

GOVERNMENT OF PUNJAB  
DEPARTMENT OF LOCAL GOVERNMENT  
(LG-3 BRANCH)

NOTIFICATION

Dated the 31st December, 2014

No. 2/4/2014-5lg3/379043/1.- In exercise of the powers conferred by sub-section (1) of section 97 of the Punjab Municipal Corporation Act 1976 (Punjab Act No. 42 of 1976), the Governor of Punjab is pleased to order that the tax on land and building with effect from the 1<sup>st</sup> day of April, 2014 shall be calculated in the manner and levied at the following rates specified below, namely:-

(1) Cities shall be categorized as under:-

(a) Cities of Amritsar, Jalandhar, Ludhiana,

Patiala and Sahibzada Ajit Singh Nagar (Mohali) - A category

(b) All other Cities - B category.

(2) Each municipal area of A category Cities shall be classified in three areas ("Area 1", "Area 2" and "Area 3"). "Area 1" shall include the posh area, "Area 2" shall be less posh/developed area, and balance area shall be classified as "Area 3". Municipal area of B category Cities shall be classified in two areas ("Area 1" and "Area 2"). "Area 1" shall include the posh/developed area, and balance area shall be classified as "Area 2". These classifications shall be finalized by a committee consisting of Secretary/Principal Secretary Local Government, Director Local Government (who shall be convener of the Committee), Mayor of the concerned City, Commissioner of the concerned Municipal Corporation and Deputy Commissioner of the concerned district in which the City falls. This classification shall be completed within a fortnight from the date of issue of this notification, and shall be published, in a Punjabi Newspaper and also placed on notice boards at various places in the Municipal area, by the Commissioner of the concerned Municipal Corporation.

(3) The rate of tax on a non-residential building under occupation of tenant(s) shall be seven and half per cent of the annual rent of the said property.

(4) The rates of tax in all cases, except those mentioned in clause (3) shall be as under :-

Use		Rate of tax as per classification and category (in rupees)			Remarks
		Area classification	A category towns	B category towns	
1	2	3	4	5	6
Residential houses	For all, except single storey houses built on land area upto 125 square yards	Area 1	5.00 per square yard	2.00 per square yard	These rates are for built up area of ground floor. For basement, first floor, other floors and vacant area, the rate will be fifty per cent of the rates specified in column No. 4 /5.
		Area 2	3.00 per square yard	1.00 per square yard	
		Area 3	2.00 per square yard	-	
Flats	having more than 500 square feet super area	Area 1	5.00 per square yard	2.00 per square yard	-
		Area 2	3.00 per square yard	1.00 per square yard	
		Area 3	2.00 per square yard	-	
Commercial buildings including Restaurants (except multiplexes, malls, marriage palaces)	Having 100 square feet land or below	Area 1	4.00 per square foot	3.00 per square foot	These rates are for built up area of ground floor. For basement, first floor, other floors and vacant area, the rate will be fifty per cent of the rates specified in column No. 4 /5.
		Area 2	2.00 per square foot	1.50 per square foot	
		Area 3	1.75 per square foot	-	
	Having 1000 square feet land or below but beyond 100 square feet land	Area 1	5.00 per square foot	4.00 per square foot	
		Area 2	3.00 per square foot	2.00 per square foot	
		Area 3	2.00 per square foot	-	
	Having beyond 1000 square feet land	Area 1	6.00 per square foot	5.00 per square foot	
		Area 2	4.00 per square foot	2.50 per square foot	
		Area 3	3.00 per square foot	-	
Multiplex, Malls etc.	-	For all areas	15.00 per square foot	10.00 per square foot	These rates are for whole built-up area having distinct roof and/or partition and for all floors.

Marriage palaces	-	For all areas	6.00 per square yard	4.00 per square yard	These rates are for whole area of land.
Hotels	Having 15 rooms or below (without star, one star or two star)	Area 1	6.00 per square foot	4.00 per square foot	These rates are for every built up area irrespective of floor. There will be no tax on vacant land and parking area
		Area 2	5.00 per square foot	3.00 per square foot	
		Area 3	4.00 per square foot	-	
	Having beyond 15 rooms (without star or with star)	Area 1	9.00 per square foot	8.00 per square foot	
		Area 2	8.00 per square foot	6.00 per square foot	
		Area 3	7.00 per square foot	-	
Industrial (any manufacturing unit), educational institutions, and godowns	Having 4000 square yards land or below	For all areas	5.00 per square yard	4.00 per square yard	These rates are for built up area of ground floor. For basement, first floor, other floors and vacant area, the rate will be fifty per cent of the rates specified in column No. 4 /5.
	Having Beyond 4000 square yards land	For all areas	7.50 per square yard	6.00 per square yard	

(5) The tax on a building, which has remained un-occupied and unproductive of rent throughout the year or the part period thereof shall be at half the rate of tax specified in clause (4);

(6) At the time of making calculations of tax,-

- (i) fraction of 0.5 or less to that of a rupee; and
- (ii) fraction of 0.5 or less to that in area

shall be ignored and fraction of more than 0.5 shall be considered as 1.0.

