

To be substituted by Notification bearing same date and No.

No. 3/1/21-1lg3/350/1

Government of Punjab
Department of Local government
(LG-3 Branch)

Chandigarh, the 14th February, 2021

Notification

Whereas, the Government of India has mandated that to avail additional borrowing limit of 0.25 % of GSDP and to avail the funding in other centrally sponsored schemes of MOHUA, floor rates for property tax in ULBs in consonance with the prevailing circle rates with a system to increase in floor rates in line with price increase need to be notified.

Whereas, the movement to a capital valuation system that links the property assessment rates to the prevailing collector rates, is based on the formula given below-

Property Tax value = (Tax Base x Multiplicative Factor)

Tax Base = [(Plot area in sq. Yard x Collector Rate per square yard) + (Built-up area x Replacement construction cost)]

Whereas, the multiplicative factor for various types of properties shall be as follows:

Type	Multiplicative factor
Residential	0.02%
Commercial	0.1%
Industrial	0.1%

Whereas, initially it may be difficult for the Citizens to find out collector rates and pay the property tax. As such an exercise has been made where properties have been grouped in different categories based on the collector rates. Using the representative collector rates of different categories, per square yard/ per square foot rates have been calculated using the multiplicative factor given in the table above.

Whereas, the state has also simplified the process of filing property tax return through initiatives like online calculation of the demand, digital payments, assisted assessments through CFC centers and Sewa Kendras. Service of Door to door collection of property tax is also being introduced.

Therefore, in exercise of the powers conferred by sub section(1) of section 97 of the Punjab Municipal Corporation Act 1976 (Punjab Act No .42 of 1976),and in continuation of notification No2/4/2014-5lg3/379043/1, dated 31st December, 2014 (read with Notification No.2/4/2014-5lg3/469637/1, dated 24thApril ,2015 , No .2/4/2014-5lg3/714334/1,dated 16th March 2016 and No. 2/4/2014-5lg3/845413/1,dated 21st September 2016, the Governor of Punjab is pleased to order that:

1) the floor rates table under clause (4) in the said notification be read as under:-

USE		Rate of tax as per classification and Category (in rupees)			REMARKS
		Area classification	A category cities	B category cities	
1	2	3	4	5	6
Residential houses	For all except single storey houses built on land area up to 125 square Yard	Area 1	5.00 Per Sq Yard	2.00 Per Sq Yard	These rates are for built up area of ground floor. For the basement, first floor, other floors and vacant area, the rate will be fifty per cent of the rates specified in the column no 4/5.
		Area 2	3.00 Per Sq Yard	1.00 Per Sq Yard	
		Area 3	2 Per Sq Yard	-	
Flats	Having more than 500 square feet super area	Area 1	5.00 Per Sq Yard	2.00 Per Sq Yard	-
		Area 2	3.00 Per Sq Yard	1.00 Per Sq Yard	
		Area 3	2.00 Per Sq Yard	-	
Commercial buildings including Restaurants (except multiplexes, malls, marriage palaces)	Having 100 square feet land or below	Area 1	4.00 Per Sq Ft	3.00 Per Sq ft	These rates are for built up area of ground floor. For the basement, first floor, other floors and vacant area, the rate will be fifty per cent of the rates specified in the column no 4/5.
		Area 2	2.00 Per Sq Ft	1.50 Per Sq Ft	
		Area 3	1.75 Per Sq ft	-	
	Having 1000 square feet land or below but beyond 100 square feet land	Area 1	5.00 Per Sq ft	4.00 Per Sq ft	
		Area 2	3.00 Per Sq ft	2.00 Per Sq ft	
		Area 3	2.00 Per Sq ft	-	
	Having beyond 1000 square feet land	Area 1	6.00 Per Sq ft	5.00 Per Sq ft	
		Area 2	4.00 Per Sq	2.5 Per Sq ft	

