

GREATER HYDERABAD MUNICIPAL CORPORATION

New System of Assessment of Property Tax

Roc.No.1479/CT1/CTS/GHMC/2007-08

Dt. 01-02-2008

Gist of Final Notification showing the monthly rent fixed per Sft. Of plinth area in respect of Non-residential Buildings

(There is no revision of property tax on Residential Buildings)

1. Introduction

As per the orders issued in G.O.Ms.No.635, MA & UD Department (TC) dated: 27-08-2007 Greater Hyderabad Municipal Corporation (GHMC) has initiated the process of revision of property tax on Non-Residential buildings w.e.f. 01-10-2007. The earlier Draft Notification published in Ex-ordinary A.P. Gazette vide No.281, dt:26-09-07 and Gist of the Notification published in the News papers on 28-09-07 was rescinded on administrative grounds vide Notification No.789/CTS/GHMC/2007, dt. **22-12-07. A fresh Draft Notification published in Hyderabad District Gazette vide No.154 Dt: 26th, December 2007** by G H M C, proposing monthly rent per sft. of plinth area in respect of Non-residential buildings duly calling for objections and suggestions from the public in this matter.

The Gist of Draft Notification vide Roc.No.1479/CT1/CTS/ GHMC/2007-08, dt:05-01-08 was published on 10-01-2008 in the News Papers and objections and suggestions were received from the public. After thorough consideration of objections and suggestions received from the Tax Payers and various Associations, Final Notification showing the division of GHMC into tax zones and Monthly rent per sft. of Plinth area for various types of construction and usages of buildings in respect of Non-Residential Buildings is published in Hyderabad District Gazette Vide No. 21, dated: 29th January, 2008.

2. Elaborate procedure for Assessment of Property Tax

Sections 197 to 238 and Sections 264 to 289 of the Hyderabad Municipal Corporations Act, 1955 and the Hyderabad Municipal Corporations (Assessment of Property Tax) Rules, 1990 as amended in G.O.Ms.No.596 MA&UD Department Dt.20-11-2006 has provided an elaborate procedure for determination of Annual Rental Value and Assessment of Property Tax as detailed hereunder:

- 1) Division of Municipal Corporation into Territorial zones.
- 2) Classification of buildings based on construction : 6 categories
- 3) Further classification of Buildings based on nature of usage: 22 categories.
- 4) Gathering of prevailing Rental Value of 20 percent of Rented Buildings - Arriving at Average Monthly Rental Value (MRV) for each category of building to be fixed per sq.ft of Plinth Area in each zone.
- 5) Issue of draft notification indicating MRV per sq.ft of Plinth Area in respect of various categories of all buildings for all zones and calling for objections and suggestions from the public.
- 6) Issue of final notification indicating MRV per sq.ft of Plinth Area in respect of various categories of buildings for all zones after considering objections and suggestions.
- 7) Preparation of Assessment list of buildings gathering, among others, Plinth Area, nature of construction, nature of usage for all buildings.
- 8) Calculation of Property Tax and preparation of special notices.
- 9) Service of special notices.
- 10) Disposal of complaint petitions.

3 Objectives of New system of Property Tax

The objectives of the new method of assessment of Property Tax are:

- 1) To evolve a scientific method in the assessment and levy of Property Tax.
- 2) To fix the assessments uniformly for similar buildings used for similar purposes and situated in the same locality.
- 3) To reduce the element of discretion and to avoid arbitrariness in the assessment of tax.
- 4) To simplify the procedure of assessment and to make it transparent and citizen friendly.

4. Factors for determination of Annual Rental Value

New system of property tax envisages fixation of annual rental value of buildings and lands and property tax thereon with reference to the following factors:

- a) Location of building
- b) Type of construction
- c) Nature of use
- d) Plinth area
- e) Age of building

5. Rate of Property Tax

Property tax is levied 30% on Annual Rental value (ARV) of Non residential buildings.

6. Division of GHMC into Zones

GHMC is divided into the following Taxation Zones for the Assessment of Property Tax.

