

SELF-ASSESSMENT SCHEME 2016
PROPERTY TAX CALCULATION AND PAYMENTS

The property tax notification with enhanced rates and zonal classification was issued during March 2016. Based on this notification the property tax application was developed and the property tax collection started from April 2016 where many tax payers paid their property taxes availing the 5% rebate on the property tax. Further based on the Council decision the increase in property taxes was capped to 20% for Residential properties and 25% for Non-Residential properties when compared to property taxes paid during 2015-16. The property tax application online was modified to

The property tax application was modified to accept the taxes limiting the increase as suggested by the BBMP Council. This calculation would work only when there are no changes either in property usage, extent of built up area and its occupancy. To calculate property taxes from such properties, the property taxes were calculated twice once based on SAS 2008 rates and zonal classification later increasing the taxes by 20% or 25% based on its usage and again based on SAS 2016 notification and zonal classification. The amounts obtained were compared and the limitation in increase of property taxes applied. This calculation logic (Dual Calculator) was developed and applied into the property tax application online during mid-June 2016.

The BBMP Council decision had also said that properties which had paid during April 2016 based on SAS 2016 might have paid taxes in excess when calculated through the Dual Calculator, any such excess taxes paid will be adjusted towards 2017-18 property taxes.

There are certain properties which have changed the property details while declaring the property taxes during 2016-17 and paid the taxes which was capped to 20% for Residential properties and 25% for Non-Residential properties. Such cases when run through the Dual calculator logic was found to have short paid the taxes which again is being collected during 2017-18 without any interest and penalty.

An example showing the different calculation logic used during various periods of 2016 are as shown below.

Property Tax Calculation during 2016-17

(SAS 2008 & SAS 2016) - Residential (VL to Building)

| Description | | SAS - 2008 (Paid during 2015-16) | SAS - 2016 (April 2016) | SAS - 2016 (May 2016) | SAS - 2016 (Dual Calculator - Mid-June 2016 onwards) | |
|---|-------------|--|----------------------------|--------------------------|--|------------------------------|
| | | | | | Calculate as per SAS 2008 | Calculate as per SAS 2016 |
| Site Area in Sqft | | 1200 | 1200 | 1200 | 1200 | 1200 |
| Builtup Area in Sqft | | VL | 2850 | 2850 | 2850 | 2850 |
| Year of Construction | | NA | 2016 | 2016 | 2016 | 2016 |
| Usage | | Res - Own | Res - Own | Res - Own | Res - Own | Res - Own |
| Zonal Classification | Residential | E | C | B | E | C |
| | Cap on Zone | E | D | D | E | D |
| SAS Rate | Own | ₹ 0.20 | ₹ 1.90 | ₹ 1.90 | ₹ 1.20 | ₹ 1.90 |
| Gross Annual Unit Area Value | | 2,400 | 54,150 | 54,150 | 34,200 | 54,150 |
| Depreciation | Rate | 0% | 3% | 3% | 3% | 3% |
| | Amount | 0 | 1624.5 | 1624.5 | 1026 | 1624.5 |
| Net Taxable Annual Value | | 2,400 | 52,526 | 52,526 | 33,174 | 52,526 |
| Property Tax | | ₹ 480 | ₹ 10,505 | ₹ 10,505 | ₹ 6,635 | ₹ 10,505 |
| Percentage of Increase in PT | | -- | -- | 2088.56% | -- | 58.33% |
| Property Tax payable after cap at 20% for Residential properties | | -- | -- | ₹ 576 | -- | ₹ 7,962 |
| Cess | | ₹ 115 | ₹ 2,521 | ₹ 138 | -- | ₹ 1,911 |
| Total Property Tax | | ₹ 595 | ₹ 13,026 | ₹ 714 | -- | ₹ 9,873 |

- ✓ In the above example if the Property Taxes for 2016-17 when calculated through the Dual calculator is ₹9,873.
- ✓ If the taxes are paid during April 2016, the excess taxes paid which is ₹3,153 will be adjusted during the property tax payment of 2017-18
- ✓ If taxes are paid during May 2016, the payment would be for ₹714 which is short payment of ₹9,159. This balance amount will be added while paying for 2017-18. The balance amount so collected will not include rebate, penalty and interest however, the actual taxes for 2017-18 might include rebate, interest or penalty based on the date of payment.

*In case of any clarification please contact the nearest **Help Centre** or the Office of the jurisdictional **Assistant Revenue Officer**.*