(7) If a building and/or land is used for multiple purposes, for which different rates of tax have been specified in clause (4), then the tax shall be calculated by applying specified relevant rate to the particular area of the building according to its use.

(8) Example for vacant area is as under:-

If the area of a residential plot is 1000 square yards, out of which 700 square yards is built on ground floor and 300 square yards is vacant, and the rate of tax on built-up area is five rupees per square yard, then the tax -

- (i) for 700 square yards (built-up area) will be Rs. 3500 (700 x 5); and
- (ii) for 300 square yards (vacant area) will be Rs. 750 (300 x 2.50).

(9) The decision of Secretary/ Principal Secretary to Government of Punjab, Department of Local Government, with regard to clarification of classification of municipal area or use of a building shall be final.

(10) The following expressions used in this notification shall mean as under:-

- (a) "Educational Institution" means such institution which provide instructional services to individuals or education-related services to individuals or other education related institutions;
- (b) "Godown" means a warehouse, a storage house for goods and merchandise;
- (c) "hotel" means an establishment that provides paid lodging for a short duration to tourists, which may or may not provide other services, such as a restaurant, swimming pool, childcare, or arrangements to hold conferences and meetings;
- (d) "Marriage palace" means a building used for holding social functions, excluding hotel;
- (e) "Multiplex" means an integrated entertainment and shopping complex/centre, having cinema hall, Theatre, Auditorium, Retail Shops, Commercial show rooms, Restaurants, Food plazas, Health club and Fitness Centre, Clubs, Call Centres, Corporate Offices, Convention Hall, Bank, Cyber Cafe, Video Games, Parlours, Pubs, Bowling Allies and Recreational activities and such like other buildings;
- (f) "Restaurant" means a place where a person pays for sitting, eating meal and/or drinking; and

(g) "Malls" means shopping complex/centre, having shops, commercial show rooms, Restaurants, Food plazas, Health club and Fitness Centre, Clubs, Call Centres, Corporate Offices, Convention Hall, Bank, Cyber cafe, Video Games, Parlours, Pubs, Bowling Allies and Recreational activities or any of these categories.

Dated Chandigarh, the  
30<sup>th</sup> December, 2014.

Ashok Kumar Gupta, IAS  
Secretary to Government, Punjab,  
Department of Local Government.

**Endst. No. 2/4/2014-5lg3/379043/2, dated Chandigarh the 31st Dec., 2014.**

A copy, with a spare copy, is forwarded to the Controller, Printing & Stationery, Punjab, Mohali, with the request to publish the notification in the Extraordinary Gazette of Punjab Government and supply 200 spare copies of the same for official use.

Special Secretary Local Government.

**Endst. No. 2/4/2014-5lg3/379043/3 , dated Chandigarh the 31st Dec, 2014.**

A copy each is forwarded to the following for information and necessary action :-

- (1) Principal Secretary to Chief Minister, Punjab.
- (2) Secretaries/Private Secretaries to all Ministers, Chief Parliamentary Secretaries in Punjab.
- (3) Commissioner of all Divisions in the State of Punjab.
- (4) Deputy Commissioners of all Districts in Punjab.
- (5) Director, Local Government, Punjab. **(He is requested to get the process of classification of municipal area completed within the stipulated time)**
- (6) Chief Executive Officer, Pb.Water Supply & Sewerage Board, Chandigarh.
- (7) Director Information and Public Relations Punjab, Chandigarh.
- (8) All officers in the Local Government Department Punjab.
- (9) General Manager, PMIDC, Chandigarh
- (10) Deputy Controller (Finance & Accounts) Local Government Deptt. Pb.
- (11) Commissioners of all Municipal Corporations in the State.
- (12) All Regional Deputy Director of Local Government in the State. **(They are requested to get the process of classification of municipal area completed within the stipulated time)**
- (13) Executive Officers of all Municipal Councils/Nagar Panchayats in the State.
- (14) Superintendents/Incharges of all Branches in the Secretariat and Directorate of Local Government Punjab.

Special Secretary Local Government.