | | | | | | | | | |
| (i) | Residential | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 | |
| (ii) | Non-Residential | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | |
| 6. | Airports & Airports Properties | | | | | | | | | | | | | | | | | |
| (i) | Land Covered with Built-up Area | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | |

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|-------|---|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|
| (ii) | Open Area for Aircraft Movement (Runway, Taxiway, Apron, Aircraft Parking Stands) | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 |
| (iii) | Open Area other than (ii) above | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 |
| 7. | Farm Houses | | | | | | | | | | | | | | | | |
| (i) | Residential | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 |
| (ii) | Non-Residential | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 |

There is no changes proposed in the proposal of A&C Department regarding property tax for the financial year 2023-24.

Education cess @ 1% of the annual property tax due in respect of vacant lands & covered space of buildings or part thereof u/s 113 (2) of DMC Act 1957 (amended) may be continued in the year 2023-24.

Rebates & Concessions (same as previous year 2022-23):

Additional rebate @ 2% of the tax payable after all eligible discounts under section 114B and 123B(3) or otherwise can be considered as incentive for the taxpayer filing the Property Tax Returns online through MCD website i.e. www.mcdonline.nic.in subject to maximum tax not exceeding Rs. 10,000/- & limited to Rs. 200/-.

(b) Rebates u/s 123B(3) for timely payment of tax in lump sum.

- (iv) Applicable rebate for timely payment in lump-sum during 1st Quarter till 30th June, 2023 u/s 123 B(3) of DMC Act, 1957 is kept @ 10%.
- (v) Applicable rebate u/s 114B of DMC Act, 1957 for senior Citizens (60 years or above), women irrespective of her age, physically challenged persons, ex-servicemen is kept at @30% of the tax due on the covered space upto 100 sq.mtr. of the covered space of the building on a single property within the NCT of Delhi which is self-occupied for residential use.
- (vi) Regarding additional rebate on lump-sum payment in cases of properties in Group Housing Societies (GHS) u/s 120B of DMC Act, 1957, this rebate @ 10% of the tax will be given to the tax payers provided at least 90% of the tax payers in the society concerned have paid their property tax (i.e. at least 90% collection efficiency in the concerned). As soon as the society concerned achieves at least 90% collection efficiency, the system would trigger refund the rebate to the individual accounts of tax payers, automatically.

Further, an additional incentive of 5% of the tax paid shall be available if the colony concerned implements all the following:

- 100% waste segregation at the source.
- 100% composting of the wet waste in the colony.
- 100% recycling of the recyclable dry waste, and
- 100% of the remaining dry waste is handed over to the MCD or its authorized agencies.

This incentives shall be extended by way of taking up work at the recommendation of GHS concerned.

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SAHBHAGITA incentives:-

Incentive @ 10% of the tax paid subject to a maximum rebate of Rs. 1, 00,000/- will be extended by way of taking up work at the recommendation of RWA of the colony. This incentive shall be available only if the RWA concerned achieves at least 90% property tax compliance in the area under it (i.e. at least 90% tax collection efficiency in the colony concerned).

Further, an additional incentive of 5% of the tax paid shall be available if the colony concerned implements all the following:

- 100% waste segregation at the source.
- 100% composting of the wet waste in the colony.
- 100% recycling of the recyclable dry waste, and
- 100% of the remaining dry waste is handed over to the MCD or its authorized agencies.

This incentives shall be extended by way of taking up work at the recommendation of RWA concerned of the colony.

Transfer Duty:-

The rate of duty on transfer of property is @2% in case of female and @3% in case of male and others.

However, in exercising the power of the Corporation u/s 514A of the DMC Act, 1957 (amended 2022), the Special Officer, MCD vide its decision of item No.16 dated 31.05.2022 has approved the revision of the rate of duty on transfer of property i.e. from @2% to @3% in case of female (including third gender) and @3% to @4% in case of male and others of the amount specified in the instrument in case of transferee(s) having the amount of more than Rs. 25 Lacs. The same is yet to be implemented by the Govt. of NCT of Delhi.

Exemptions: (As per DMC Act)

The vacant lands and buildings shall be exempted from payment of property tax as per section 115(1) of the DMC Act:-

- vacant lands and buildings (other than dwelling houses) exclusively used for agricultural purposes in accordance with the guidelines prescribed in the bye- laws;
- any vacant land or building included in any Village Abadi, which is occupied for residential purpose by any original owner or his legal heir, during the year subject to a maximum of 100 sq. mtr. of the covered space;
- vacant lands or building or portions thereof, exclusively used for the purposes of public worship;
- vacant land or buildings or portions thereof, exclusively occupied and used, with the approval of [a Corporation], for the purpose of public charity as may be specified in the bye- laws or for the purpose of medical relief to, or education of the poor, free of charge;
- vacant lands or buildings exclusively used for the purpose of public burial or as cremation ground, or any other place used for the disposal of the dead, duly registered under this Act;
- such heritage lands. or buildings as are specifically notified for exemption by [a Corporation] as also such premises as are so specified by the Archaeological Survey of India, except the area under Commercial use;
- vacant lands and buildings owned exclusively by war widows, gallantry award winners in Defence Forces, Police and Paramilitary Forces as also civilians who have received bravery awards of the highest order from the Government including Annual Bravery Awards given by the president:

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Provided that the exemption shall be subject to the condition that-

- (a) the premises in question is in self-occupation for residential use and no portion thereof is let out for any purposes, whatsoever;
- (b) in case the person concerned has more than one property in Delhi, the exemption shall be applicable to only one property which is permanently used for self-residence;
- (c) the benefit of exemption shall be limited to the life-time of the person concerned, except where the award has been granted posthumously, in which case the exemption will be granted to the widow of the gallantry award winner.
- (viii) vacant lands and buildings owned by or vested in [a Corporation] but not leased out or rented out, and in respect of which the property tax, if levied, would, under the provisions of this act, be leviable primarily on [a Corporation].

However, lands and buildings exempted from payment of Property Tax u/s 115(1)(iv) of DMC Act, shall be levied Service Charge @75% of the amount that would have been payable as property tax for the covered space of such building or vacant land as referred to in Section 114C & 114D. Heritage lands or buildings (if notified by erstwhile MCD, Delhi Development Authority, New Delhi Municipal Council & etc. as heritage) are specifically notified for exemption u/s 115(1)(vi) of DMC Act.

In view of the above, the file may please be allowed to be sent to Competent Authority for its approval please.

Submitted, please.

11/11/22
SO/HQ.

AA&C/HQ.

Dy. A&C (HQ).

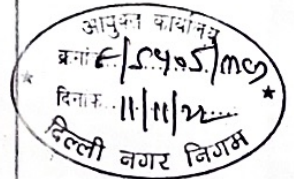
Jt. A&C/HQ.

✓ Assessor & Collector

Commissioner/MCD

11/11
KUNAL KASHYAP, IRS
A&C, MCD

27/11
GYANESH BHARTI, IAS
Commissioner, MCD
ABG (Bin)



Pt. examine *23/11*

Office of the Addl. Commissioner
Municipal Corporation of Delhi
DCA/FMB

Diary No: *3008*

Date: *23/11/22*

DCA/FMB/483

23-11-22

to/FMB

23/11/2022

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दिल्ली नगर निगम

Subject : Draft Schedule of Mpl Taxes (Property Tax rates) for the Financial year 2023-24

May please Refer the draft schedule of taxes placed opposite by A&C department for the financial year 2023-24.

As per section 109(2) of DMC Act "On or before the 15th day of February of each year the Corporation shall determine the rates at which various municipal taxes, rates and cesses shall be levied in the next following year and save as otherwise provided in this Act the rates so fixed shall not be subsequently altered for the year for which they have been fixed."

Accordingly A&C deptt has drafted Property tax rates, which is to be printed in the Mpl schedule of Taxes for the year 2023-24 proposed by the Commissioner, and placed the same for the approval of Commissioner.

Therefore Worthy Commissioner, MCD, may please be requested to approve the proposal of A&C deptt. for the year 2023-24, if deemed fit, so that finance deptt may incorporate the approved property tax rates in the Commissioner's proposal for Mpl Schedule of Taxes for the year 2023-24

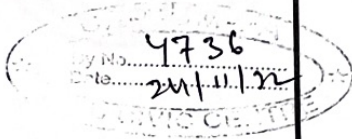


Submitted please

A.O.FMB

DCA/FMB

[Signature]
23/11/2022



[Signature]
23/11

RANDESH SAHAY
IRAS

Chief Accountants Cum Financial Auditor
Municipal Corporation of Delhi

Commissioner/MCD

[Signature]
21/11/22
GYANESH BHARTI, IAS
Commissioner, MCD

[Signature]
28/11

J. J. & HQ

Sr. Rajesh Mishra,
AAEC/C-VII

pls provide copy of
approved proposal to Fin Deptt
(Budget)

[Signature]
20/11/22

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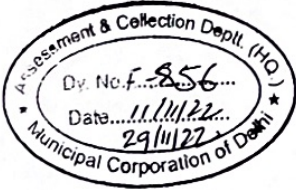
The Commissioner, MCD vide orders dated 24.11.2022 has approved the schedule of property taxes of Assessment & Collection Department for the financial year 2023-24(page 9/N).

Keeping in view the above, the file may please be allowed to be forwarded to DCA (FMB) for further necessary action, please.

Submitted, please.

Post
28/11/22
SO/HQ.

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~~Dy. A&C/HQ.~~

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DCA(FMB)