

To,
The Principal Secretary
Nagar Vikas Anubhag – 9,
Govt. of Uttar Pradesh,
Civil Secretariate, Babu Bhawan.
Lucknow – 226 001.

Subject: Objections / Suggestions on Proposed Notification No. 1231 /9-9-2010-85J/09TC dt. June 08, 2010

Dear Sir,

We are thankful to you for initiating a public debate on the long pending issue of Property tax in Uttar Pradesh. Indian Industries Association an apex body of MSME in U.P has been representing the case of rationalization of Industrial Properties since long. We have studied the Proposed Notification issued by your department and found that there are still vital gaps in rationalization of the property tax for Industrial properties in it. The detailed Objections along with reasons thereof and suggestions are attached at Annexure-I for your kind consideration. The summary of the suggestions is as under:

1. Classification of industrial buildings should be independent of width of roads and should be based on type of construction only i.e (a) Pakka Buildings (b) All types of sheds.
2. Industrial properties must be permitted a discount not less than 20% over covered area for the purpose of calculation of Carpet area as is in the case of residential properties.
3. In consonance with the formula set out in the earlier Govt. Orders No. 2245@9&vk&2&1998 ,y-;w-lh-@91 dtd. 28th.Aug. `1998 and No 16/NI-9-2003-79J/97 dated 27th May 2003 for the purpose of valuing property on the basis of its use, **The Use Factor Multiplier for industrial property must not exceed 0.50 whereas for MSME it should not exceed 0.30 and also, those parts of buildings and structures that are utilized for providing facilities to the workers, staff and employees must be excluded for the purpose of annual rental valuation of industrial building.**
4. It must be very clearly mentioned that Appurtenant land will be excluded from calculation of the industrial property value, only the built up structures will be valued. This would remove all doubts in the mind of the tax payer as well as the Tax assessing officials and save the tax payers from any possible exploitation / harassment due to any misinterpretation due to lack of clarity.

We hope you would find our observations, views, objections and suggestions meaningful and favorably consider them and have them incorporated in the proposed amendments to the "Municipal Corporation (property Tax) Rules, 2000".



Pramod Miglani
General Secretary