

## **Gujarat State Fertilizers Company Limited Notified Area Consolidated Tax Rules, 2003**

### CONTENTS

1. Short Title
2. Definitions
3. Rate of Consolidated Tax.
4. Exemption.
5. Assessment and liability of the Consolidated Tax.
6. Remissions and Refund.
7. Notice in writing to be given.
8. Assessment on receipt of notice.
9. Name of the owner in Assessment list, when the succession in dispute.
10. Transferor and Transferee to give notice in writing.
11. Heirs to give notice and their liability.
12. Decision to be final.

**SCHEDULE 1 :-**Manner of giving Depreciation in the Cost of a Building while assessing the Consolidated Tax.

## **Gujarat State Fertilizers Company Limited Notified Area Consolidated Tax Rules, 2003**

Whereas, under the aforesaid notification it has been provided that the powers to make rules under clause (1) and (m) of Sec. 271 of the Gujarat Municipalities Act, 1963 shall be exercised by the State Government under Sec. 277 of that Act. Whereas, the draft of the Gujarat State Fertilizers Company Limited Notified Area Tax Rules, 2003 was published as required by sub-sec. (3) of Sec. 277 of the Gujarat Municipalities Act, 1963 (Guj. 34 of 1964) at pages 373-1 to 373-7 of the Gujarat Government Gazette, Extra Ordinary, Part IV-B, dt. 17.12.2003 under the Government Notification, Industries and Mines Department No. GHU: 2003: (48) GID-2002-2998(20)-G dt. 17.12.2003 for inviting objections and suggestions from all persons likely to be affected thereby within thirty days from the date of publication of the said notification in the Official Gazette. And whereas, the objection and suggestions received by the Collector of Vadodara District, Vadodara in respect to the said draft notification have been considered by the State Govrnment. Now, therefore, in exercise of the powers conferred by Sec. 277 of the

Gujarat Municipalities Act, 1963 (Guj. 34 of 1964) read with Secs. 264-B and 271 thereof, the Government of Gujarat, in supersession of the Gujarat State Fertilizers Company Limited Notified Area Tax Rules, hereby makes the following rules, namely:-

**1. Short Title :-**

These rules may be called the Gujarat State Fertilizers Company Limited Notified Area Consolidated Tax Rules, 2003.

**2. Definitions :-**

In these rules, unless the context otherwise requires,-

- (a) "the Act means the Gujarat Municipalities Act, 1963;
- (b) "allotment means land or building belonging to the Corporation disposed of by the Corporation, by way of sale, hire purchase or lease;
- (c) "building" means a building as defined in clause (2) of Sec. 2 of the Act;
- (d) "building used for residential purpose" means any building or set of buildings within the same enclosure used by one and the same occupier as a human dwelling or as a place for the custody of property including animals, not intended for sale in the ordinary course or trade;
- (e) "building used for business purpose" means any building or set of buildings within the same enclosure used by one and the same occupier for preparing or manufacturing any kind of goods providing services, or for trade, or for transport business, or for any purpose other than residential;
- (f) "Capital Value" means the market value of land and buildings as defined under these rules at the time of assessment from time to time;
- (g) "Corporation" means Gujarat Industrial Development Corporation constituted under the Gujarat Industrial Development Act, 1962;
- (h) "Consolidated tax" means the tax imposed in the notified area under these rules;
- (i) "land" means the land as defined in clause (11) of Sec. 2 of the Act;

(j) "Market Value of Building" means the prevailing cost of construction of Building per unit area as may be notified by the Corporation year to year based on the standard specifications adopted in the construction of building less the depreciation as per Schedule-1:

Provided that the market value shall be increased or decreased up to 10% by the Notified Area Officer in cases where higher or lower specifications than the standard specifications of the Corporation are used in respect of the construction of private buildings;

(k) "Market Value of Land" means the allotment price of Land as may be prevailing on 1.4.1998 for industrial, residential and commercial purpose as declared by the Corporation. It will however be (1) 50% of such price in case of allottee occupying the property from 1.4.1980 and (2) 75% of such price in case of allottee occupying the property from 1.4.1990;

(l) "Notified Area Officer" means an officer of the Corporation appointed for the purpose of assessment and recovery of tax under Sec. 16 of the Gujarat Industrial Development Act, 1962;

(m) "Notified Area" means an area declared as such under Sec. 16 of the Gujarat Industrial Development Act, 1962;

(n) "occupier" means an allottee of the Corporation as a licensee, a lessee or an owner of the property by virtue of conveyance deed as the case may be, or a person in possession of property by virtue of rent, lease or as a caretaker, trustee or otherwise or other owners of property situated within the Notified Area for the time being receiving the rent of any land or building whether on his own account or as an agent or trustee for any other person or for any other society or for any religious or charitable purpose or who would so receive the rent if such land or building were let to a tenant.

