

DEPARTMENT OF LEGAL AND LEGISLATIVE AFFAIRS, PUNJAB

NOTIFICATION ✓

The 22nd November, 2013

No. 51-Leg./2013.-The following Act of the Legislature of the State of Punjab received the assent of the Governor of Punjab on the 21st Day of November, 2013, is hereby published for general information:-

**THE PUNJAB MUNICIPAL CORPORATION
(SECOND AMENDMENT) ACT, 2013**

(Punjab Act No. 40 of 2013)

AN

ACT

further to amend the Punjab Municipal Corporation Act, 1976.

BE it enacted by the Legislature of the State of Punjab in the Sixty-fourth Year of the Republic of India as follows: -

1. (1) This Act may be called the Punjab Municipal Corporation (Second Amendment) Act, 2013. Short title and commencement.

(2) It shall be deemed to have come into force on and with effect from the first day of April, 2013.

2. In the Punjab Municipal Corporation Act, 1976 (hereinafter referred to as the principal Act), in section 2,- Amendment in section 2 of Punjab Act 42 of 1976.

(A) clause (1) and clause (6-A) shall be omitted;

(B) after clause (7), the following clause shall be inserted, namely:-

“(7-A) “Competent authority” means the Assistant Commissioner or the Joint Commissioner or the Additional Commissioner of the Corporation, as the case may be, dealing with the matters relating to tax on land and buildings;”;

(C) after clause (21), the following clause shall be inserted, namely:-

“(21-A) “industrial building” means a building or part thereof wherein products or material are fabricated, assembled or processed, such as assembly plants, power plants, refineries, gas plants, mills and factories;”;

(D) after clause (24), the following clause shall be inserted, namely:-

“(24-A) “market value” means the minimum value of the land prevailing on the first January of the preceding financial year as fixed by the Collector under rule 3-A of the Punjab Stamp (Dealing of undervalued Instruments) Rules, 1983;”;

(E) after clause (30), the following clause shall be inserted, namely:-

“(30-A) “non-residential building” means a building which is being used for the purposes of business, profession, trade, institution or any other commercial activities, but does not include an industrial building;”;

(F) for clause (46), the following clause shall be substituted, namely:-

“(46) “rateable value” means the value of any land or building fixed in accordance with the provisions of section 93 for the purpose of assessment of tax on land and building;”;

(G) for clause (48-A), the following clause shall be substituted, namely:-

“(48-A) “residential building” means any building which is being used exclusively for residential purposes;”;

(H) clauses (56-A) and (59-A) shall be omitted;

(I) in clause (66) for the sign and words “; and” appearing at the end, the sign “.” shall be substituted; and

(J) clause (67) shall be omitted.

3. In the principal Act, for the words “total unit value”. wherever occurring, the words “rateable value” shall be substituted. Amendment in Punjab Act 42 of 1976.

4. In the principal Act, in section 90, for sub-section (3-A), the following sub-section shall be substituted, namely:- Amendment in section 90 of Punjab Act 42 of 1976.

“(3-A) Notwithstanding anything contained in this Act and subject to any general or special orders which the Government may make in this behalf, and to the rules, a Corporation may, from time to time for the purposes of this Act, and in the manner directed by this Act, impose in the whole or any part of the City a tax payable by the owner on building and land to be calculated as per the provisions of section 97:

Provided that in the case of building and land occupied by tenants in perpetuity, the tax shall be payable by such tenants:

Provided further that no tax shall be imposed on building and land, exclusively used for-

- (i) religious purposes, religious rites, religious ceremonies, religious festivals;
- (ii) cremation grounds, burial grounds;
- (iii) gaushalas, stray animal care centers;
- (iv) historical and heritage buildings, so notified by the State Government, Central Government or United Nations Educational, Scientific and Cultural Organization;
- (v) registered charitable and philanthropic organizations exempt from payment of the tax under the Income Tax Act, 1961 (Central Act No. 43 of 1961); ←
- (vi) the building and land owned and used by the Corporation;
- (vii) the building and land used for Schools and Colleges owned or aided by the Government;
- (viii) the building and land of Hospitals or Dispensaries owned by the Government;
- (ix) parking space (only in respect of multi-storey flats/buildings);
and
- (x) land used for agricultural or horticultural purposes:

Provided further that the building and land owned by the following categories of persons shall be exempted from the imposition of tax to the extent indicated against each:-

Serial No.	Category of persons	Extent of exemption
1	Widows	Five thousand rupees per financial year.
2	Freedom Fighters who are receiving pension as such from the Central Government or the State Government or both, as the case may be	Full.

3	Handicapped persons, who being assesses are entitled for the time being to the benefits of deduction under section 80 U of the Income Tax Act, 1961	Five thousand rupees per financial year.
4	Persons living below poverty line who possess requisite card, issued in support thereof	Full.