Administrative Zones	Circle No./Name	Taxation Main Zones	Taxation Sub-Zones
1	2	3	4
South	I	9	27
	II	7	21
	Rajendranagar	6	18
Central	III	6	18
	IV	6	18
	V	11	33
	VI	3	9
East	Kapra	5	14
	L.B. Nagar & Gaddiannaram	14	42
	Uppal Kalan	3	9
West	Kukatpally	15	45
	Patancheru & Ramchandrapuram	2	6
	Serilingampally-I	3	9
	Serilingampally-II	3	9
North	Alwal	4	12
	Malkajgiri	6	18
	Quthbullapur	5	15
	VII	7	21
Total		115	344

7. Classification of Buildings

After division of GHMC into territorial tax zones, all the buildings situated in each zone will be classified into the following categories based on the nature of construction:

1. RCC posh Buildings
2. RCC ordinary Buildings
3. Madras Terraced or Jack Arch roofed or Stone Slabs or Slate roofed buildings
4. Mangalore tiled roofed or Asbestos roofed or G.I roofed buildings
5. Country tiled buildings
6. Huts

8. Nature of use of the Buildings

After classification of buildings based on their type of construction, they will be further classified into the following categories based on the nature of usage:

1. Residential
2. Shops & Shopping Complexes
 - 2-1. Shops
 - 2-2. Shopping Complexes
3. Public Use

- 3-1. Offices
- 3-2. Banks
- 3-3. ATMs
- 3-4. Super Specialty Hospitals and Nursing Homes
- 3-5. Other Hospitals Clinics, Dispensaries and Diagnostics centers
- 3-6. Educational Institutions
- 3-7. Hostels
- 3-8. Gyms**
- 4. Commercial Use
 - 4-1. Star Hotels
 - 4-2. Bars & Restaurants, Pubs
 - 4-3. Other Hotels, Lodges, Restaurants, Guest Houses
 - 4-4. Godowns
 - 4-5. Petrol Bunks
 - 4-6. Cellular Towers / Hoardings
- 5. Industrial use i.e., Factories, Mills, Workshops and other industries
- 6. Places of Entertainment
 - 6-1. Multiplex and similar theatres
 - 6-2. other cinema theatres, clubs and other places of entertainment
 - 6-3. A.C Marriage Halls, A.C Function Halls, A.C Community Halls
 - 6-4. Non-A.C Marriage Halls, Function Halls, Community Halls.

9. Survey of rental values of rented buildings

Officials of GHMC have conducted a survey of Non-residential buildings and gathered information relating to prevailing rental values of 20 percent of rented buildings of various categories in all zones. Based on the survey, monthly rental value fixable for each category of building based on type of construction and usage has been arrived at per sq.ft of plinth area.

10. Publication of Draft Notification

Draft Notification containing various zones and rates of monthly rental values per Sq.ft. of plinth area on Non-Residential properties to be adopted within the jurisdiction of the Greater Hyderabad Municipal Corporation as per orders of the Government issued vide G.O.Ms. No.635, Dt: 27-08-2007 and as per the amended provisions of Section 212 of Hyderabad Municipal Corporations Act, 1955 and rules made there under was published in the Hyderabad District Gazette No.154, Dt:26-12-2007 and Gist of the Notification Roc.No.1479/CT1/CTS/GHMC/2007-08 published on 10-01-2008 in No.(1) Deccan Chronicle (English), (2) Eenadu (Telugu) & (3) Siasat (Urdu) calling for suggestion and objections from the public towards the Draft Notification for consideration.

11. Publication of Final Notification

The suggestions and objections received on the Draft Notification were carefully examined and considered. After thorough consideration of the objection and suggestions, a final Notification showing the division of Greater Hyderabad Municipal Corporation into tax zones and Monthly rent per sft. of plinth area of various types of construction and usages of buildings in respect of Non-Residential buildings is published for information of the public.

12. Monthly Rent fixed per sq.ft of Plinth Area

The following are the minimum and maximum monthly rental values fixed per Sq.ft. of plinth area for various categories and usages of the buildings in respect of Non-Residential Buildings in various circles of GHMC.

Rs.per Sft.