Explanation.-Lessee means a person in possession of property by virtue of conveyance deed, rent lease shall have the same meaning as defined in the Disposal of Property Regulations, 1967 of the Corporation or Disposal of Land Regulations, 1968 of the Corporation or Rent Regulations, 1971, as the case may be;

(o) "owner" means an owner as defined in clause (18) of Sec. 2 of the Act;

(p) "Rateable value" means net amount arrived at after deducting a sum equal to 10% from the gross amount calculated at the rate of 6% of the Capital Value of the Land and Building in question. The capital value being the market value of land and building in the notified area at the time of assessment of land and building;

(q) "year" means a financial year.

### **3. Rate of Consolidated Tax. :-**

(i) A consolidated tax on all buildings and lands situated within the limits of Notified Area shall be levied at the rates specified in the Annexure-A, and Annexure-B in lieu of the following taxes:-

(a) Tax on buildings or lands or both,

(b) General Sanitary cess,

(c) Lighting tax.

(ii) Increase in Consolidated Tax.-The quantum of tax arrived at as per the rates specified in Annexure-A and B shall be increased between 5% and 10% every year on non-compound basis, in consultation with local Advisory Committee by the Notified Area Officer. However, this increase shall not be beyond 40% in each block year of four years than the previous block year or the Consolidated Tax that is arrived at after taking into consideration the market value of land and building at the time of quadrennial revision, whichever is less.

(iii) Quadrennial Revision of Assessment.-All properties situated in notified area once assessed for consolidated tax shall be subjected to quadrennial revision for every block year of four years applying the market rate of lands and building prevalent at the time of assessment and the consolidated tax shall be revised accordingly subject to the ceiling in the increase in the incidence of tax as stated hereunder: Ceiling on the Increase in the incidence of tax due to increase in Capital value.-Once a property is assessed and its consolidated tax is fixed as per the prevailing market rate of land and building and at the time of quadrennial revision for the subsequent block years the incidence of the tax increases beyond 40% of the tax levied in the previous block, the increase in the incidence of Tax shall be restricted to 40% of the consolidated tax assessed in the previous block year in respect of the aforesaid property.

#### **4. Exemption. :-**

(1) The following shall be exempted from the consolidated tax:-

(a) Buildings and land belonging to the Central or State Government, Panchayat, District school board and Municipal school buildings.

(b) All buildings and lands which are declared protected monuments within the meaning of Ancient Monuments Preservation Act, 1904 or the Gujarat Ancient Monuments and Archaeological Sites and Remains Act, 1965 and not yielding any revenue or rent.

(c) All buildings and lands or portions thereof used or occupied exclusively for public worship or for schools, colleges, social and charitable institutions not making any profit.

(2) Any occupier engaged in the manufacture of goods and services shall be exempted from the payment of tax as follows:-

(i) Total exemption for first year beginning from the date of allotment.

(ii) 50% exemption for the second year.

(3) Any occupier, not being an allottee of the Corporation shall not be entitled to the exemption as stated above for the first and second year in which the land and building was put to use for manufacturing of goods and services.

(4) Properties belonging to Corporation shall be exempted from the payment of tax as follows :-

(i) Properties, which have not been allotted or rented, shall be fully exempted.

(ii) The properties allotted and resumed by the Corporation, shall be taxed on the lines of closed units.

#### **5. Assessment and liability of the Consolidated Tax. :-**

(a) The tax shall be assessed and recovered so far as applicable to, in accordance with the provisions of the Act.

(b) An owner or occupier shall be jointly and severally liable for the payment of tax under these rules,

(c) The owner or occupier of the superstructure of the building be jointly and severally liable for the payment of tax under these

rules,

(d) When any owner/occupier transfers his property in favour of the other person by sale, lease or mortgage, the new owner or occupier of the property shall have to pay tax as per the prevailing market rate of land and building at the time of transfer.

