

G.O.Ms.No.282. P.R. dated 12-03-1965

As amended by:

1. G.O.Ms.No.524, Dated 20-06-1967
2. G.O.Ms.No.187, Dated.11-04-1969
3. G.O.Ms.No.178, Dated.07-04-1972
4. G.O.Ms.No.451, Dated.31-08-1974

In exercise of the powers conferred by Section 70 of the Andhra Pradesh Grampanchayat Act, 1964 (Andhra Pradesh Act, No.2 of 1964), the Governor of Andhra Pradesh hereby makes rules relating the levy of house tax the same having been previously published at pages 11-18 of the Rules Supplement to Part VII of the Andhra Pradesh Gazette date 1st October, 1974 as required by sub-section (3) of Section 217 of the said Act.

RULES

House Tax

1. [Omitted]
2. With the previous sanction of the District Collector, a Grampanchayat may, in lieu of levying the house-tax on the basis of the capital or annual value of houses levy it on the basis of their plinth area and their classification as (i) terraced, (ii) partly terraced and partly tiled or thatched, (iii) tiled,(iv) partly tiled and partly thatched, and (v) thatched.
3. The rates of house tax levied by grampanchayat shall not be less than the minimum rates specified in column (2) and shall not exceed the maximum rates specified in column (3) of the table below:-

Basis of levy	Minimum rates per year	Maximum rates per year
1	2	3
If the tax is levied on the basis of capital value	1/8 the percent of the capital value	1 percent of the capital value
If the tax is levied on the basis of annual value	Two percent of the annual value	Twenty percent of the annual value
If the tax is levied on the basis specified in rule (2)		
i. Terraced	Rs.1.60 for every 10 Sqm or part thereof of the plinth area	Rs.6.00 for every 10 Sqm or part thereof of the plinth area
ii. partly terraced and partly tiled or thatched,	Rs.1.00 for every 10 Sqm or part thereof of the plinth area	Rs.3.00 for every 10 Sqm or part thereof of the plinth area
iii. Tiled	Rs.0.75 paise for every 10 Sqm or part thereof of the plinth area	Rs.2.00 for every 10 Sqm or part thereof of the plinth area
iv. partly tiled and partly	Rs.0.50 paise for every 10 Sqm or part thereof of the plinth area	Rs.1.50 for every 10 Sqm or part thereof of the plinth area
v. thatched	Rs.0.37 paise for every 10 Sqm or part thereof of the plinth area	Rs.1.00 for every 10 Sqm or part thereof of the plinth area

4. (1) The plinth area of houses shall, for the purposes of rule 3, b determined by the Survey Department in future Panchayat surveys.
- (2) In the absence of such surveys, the plinth area shall be determined-
 - a. by the village Karnam in villages where the number of house does not exceed three hundred, the Karnam being paid from the Grampanchayat Fund a remuneration at the rate of 12 paise for each house and
 - b. by a revenue Inspector specially employed for the purpose, in villages where the number of houses exceeds three hundred, the cost of the establishment being met from Grampanchayat fund

Manner of Assessments, Vacancy Remission and Exemptions Exemption of specified classes of houses from House Tax.

5. The following classes of houses shall be exempt from the House tax:-
 1. Building set apart for public worship and either actually so used or used for no other purpose;
 2. Choultries for the occupation of which no rent is charged and if charged , it is used exclusively for charitable purpose;
 3. Buildings used for educational and hostel purposes and for public libraries and public buildings used for the charitable purpose of sheltering the destitute or animals;
 4. such ancient monuments protected under the Ancient Monuments Preservation Act,1904 (Central Act 7 of 1904) or parts thereof, as are not used as residential quarters or public Officers;
 5. Charitable hospitals and dispensaries and other buildings which are exclusively used for charitable purposes;

Explanation: - Buildings used for office purpose located separately from the hospitals and dispensaries and residential quarters will continue to be taxed. If any doubt arises in determining whether the hospital or dispensary is a charitable one or not, the Executive Authority shall refer the matter to Collector whose decision shall be final and binding on the Grampanchayat;

