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Property tax: old city areas may pay more

With the Chennai Corporation considering a proposal to revise property tax rates on the basis of current guideline values, residents wonder what the impact on their expenses will be.

Some neighbourhoods in the recently-added areas of the Chennai Corporation pay the same property tax as those in well-developed areas such as T. Nagar that fetch high rental values, experts said, pointing to anomalies.

Residents of such neighbourhoods with low guideline value pay the same amount of property tax as neighbourhoods with high guideline values every half year.

A chunk of the 11 lakh residential and commercial properties which have relatively lower property tax rates are within the old city limits. The civic body will map all such roads to assess the loss of revenue because of the existing system. Based on a study, the civic body will rationalise and revise property tax

rates.

Property tax is around 30 per cent of the total revenue of the civic body. The increase in property tax collection is likely to result in a rise in per capita capital expenditure. Chennai spends less than Rs. 2,000 per resident, much lower compared to developed cities.

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