Sl. No.	Category of Building	Nature of Usage					
		Shops		Shopping Complex		Offices	
		1		2		3	
		Min	Max	Min	Max	Min	Max

Rs. Per sft.

Sl. No.	Category of Building	Nature of Usage							
		Banks		ATMs		Super specialties Hospitals & Nursing Homes		Other Hospitals, Clinics, Dispensaries & Diagnostic Centres	
		4		5		6		7	
		Min	Max	Min	Max	Min	Max	Min	Max
I	RCC Posh Building								
	1.Independent	1.00	20.00	10.00	70.00	1.00	12.00	1.00	9.50
	2.Multi storied	-	-	-	-	-	-	-	-
	i.Cellar	0.80	16.00	8.00	56.00	0.70	9.60	0.80	7.60
	ii.Ground and 1st floor	1.00	20.00	10.00	70.00	1.00	12.00	1.00	9.50
	iii.Other floors	0.90	17.00	9.00	59.50	0.90	11.00	0.90	8.10
	iv.Parking	0.30	2.50	-	-	0.40	2.50	0.40	2.50
II	RCC Ordinary Building								
	1.Independent	0.80	16.00	8.00	56.00	0.70	9.50	0.70	7.50
	2.Multi-storied	-	-	-	-	-	-	-	-
	i.Cellar	0.60	12.80	6.40	44.80	0.50	7.60	0.50	6.00
	ii.Ground and 1st floor	0.80	16.00	8.00	56.00	0.70	9.50	0.70	7.50
	iii.Other floors	0.70	13.60	7.20	47.60	0.60	8.50	0.60	6.40
	iv.Parking	0.10	2.30	-	-	0.20	2.30	0.20	2.30
III	Madras Terraced or Jackarch roofed or stone slabs or slates roofed buildings	0.70	10.00	11.60	25.00	0.50	6.40	0.50	5.20
IV	Mangalore tiled buildings or Asbestos roofed or G.I. Roofed Buildings.	0.50	8.00	9.90	16.00	0.40	5.10	0.40	4.20
V	Country tiled building	0.30	3.00	-	-	-	0.20	-	0.20

Rs. Per sft.

Sl. No.	Category of Building	Nature of Usage							
		Educational Institutions		Hostels		Gyms		Star Hotels	
		8		9		10		11	
		Min	Max	Min	Max	Min	Max	Min	Max
I	RCC Posh Building								
	1.Independent	0.60	8.00	0.60	8.00	1.20	13.00	3.50	20.00
	2.Multi storied	-	-	-	-	-	-	-	-
	i.Cellar	0.20	6.40	0.20	6.40	0.80	10.40	2.80	16.00
	ii.Ground and 1st floor	0.60	8.00	0.60	8.00	1.00	13.00	3.50	20.00
	iii.Other floors	0.50	6.80	0.50	6.80	0.90	11.10	3.20	18.00
	iv.Parking	0.10	1.50	0.10	1.50	0.10	2.50	1.30	2.50
II	RCC Ordinary Building								
	1.Independent	0.50	6.50	0.50	6.50	1.00	10.50	2.80	16.00
	2.Multi storied	-	-	-	-	-	-	-	-
	i.Cellar	0.30	5.20	0.30	5.20	0.60	8.40	2.30	12.80
	ii.Ground and 1st floor	0.50	6.50	0.50	6.50	0.75	10.50	2.80	16.00
	iii.Other floors	0.40	5.60	0.40	5.60	0.70	9.00	2.50	14.40
	iv.Parking	0.10	1.30	0.10	1.30	0.10	2.30	1.30	2.30
III	Madras Terraced or Jackarch roofed or stone slabs or slates roofed buildings	0.40	4.00	0.40	4.00	0.60	6.50	2.30	8.00
IV	Mangalore tiled buildings or Asbestos roofed or G.I. Roofed Buildings.	0.30	3.50	0.30	3.50	0.50	5.00	1.50	6.00
V	Country tiled building	0.20	2.00	0.10	2.00	1.00	2.00	-	4.50

Rs. Per sft.