6. Such hospitals and dispensaries maintained by railway administration as may from time to time be notified by the Government or such hospitals, dispensaries, rest sheds, crèches, canteens, recreation and other clubs as are maintained or provided by any industrial establishment or factory, for the benefits of their employees under the provisions of the Factories Act,1948;
7. Buildings belonging to the Grampanchayat; and
8. Light-house;
9. Properties belonging to the Railways which came in to existence on or after the 1st April,1937 unless a notification to that effect is issued by the Railway Board;
10. All classes of huts and houses whose value does not exceed the following limits;
 1. Capital Value Rs.500
 2. Annual rental Value Rs. 25 per annume
 3. In case tax issued on the Basis of plinth area, the tax so Assessed does not exceed Rs.12.50 per annume
Subject to the following condition:
 - a) The owner of the house or hut does not own any other house or hut in the village;
or
 - b) The capital value of the house or hut or the annual value of house or hut or the tax assessed on all houses and huts owned by him on plinth area basis does not exceed Rs.500, Rs.25, or Rs.12.50 paise respectively

:: 3 ::

Provided that nothing contained in the clauses (a),(c) and (e) shall be deemed to exempt from house tax any building for which rent is payable by the persons or persons using the same for the purpose referred to in the said clause.

Explanation: The exemption granted under this rule shall not extend to residential quarters attached to schools and colleges not being hostels or to residential quarters attached to hospitals, dispensaries and libraries.

Manner of Ascertaining the annual or capital value of houses

6. (1) For purpose of assessment of house-tax, the capital value of a house shall be deemed to be the total of the estimated value of the land and the estimated present cost of erecting the house after deducting for depreciation a reasonable amount which shall in no case be less than ten percent of such cost;

Provided that machinery and furniture shall be excluded from valuation under this sub-rule.

(2) (a) The annual value of house shall be deemed to the gross annual rent at which the house may reasonably be expected to let from month to month or from year to year, less a deduction of ten percent of such annual rent and the said deduction shall be in lieu of all allowances for repairs or any other account whatsoever.

(b) In the case of : -

(i) any Government building; or

(ii) any building of a class not ordinary let, the gross annual rent of which cannot, in the opinion of the executive authority, be estimated -
the annual value shall be deemed to be six percent of its capital value.

7. If the tax remained unpaid for more than 12 months the executive authority may require the occupier for the time being of such house to pay the amount within a specified period, not being less than thirty days.

8. (1) Whenever the title of any person, primarily liable to the payment of house-Tax on any house, to or over such house is transferred, the person whose title is transferred and the person to whom the same is transferred shall within three months after the execution of the instrument of transfer or after its registration if it be registered, or after the transfer is effected. If no instrument be executed, give notice of such transfer to the executive authority.

(2) In the event of the death of any person primarily liable as aforesaid, the person to whom the title of the deceased is transferred, as heir or otherwise, shall give written notice of such transfer to the executive authority within one year from the death of the deceased.

(3) The notice to be given under this rule shall be in such form as the executive authority may direct and the transferee or the person to whom the title passes, as the case may be, shall if so required, be bound to produce before the executive authority documents evidencing the transfer or succession.

(4) Every person who makes a transfer as aforesaid without giving such notice to the executive authority shall in addition to any other liability which he incurs through such neglect continue to be liable for the payment of house-tax assessed on the house transferred until he gives notice or until the transfer shall have been recorded in the gram panchayat registers but nothing in this rule shall be held to affect the liability of the transferee for the payment of the said tax

Exemption on the ground of poverty

9. The gram panchayat may, on the ground of poverty, exempt the owner of any house from payment of the whole or any portion of the tax the District Collector may, in like manner, exempt the owners of any class of houses.

10. Any remission on the ground of poverty shall be granted only for a year at a time

11. (1) When any house has been vacant for one hundred and twenty days or more consecutive day in any year, the executive authority shall remit so much, not exceeding one half of the tax as is proportionate to the number of days during which the house was vacant in the year.

(2) Every demand for remission under sub-rule (1) shall be made during year in respect of which the remission is sought or in the following year and not afterwards.

(3) (a) No demand for such remission shall be entertained unless the owner of the house or his agent has previously given notice to the executive authority of the house being vacant and the period in respect of which the remission is made shall be calculated from the date of delivery of such notice.