Provided further that all educational institutions, other than Governmental and Government Aided, shall be exempted from annual tax to the extent of fifty per cent of the tax assessed."

5. In the principal Act, for section 93, the following section shall be substituted, namely:-

Substitution of section 93 of Punjab Act 42 of 1976.

"93. Subject to the rules, if any, made by the Government in this behalf, the rateable value of any land or building assessable to tax under sub-section (3-A) of section 90 shall be,-
Determination of rateable value of land and building assessable to taxes.

(a) in the case of building or land which is in the occupation of a tenant, the gross annual rent at which the land or building has actually been let:

Provided that in the event of increase in the rent, the rateable value shall include the corresponding increase in rent as well:

Provided further that where the building or land has been let by the owner to any of his relations, and the Competent authority is of the opinion that the rent fixed does not represent the true rent, the rent fixed under the agreement of lease shall not be taken into consideration and the rateable value shall be determined in accordance with the principles contained in sub-clause (b);

(b) in the case of building or land, which is occupied by the owner, the rateable value shall be,-

- (i) five per cent of the present market value of the land; and
- (ii) five per cent of the cost of erecting the building less ten per cent depreciation:

Provided further that the calculation of market value in the case of multi-storey buildings, group housing buildings or such like other buildings shall be made in the manner, as may be prescribed.

Explanation.- For the purposes of clause (b), 'cost of erecting the building' shall, for the time being, be calculated at the following rates:-

- (i) Five hundred rupees per square feet in respect of Pucca (cemented bricks walled and load bearing roof) structure;
- (ii) Three hundred rupees per square feet in respect of Semi Pucca (cemented bricks walled or non-cemented bricks walled but non-load bearing roof) structure; and
- (iii) One hundred rupees per square feet in respect of Kacha (non-cemented or non-brick walled and non-load bearing roof) structure:

Provided that the rates of calculation of cost of erecting the building, as referred to above, shall be subject to revision by the Government from time to time:

Provided further that the Government may revise and fix such rates differently for the same category or class of building keeping in view the kind of the construction thereof.

- (c) any land on which no building has been erected but on which a building can be erected and any land on which a building is in the process of erection, the rateable value shall be fixed at five per cent of the market value of such land."

6. In the principal Act, for section 97, the following section shall be substituted, namely:-

Substitution of section 97 of Punjab Act 42 of 1976.

"97. (1) The tax payable on land and buildings shall be leviable as under:-
Incidence of taxes on land and buildings.

Sr. No.	Category of building	Rate of tax
1	Self occupied residential building	<p>(i) Fifty rupees in case land area is fifty square yards or below, having covered area not more than 450 square feet;</p> <p>(ii) One hundred and fifty rupees in case, land area is one hundred square yards or below, having covered area not more than 900 square feet;</p> <p>(iii) Half per cent of the rateable value, in case the land area is fifty square yards or below OR one hundred square yards or below, but the covered area exceeds the stipulation indicated in (i) and (ii) above;</p> <p>(iv) Half per cent of the rateable value, in case the land area is five hundred square yards or below; and</p> <p>(v) One per cent of the rateable value, in case the land area is more than five hundred square yards;</p>
2.	Residential building under the occupation of tenant(s)	Seven and half per cent of the rateable value;
3.	Self occupied non-residential building	Three per cent of the rateable value;
4.	Self occupied industrial building	One and half per cent of the rateable value; and
5.	Non-residential building under the occupation of tenant(s)	Ten per cent of the rateable value;

3 %

Explanation. - It is hereby clarified that if a portion of a building and/or land is used for more purposes,-

- (i) the self occupied residential building for non-residential purpose or on rent for residential purpose or on rent for non-residential purpose; or

- (ii) the self occupied non-residential building for residential purpose or on rent for residential purpose or on rent for non-residential purpose, the rate of tax for that portion of the building and/or land shall be the rate specified in the table above according to its use:

→ Provided that if the land is vacant or the building is unproductive, the rate of tax shall be 0.20 per cent of the rateable value:

Provided further that the owner or the occupier, as the case may be, shall be at liberty to pay the tax on building and/or land for the financial year 2013-14 as per the calculations to be made in accordance with the provisions of either the principal Act as amended by the Punjab Municipal Corporation (Second Amendment) Act, 2012 (Punjab Act No. 7 of 2013) or the Punjab Municipal Corporation (Second Amendment) Act, 2013, as he may deem fit.

- (2) For the building and land, which were not subject to tax prior to the commencement of the Punjab Municipal Corporation (Second Amendment) Act, 2012 (Punjab Act No. 7 of 2013), if the tax for the period from 15th day of November, 2012 to the date of commencement of the Punjab Municipal Corporation (Second Amendment) Act, 2013, has not been paid, the same shall not be recovered:

Provided that if such tax has been paid, the same shall be adjusted in the assessment of tax for the year 2013-14."