(e) The tax shall be payable in advance in two installments on or before the first day of April and first day of October in each year. After expiry of thirty days of service of bill, penal interest at the rate of 15% per annum shall be levied in addition to amount of consolidated tax payable.

(f) Coercive measures for recovery of Consolidated Tax.-The Notified Area Officer shall take coercive measures for the recovery of Consolidated Tax from the defaulter under Secs. 133 and 134 of the Act.

#### **6. Remissions and Refund. :-**

(a) Where any building or land remained vacant and has not been used throughout the year or part thereof and the notice to that effect is given to the Notified Area Officer, the remission or refund of three-fourth of the amount of tax shall be granted from the date of intimation :

Provided that no remission or refund shall take effect for any period prior to the date of receipt of such notice and such notice shall be given each year, if, the property continues to remain vacant.

(b) When any part of the building is demolished, the remissions or refund may be granted to the extent of reduction in the value of the property on the date of intimation of demolition.

#### **7. Notice in writing to be given. :-**

It shall be the duty of the owner or occupier of a building or land to give a notice in writing to the Notified Area Officer within one month, when-

(a) a building is newly erected or constructed;

(b) a building, which has been already assessed, is either extended, rebuilt, reconstructed or additions and alterations are made thereto or improvement has been made so as to raise its capital value.

(c) a building or land which has already been assessed is divided;

(d) a building is wholly or in part demolished or otherwise is in such state that it decreases its letting value.

Explanation.-The period of one month shall be counted from the date of completion or occupation of the building whichever is earlier in case of (a), (b) and (c) and from the date of occurrence of the event in case of (d) above.

**8. Assessment on receipt of notice. :-**

(1) When a notice in writing under Rule 7 is received, the Notified Area Officer, after making such inquiry as he deems necessary, shall cause the building to be assessed.

(2) After such assessment is made, the Notified Area Officer shall enter such valuation in a separate list and at the end of the year; such change made in the assessment, shall be entered in the authenticated assessment list.

**9. Name of the owner in Assessment list, when the succession in dispute. :-**

When there is any dispute about the succession of any person whose name is entered as owner of any property in the assessment list, the name of such of the claimants to succession as in the possession of the property by actual occupation shall be entered as occupier in the assessment list and the tax shall be recovered from him/them until the settlement of the dispute or on the production of the order of a competent Court.

**10. Transferor and Transferee to give notice in writing. :-**

Whenever, the title of any person primarily liable for payment of the tax in respect of any building or land is transferred by an instrument in writing or otherwise, the transferor and the transferee shall within three months after the transfer is effected, give notice in writing to the Notified Area Officer who after making such inquiries as he deems necessary, order that the name of the transferee shall be entered in the assessment list in place of the transferor subject to prior clearance of arrears of consolidated tax due on the land and building. The transferee, thereafter, shall be liable for the payment of tax that may become due in respect of the property so transferred.

**11. Heirs to give notice and their liability. :-**

In the case of the death of the owner of any land and building, primary liability for the payment of the tax shall be of the person to

whom the title of the property of the deceased has been transferred as heir or otherwise. Such person shall give a notice of such transfer to the Notified Area Officer within three months from the date of the death of the deceased. The Notified Area Officer may after making such inquiry as he deems necessary, pass an order that the names of the heirs of the deceased may be entered in the assessment list and such heirs shall be liable for payment of tax due for the whole year including arrears of tax.

**12. Decision to be final. :-**

The decision of the Notified Area Officer relating to tax and other matters thereto shall be final.

**SCHEDULE 1**

Manner of giving Depreciation in the Cost of a Building while assessing the Consolidated Tax.

**SCHEDULE -1**

**Manner of giving Depreciation in the Cost of a Building while assessing the Consolidated Tax.**

Building shall be classified into three categories for the purpose of valuation of capital value and they shall be given depreciation as per following norms:

<b>Category</b>	<b>Type of Building</b>	<b>Rates of Depreciation</b>
A	RCC structure + slab roof (Expected life 90 years)	Nil for 5 years, 1% every year thereafter
B	Pucca construction with AC sheet roof. (Expected life 75 years)	Nil for 5 years, 2% every year thereafter
C	Semi Pucca construction of tin roof, (Expected life 30 years)	Nil for 3 years, 3% every year thereafter