USE		Rate of tax as per classification and Category (in rupees)			REMARKS
		Area classification	A category cities	B category cities	
1	2	3	4	5	6
			ft		
		Area 3	3.00 Per Sq ft		
Multiplexes, Malls etc.		For Areas All	15.00 Per Sq ft	10.00 Per Sq ft	These rates are for Whole Built-up Area having Distinct Roof and/or partition and for all Floors
Marriage Palaces		For Areas All	6.00 Per Sq Yard	4.00 Per Sq Yard	These rates are for Whole area of Land
Industrial (any manufacturing unit), educational institutions, and Godowns	Having 4000 square yards land or below	For areas all	5.00 Per Sq Yard	4.00 Per Sq Yard	These rates are for built up area of ground floor. For the basement, first floor, other floors and vacant area, the rate will be fifty per cent of the rates specified in the column no 4/5.
	Having beyond 4000 square yards land	For areas all	7.50 Per Sq Yard	6.00 Per Sq Yard	
Government Building including Buildings of Government Undertakings, Boards or Corporations		Area 1	10.00 Per Sq Yard	4.00 Per Sq Yard	These rates are for built up area of ground floor. For the basement, first floor, other floors and vacant area; the rate will be fifty per cent of the rates specified in the column no 4/5.
		Area 2	6.00 Per Sq Yard	2.00 Per Sq Yard	
		Area 3	4.00 Per Sq Yard		
Institutional buildings (other than educational institutions,)including community, halls/centres, sports stadiums, social club, bus stands, golf clubs, and such like buildings used for public purpose		For areas all	7.5 Per Sq Yard	6 Per Sq Yard	These rates are for built up area of ground floor. For the basement, first floor, other floors and vacant area, the rate will be fifty per cent of the rates specified in the column no 4/5.

2) Cities shall be categorized as under :-

- (a) Cities of Amritsar, Jalandhar, Ludhiana, Patiala and Sahibzada Ajit Singh Nagar (Mohali) – A Category
- (b) All other cities --B Category

- 3) Each municipal area of A Category cities shall be classified in three areas ("Area1", Area 2" and "Area 3"). "Area1" shall include the posh area, "Area2" shall be less posh/developed area, and balance area shall be classified as "Area 3". Municipal area of B Category cities shall be classified in two areas ("Area1 "and "Area 2"). "Area1" shall include the posh area, and balance area shall be classified as "Area 2". These classifications shall be finalized by a committee consisting of Secretary/Principal Secretary Local Government, Director Local Government (who shall be conveyer of the meeting), Mayor of the concerned City, Commissioner of the concerned municipal corporation and Deputy Commissioner of the concerned District in which the city falls. This classification shall be complete within the fortnight from the date of issue of notification and shall be published in the Punjab newspaper and also on notice boards of various places in the municipal area, by commissioner of the concerned municipal Corporation.
- 4) Area classification shall be strictly based on the collector rates. For A Category cities, Area1 shall be posh areas with higher collector rates; Area 2 shall be less posh / less developed areas with average collector rates; balance area shall be classified as Area3. For B Category cities, Area1 shall be posh areas with higher collector rates; balance area shall be classified as Area2.
- 5) Tax rates to increase by 5% annually and to be reviewed every 3 years to further rationalize based on the fresh collector rates. This shall be effective form the year 2021-22.
- 6) Process of filing property tax return shall be simplified through initiatives like online calculation of the demand, digital payments, assisted assessments through CFC centers and Sewa Kendras. Service of Door to door collection of property tax shall also be introduced.
- 7) These rates shall be applicable to all Municipal Corporations in the state of Punjab.

This issues as per the approval accorded by the competent authority.

Dated Chandigarh,
14th February, 2021.


Ajoy Kumar Sinha IAS
Principal Secretary to the Government of Punjab
Department of Local Government

Endst.No. 3/1/21-1Ig3/350/2

Chandigarh, the 14th February, 2021.

26th April, 2021

A Copy with a spare copy is forwarded to the controller, printing & Stationary, Punjab, Mohali, with the request to publish the notification in the Extraordinary Gazette of Punjab Government and supply 200 spare copies of the same for official use.


Deputy Secretary,
Department of Local Government


Endst. No. 3/1/21-1 Ig3/350/3

Chandigarh , 14th February, 2021.

26th April, 2021

A copy is forwarded for the information and necessary action to:-

- (1) Principal Secretary to Chief Minister, Punjab
- (2) Administrative Secretaries/Private Secretaries to all Ministers
- (3) Commissioner of all Divisions in the State of Punjab
- (4) Deputy Commissioners of all Districts in Punjab
- (5) Director, Local Government Punjab
- (6) Chief Executive Officer, Punjab Water Supply & Sewerage Board, Chandigarh
- (7) Director information and Public Relations, Punjab Chandigarh
- (8) All officers in the Local Government Department Punjab
- (9) General Manager, PMIDC, Chandigarh
- (10) Deputy Controller (Finance & Accounts, Local Government Department Punjab
- (11) Commissioners of all Municipal Corporations in the State.
- (12) All Regional Deputy Directors of Local Government in the State
- (13) Executive Officers of all Municipal Councils/Nagar Panchayats in the State


Deputy Secretary,
Department of Local Government