(b) Every such notice shall expire with the year during which it is so delivered and shall have no effect thereafter.

Owner obligation to give notice of Construction, reconstruction or demolition of Building

12. (1) (a) If any house is constructed or reconstructed, the owner shall give notice thereof to the executive authority within fifteen days from the date of completion or occupation of the house, whichever is earlier.

(b) If such date falls within last four months of an year, the owner shall subject to notice being given under clause (a) be entitled to a remission of whole of the tax or enhanced tax as the case may be payable in respect of the house for that year.

(c) If such date falls within the first eight months of a year the owner shall subject to notice being given under clause (a) be entitled to a remission of so much tax not exceeding a half of the tax or enhanced tax, as the case may be, payable in respect of the house for that year as is proportionate to the number of days in that year preceding such date

(2) Any owner who commits a breach of the provision of clause (a) of sub-rule (1) shall be punishable with fine which may extend to fifty rupees.

(3) (a) If any house is demolished or destroyed, the owner shall until notice thereof is given to the executive authority, be liable at his discretion for the payment of the tax which would have been payable had the house not been demolished or destroyed.

(b) If such notice is given within the first four months of a year, the owner shall be entitled to a remission of the whole of the tax payable in respect of the house tax for that year.

(c) If such notice is given within the last eight months of a year, the owner shall be entitled to a remission of so much, not exceeding a half of the tax payable in respect of the house for that year as is proportionate to the number of days in that year succeeding the demolition or destruction as the case may be.

Remission of tax in Areas included or excluded in the middle of year

13. (1) Where any area is included within a village, the owner every house in such area shall –
- (a) If the date of such inclusion falls within the last four months of a year, not be liable to pay any House-Tax in respect thereof for that year; and
 - (b) If such date falls within the first eight months of a year, be entitled to a remission of so much not exceeding a half of the house tax payable in respect thereof for that year, as is proportionate to the number of days in the year preceding such date.
- (2) When any area is excluded from a village, the owner of every house in such area shall entitled –
- (a) If the date of such exclusion falls within the first four months of a year to a remission of the whole of the house-tax payable in respect thereof for that year; and
 - (b) If such date falls within the last eight months of a year to a remission of so much not exceeding a half of the house-tax payable in respect thereof for the year as is proportionate to the number of days in the year succeeding such date.
- (3) No remission shall be granted under sub-rule (2) in respect of any house unless an application for such remission is made to the executive authority with in three months from the date of the exclusion of the area in which the house is situated.

Transfer of Registry of Ownership of houses in House Tax Assessment Books

14. In effecting changes in the ownership of houses in the assessment books on the application of any party, whether at general revision or between one general revision and another, the executive authority of a gram panchayat shall observe the following provisions namely;

- (1) **Transfer by voluntary action of Owner:** In all cases of absolute transfer of title, the registry of houses may be altered to correspond with the transfer of its ownership on the application of both parties to transfer or either of them provided that the application for change of registry is in every case made in writing and is signed by the party or parties making it. It may be sent by post or presented in person or by duly authorized agent, or through an officer of the Registration Department. Where such an application is presented by both the parties and one of them is registered owner, change of registry as requested may be ordered at once. But where only one of the parties to the transfer makes the application notice shall be served on the other party. Where the registered owner is not party to the transaction, notice shall also be issued to him whether the application for transfer of registry is presented by both the parties or one of them. If the registered owner objects to the proposed transfer, no change shall be made unless the person who claims to be the owner produces satisfactory evidence. Where only one party to the transaction applies and other either objects or silent, the parties should be connected by a complete chain of documents. When the chain is not complete, it should be filled up by other evidence, such as statement of respectable persons and tax receipts. A month's time shall be allowed for filing objections and if any objection, is made, an enquiry shall be held and unless the objection is found to be valid, transfer of registry shall be made.
- (2) **Transfer to Decree Holders :** - In case of transfer of title of houses in the name of decree-holders with reference to a decree of a civil court of purchases in auction sale held in execution of civil court decree, change of registry may be made at once on the application of any of the parties to the suit or of the auction-purchasers and on the production of an authenticated copy of the decree or a certificate of sale, as the case may be and a certificate of delivery of possession in pursuance thereof, provided the transfer is from the registered owner. When the transfer is from a person who is not the registered owner, notice shall be given to the registered owner in the manner provided in sub-rule (1) before a change of registry is made. Where, however, a certificate of delivery of possession cannot produced, as for instance, where on decree

:: 6 ::

passed, possession is ceded without execution proceedings and the decree is apparently final the case shall be dealt with as provided sub-rule (1) in regard to applications for change of registry presented only by one of the parties to the transfer.