- ~~7.~~ In the principal Act, section 98 shall be omitted.

Omission of section 98 of Punjab Act 42 of 1976.

8. In the principal Act, for section 101, the following section shall be substituted, namely:-

Substitution of section 101 of Punjab Act 42 of 1976.

"101.(1) For the purposes of collection and updation of data, the Corporation shall, after getting the survey conducted or through any other manner, cause a property list of all lands and buildings in the City on which any tax is imposed to be prepared, containing the following particulars, namely:-

- (a) the name of the street or division in which the property is situated;

- (b) designation of the property, either by name or by number sufficient for identification; and
- (c) the name of the owner or occupier, if known.
- (2) The property list, prepared under sub-section (1), shall be kept in the office of the Commissioner, or as the case may be, the officer authorized by him in this behalf, for record.

Explanation. - It is hereby clarified that the property list prepared under this section shall have no evidentiary value."

9. In the principal Act, section 102 shall be omitted.

Omission of section 102 of Punjab Act 42,

10. In the principal Act, for section 103, the following section shall be substituted, namely:—

Substitution of section 103 of Punjab Act 42 of 1976.

"103. (1) The Commissioner may, at any time, amend the property list,—

- Amendment of list,-
property list.
- (a) by inserting therein the name of any person whose name ought to be inserted; or
- (b) by inserting therein any land or building previously omitted; or
- (c) by striking out of the name of any person not liable for the payment of taxes on land and buildings; or
- (d) by inserting or altering an entry in respect of any building erected, re-erected, altered or added to, after the preparation of the property list.

(2) Before making any amendment under sub-section (1), the Commissioner shall give to any person affected by the amendment, notice of not less than one month that he proposes to make the amendment and consider any objections which may be made by such person."

11. In the principal Act, section 104 shall be omitted.

Omission of section 104 of Punjab Act 42 of 1976.

12. In the principal Act, in section 105, in sub-section (5), for the words "assessment list", the words "property list" shall be substituted.

Amendment in section 105 of Punjab Act 42 of 1976.

13. In the principal Act, sections 108 and 109 shall be omitted.

Omission of sections 108 and 109 of Punjab Act 42 of 1976.

14. In the principal Act, for section 110, the following section shall be substituted, namely:-

Substitution of section 110 of Punjab Act 42 of 1976.

"110. If any land or building, bearing two or more municipal numbers, or portions thereof, be amalgamated into one or more new premises, the Commissioner shall on such amalgamation assign to them one or more numbers accordingly."

Assessment in case of amalgamation of premises.

15. In the principal Act, sections 111 and 112 shall be omitted.

Omission of section 111 and 112 of Punjab Act 42 of 1976.

16. In the principal Act, for section 112-A, the following sections shall be substituted, namely:-

Substitution of section 112-A of Punjab Act 42 of 1976.

"112-A. (1) Notwithstanding anything contained in this Act, every owner or occupier, as the case may be, shall calculate the tax on land and building himself in accordance with the provisions of sub-section (3-A) of section 90 in the Form, as may be specified by the Government (hereinafter referred to as the return), and shall file the same to the Corporation by the 31st December of the relevant financial year.

(2) On the basis of calculation as made under sub-section (1), the owner or occupier shall deposit the amount of tax in the head of account of the Corporation on or before the 31st December of the relevant financial year:

Provided that if the aforesaid amount of tax is fully paid on or before the 30th September of the relevant financial year, a rebate of ten per cent of the amount of tax so calculated may be claimed.

(3) Where the tax calculated under sub-section (1) is not fully paid by the 31st December of the relevant financial year as aforesaid and is paid on or before the 31st March of that financial year, a penalty of twenty five per cent of the remaining amount of tax so calculated

If paid < 30 Sep
→ 10% rebate

If paid betⁿ 31 Dec - 31 Mar
→ 25% penalty on rem amt

TEN. → Amended on - 21-8-14

by him shall be payable.

(4) Notwithstanding any action contemplated under the provisions of this Act, if wrong particulars are given in the return filed under sub-section (1), the owner or the occupier, as the case may be, shall be liable to pay, as penalty, an amount equivalent to the difference of amount between the sum of tax actually paid, if any, and the sum of tax assessed on consideration of the right particulars, in addition to the payment of amount of tax so assessed.

if wrong
→ 100% penalty on rem
+ whole tax

(5) If no return is filed for a financial year by the 31st March of that financial year, under sub-section (1), the owner or the occupier, as the case may be, shall be liable to pay an amount equivalent to the sum of tax for that financial year as penalty, in addition to the payment of the tax, and the whole of the amount shall become recoverable under the provisions of section 138 immediately after the expiry of the financial year for which no return has been filed."

not
if paid ~~as per~~
→ 100% penalty
+ whole tax

112-B. (1) Notwithstanding anything contained in this Chapter, where the Competent Authority is satisfied that any property has been erroneously valued or assessed through fraud, accident or mistake by the owner or the occupier, as the case may be, he may, after giving opportunity of being heard to the person concerned and after making such enquiry, as he may deem fit, pass an order amending the assessment already made and fixing the amount of tax payable for that property and on the issue of such an order, the assessment then filed shall, subject to the order, if any, passed in appeal, be deemed to have been amended accordingly in the relevant financial year.