Sl. No.	Category of Building	Nature of Usage							
		Bars & Restaurants (Pubs)		Other Hotels, Lodges, Restaurants, Guest Houses		Godowns		Petrol Bunks	
		12		13		14		15	
		Min	Max	Min	Max	Min	Max	Min	Max
I	RCC Posh Building								
	1.Independent	1.50	18.00	0.80	11.00	0.60	10.00	2.00	16.00
	2.Multi storied	-	-	-	-	-	-	-	-
	i.Cellar	1.30	14.40	0.60	8.80	0.40	8.00	-	-
	ii.Ground and 1st floor	1.50	18.00	0.80	11.00	0.60	10.00	-	-
	iii.Other floors	1.40	15.30	0.70	10.00	0.50	8.50	-	-
	iv.Parking	0.40	2.50	0.10	2.50	0.10	2.50	-	-
II	RCC Ordinary Building								
	1.Independent	1.00	14.50	0.60	9.00	0.40	8.00	1.50	12.00
	2.Multi storied	-	-	-	-	-	-	-	-
	i.Cellar	0.70	11.60	0.10	7.20	0.20	6.40	-	-
	ii.Ground and 1st floor	1.00	14.50	0.60	9.00	0.40	8.00	-	-
	iii.Other floors	0.90	12.30	0.50	7.70	0.30	5.40	-	-
	iv.Parking	0.40	2.30	0.10	2.30	0.10	2.30	-	-
III	Madras Terraced or Jackarch roofed or stone slabs or slates roofed buildings	1.40	9.00	0.50	5.50	0.30	6.00	1.30	9.00
IV	Mangalore tiled buildings or Asbestos roofed or G.I. Roofed Buildings.	1.20	7.00	0.30	4.50	0.20	5.50	1.00	8.50
V	Country tiled building	1.00	3.00	0.20	3.00	0.10	1.50	1.20	4.50

Rs. Per sft.

		Nature of Usage							
Sl. No.	Category of Building	Cellular Towers / Hoardings		Industrial Use Factories, Mills, Workshops & Other Industries		Multiplexes and Similar Theatres		Other Cinema Theatres, Clubs & Other places of Entertainment	
		16		17		18		19	
		Min	Max	Min	Max	Min	Max	Min	Max
I	RCC Posh Building								
	1.Independent	2.00	50.00	1.00	10.00	1.00	20.00	0.70	10.00
	2.Multi storied	-	-	-	-	-	-	-	-
	i.Cellar	-	-	0.80	8.00	0.80	16.00	0.50	8.00
	ii.Ground and 1st floor	-	-	1.00	10.00	1.00	20.00	0.70	10.00
	iii.Other floors	1.90	50.00	0.90	8.50	0.90	17.00	0.60	8.50
	iv.Parking	-	-	0.10	1.50	0.20	2.50	0.10	2.00
II	RCC Ordinary Building								
	1.Independent	1.50	40.00	0.70	8.00	0.90	16.00	0.60	8.00
	2.Multi storied	-	-	-	-	-	-	-	-
	i.Cellar	-	-	0.50	6.40	0.70	12.80	0.40	6.40
	ii.Ground and 1st floor	-	-	0.70	8.00	0.90	16.00	0.60	8.00
	iii.Other floors	1.40	40.00	0.60	6.80	0.80	13.60	0.50	6.80
	iv.Parking	-	-	0.10	1.30	0.20	2.30	0.10	1.80
III	Madras Terraced or Jackarch roofed or stone slabs or slates roofed buildings	-	-	0.40	5.00	-	-	0.40	5.20
IV	Mangalore tiled buildings or Asbestos roofed or G.I. Roofed Buildings.	-	-	0.30	3.90	-	1.40	0.30	4.50
V	Country tiled building	-	-	-	0.20	-	-	-	-

Rs. Per sft.