- (3) **Transfers under Declaratory decrees:-** In cases where transfer of registry is sought under declaratory decree on which no execution can be taken out, i.e. where the decree merely declares the title to be vested in particular person, so as to entitle him to registration, the executive authority may on the production of an authenticated copy of such decree, at once make the transfer of registry.
- (4) **Transfers which accrue by succession :** - The executive authority may, on satisfactory proof, order transfer of registry in the case of transfers which accrue by succession.
15. There shall be an appeal to the gram panchayat against the orders of the executive authority making or refusing to make transfer of registry. Such appeal shall be presented within thirty days after the date of receipt of the order appealed against.

Property Tax(House Tax)

Rules relating to Levy of Property Tax on Vacant Lands Gram Panchayats

Section 61(1) of APPR Act 1994 deals about the levy of house tax on the basis of

- (a) Rental Value
- (b) Capital Value
- (c) Such other basis as may be prescribed

Govt. issued Rules relating to levy of House tax vide G.O.Ms.No.282 PR Dt:-12.03.1965

The comparative study on levy of property tax by neighbouring states is detailed in annexure-C

Illustration on Calculation of house tax as per existing Rules in Andhra Pradesh

Capital Value

Levy of House tax on the basis of capital value and on proportionate rate of tax

- Land area is 100 Sq.Yards
 - House with RCC measuring 20'width and 30'length
 - Land value assuming Rs.500 per Sq.yard(This rate will vary with location and area of construction)
 - Total land value is. $100 \times 500 = 50,000$
 - House built-up area is $20 \times 30 = 600$ Sq.ft.
 - Assuming present construction cost of Rcc. Rs.450/Sft(This will vary with nature and location of construction)
 - Total construction cost of building is $600 \times 450 = 2,70,000$
 - Less depreciation 10% on present cost that is
 - $2,70,000 - 27,000 = 2,43,000$

 - Land value 50,000-00
 - Building value 2,43,000-00
 - Total capital value of the building is Rs. 2,93,000-00
- If GP resolved to levy Proportionate Tax
@ Rs.0-50 paise on Rs.100-00 capital value of building (Rate will vary according to grampanchayat resolution)
- Total Capital value of building is Rs.2,93,000-00
 - House tax shall be $2,93,000 \times 0.50 / 100 =$ Rs.1,465-00

 - Library cess @ 0-08 paise on House tax
under sec 20(1) (a) of the AP Public
libraries Act 1960
 - $1,465-00 \times 0.08 / 100$ 117.20
 - (User charges as per GO.Ms.No.97
dated 14-03-2002)
 - Lighting tax 10% on House tax 146.50
 - Water tax 20% on House tax 293.00
 - Drainage tax 10% on House tax 146.50
 - Total House tax on building **2,168.20**

Rental Value- proportionate Rate(Annual Rental Value)

Method of calculation of house tax on the basis of annual rental value on proportionate rate of tax

- If GP resolved 10% House Tax on Annual Rental Value
- Assuming that a building fetching monthly total rent of Rs.1500
- Rs.1500X12 months = Total annual rent. Rs.18000
- Less 10% for repairs or other purpose
- Taxable Annual Rental Value is Rs.18000-1800=16200
- House tax @10% of annual value =16200X10/100= 1620-00
- Library Cess @0-08 paisa on house tax= 1620X8/100= 129-60
- Lighting tax @ 10% on house tax=1620X10/100 162-00
- Drainage tax @10% on house tax=1620X10/100 162-00
- Water tax @15% on house tax =1620X15/100 243-00
- Total House Tax on building **2316-00**