(2) For the purposes of sub-section (1), if it is necessary or expedient, the Competent Authority may, after giving twenty four hours notice to the occupier, or, if there be no occupier, to the owner, of any building or land at any time between sunrise and sunset, enter, inspect and measure any building or land.

112-C. (1) Any person, aggrieved with the decision(s), made under sub-section (4) of section 112-A, or section 112-B may file an appeal within a period of thirty days before the Commissioner, who, after affording an

Appeal in respect of tax on land and buildings.

opportunity of hearing to the parties, shall pass an order, in writing, within a period of thirty days.

- (2) No appeal shall be entertained under sub-section (1), unless the amount of tax is paid.
- (3) If an order under sub-section (1) modifies the decision in appeal, the Competent Authority may file an appeal to the Principal Secretary or Secretary, Department of Local Government within a period of thirty days of such order, who shall pass an order, in writing, as he deems fit in the matter, within a period of thirty days of filing of such appeal, and the order passed in appeal shall be final.
- (4) No stay shall be granted against the orders appealed against under sub-section (1)."

17. In the principal Act, section 138 shall be substituted, namely:-

Substitution of section 138 of Punjab Act 42 of 1976.

"138. Any sum due on account of tax payable under this Act may be recovered, together with costs of recovery, through the following processes by the Competent Authority,-

- (a) by service of writ of demand on the defaulter;
- (b) by distraint and sale of a defaulter's movable property;
- (c) by the attachment and sale of defaulter's immovable property;
- (d) in the case of octroi and toll, by the seizure and sale of goods and vehicles; and
- (e) in the case of taxes on land and buildings, by the attachment of rent due in respect of the property or any other property owned by the defaulter."

18. In the principal Act, sections 140, 141, 142 and 143 shall be omitted.

Omission of section 140, 141, 142 and 143 of Punjab Act 42 of 1976.

19. In the principal Act, for section 144, the following section shall be substituted, namely:-

Substitution of section 144 of Punjab Act 42 of 1976.

- “144. No land, building or tenement shall be deemed vacant if maintained as a pleasure resort or town or country house or be deemed unproductive of rent if let to a tenant who has a continuing right of occupation thereof, whether he is in actual occupation or not.”
- What buildings etc. are to be deemed vacant.
20. In the principal Act, section 145 shall be omitted.
- Omission of section 145 of Punjab Act 42 of 1976.
21. In the principal Act, in section 146, in sub-section (1), for the words “the levy or assessment of any tax”, the words and sign “the levy or assessment of any tax, other than tax on building and land” shall be substituted.
- Amendment in section 146 of Punjab Act 42 of 1976.
22. In the principal Act, section 430 shall be numbered as sub-section (1) thereof, and after sub-section (1), as so re-numbered, the following sub-sections shall be inserted, namely:-
- Amendment in section 430 of Punjab Act 42 of 1976.
- “(2) If any difficulty arises in giving effect to the provisions of the Punjab Municipal Corporation (Second Amendment) Act, 2013, the Government may, by an order published in the Official Gazette, make such provisions, not inconsistent with the provisions of this Act, as may appear to it to be necessary for expedient for removing that difficulty:
- Provided that no order shall be made under this sub-section after the expiry of a period of two years from the date of publication in the Official Gazette the Punjab Municipal Corporation (Second Amendment) Act, 2013.
- (3) Every order made under sub-section (2) shall be laid, as soon as may be, after it is made before the Legislative Assembly.”
23. In the principal Act, THE FOURTH SCHEDULE shall be omitted.
- Omission of THE FOURTH SCHEDULE of Punjab Act 42 of 1976.
24. (1) The Punjab Municipal Corporation (Second Amendment) Ordinance, 2013 (Punjab Ordinance No. 11 of 2013), is hereby repealed.
- Repeal and saving.

(2) Notwithstanding such repeal, anything done or any action taken under the principal Act, as amended by the Ordinance referred to in subsection (1), shall be deemed to have been done or taken under the principal Act, as amended by this Act.

H.P.S. MAHAL,
Secretary to Government of Punjab,
Department of Legal and Legislative Affairs.