Sl. No.	Category of Building	Nature of Usage			
		A.C Marriage Halls, A.C. Function Halls & A.C. Community Halls		Other Marriage Halls, Function Halls & Community Halls	
		20	21	20	21
		Min	Max	Min	Max
I	RCC Posh Building				
	1.Independent	1.60	9.00	0.40	7.50
	2.Multi storied	-	-	-	-
	i.Cellar	1.30	7.00	0.20	6.00
	ii.Ground and 1st floor	1.60	9.00	0.40	7.50
	iii.Other floors	1.50	8.50	0.30	7.00
	iv.Parking	1.00	2.50	0.10	2.00
II	RCC Ordinary Building				
	1.Independent	1.30	9.00	0.30	6.00
	2.Multi storied	-	-	-	-
	i.Cellar	1.10	7.00	0.10	5.00
	ii.Ground and 1st floor	1.30	9.00	0.30	6.00
	iii.Other floors	1.20	8.00	0.20	5.50
	iv.Parking	0.50	2.25	0.10	1.80
III	Madras Terraced or Jackarch roofed or stone slabs or slates roofed buildings	1.30	6.00	0.30	5.00
IV	Mangalore tiled buildings or Asbestos roofed or G.I. Roofed Buildings.	0.50	5.00	0.20	3.50
V	Country tiled building	0.50	4.50	0.10	2.00

13. Apportionment of Annual Rental Value

The ARV will be apportioned between the building and the land in the following proportion:

- I) Building : 50% of ARV
- II) Land : 50% of ARV

14. Allowances for repairs or any other account whatsoever

The following deductions will be allowed from the ARV attributable to the building only in lieu of all allowances for repairs or any other account whatsoever

Age of the building	Deduction allowed
25 years and below	10% of building ARV
Above 25 years and upto 40 years	20% of building ARV
Above 40 years	30% of building ARV

15. Property Tax Payable on non - residential building may be Calculated as follows

Example Calculation

- 1. Type of Construction : RCC ordinary Building
- 2. Nature of Usage : Shopping Complex
- 3. Plinth Area : 1000 Sq. ft.
- 4. Monthly Rent notified per Sq.ft. of plinth area : Rs.5.00
- 5. Monthly Rent value (Plinth area X Monthly rent per Sq.ft of plinth area) : Rs.5,000/-
- 6. Annual Rental Value(ARV) : Rs.60,000/-
- 7. Apportionate of ARV between building and land at 50% each
 - a. Gross ARV of land : Rs.30,000
 - b. Gross ARV of building : Rs.30,000
- 8. Age of building : 15 years
- 9. Rebate allowed at 10% of Building ARV(10% of 30,000) : Rs.3,000
- 10. Net ARV of building (30,000-3,000) : Rs.27,000

11.	Total net ARV of the building and land (30,000+27,000)	:	Rs.57,000
12.	Rate of Property Tax	:	30% of ARV
13.	Property tax per annum (30% of 57,000)	:	Rs.17,100
	(Add library cess at 8% of Property tax)	:	Rs.1,368
	Total tax per Annum		Rs:18,468

(Note: If unauthorized construction/deviation to the sanctioned plan additional penalties as per rules shall be applicable)

16. Filing of Complaint Petitions

Tax payers may file the complaint petitions within 15 days from the receipt of Special Notice Under Section 220(2) of Hyderabad Municipal Corporation Act, 1955 before the Deputy Commissioner of the concerned circle or Zonal Commissioner of the concerned zone or the Commissioner & Spl. Officer GHMC, if any claim regarding plinth area, measurements, type of construction and usage of the building.

17. Availability of Notification

The Gazette containing detailed notification showing monthly rental values fixed for various categories of non-residential buildings based on type of construction and usages of the buildings is available at nominal cost of Rs.250/- and CD @ Rs.20/- in all Circle Offices, e-Seva Centre (Khairtabad) and also the same is kept in the GHMC Web Site: www.ghmc.gov.in for public perusal.

18. Enhancement on revision limited to 50%

As per the orders issued in G.O.Ms.No.864 MA&UD Dt.26-11-07 the enhancement of property tax will be restricted to the 50% of the existing tax in respect of non-residential buildings if the increase in property tax is more than 50% over the existing tax payable as on 01-10-2007.

Hyderabad

Commissioner, & Special Officer

Date: 01-02-2008

Greater Hyderabad Municipal Corporation