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Bhubaneswar Municipal Corporation to crack whip on holding tax defaulters



BHUBANESWAR: The Bhubaneswar Municipal Corporation (BMC) has decided to take punitive action against those evading holding tax, a major revenue generating source for it.

The civic body has obtained special permission from the revenue divisional commissioner (central division) to designate three of its deputy commissioners as certificate officers, who will be empowered to take action against the evaders.

Holding tax is collected from all holdings such as residential buildings, commercial buildings, state and central government offices, public sector undertakings, shopping malls and private offices on the basis of plinth area. There are different slabs of tax for different types of holdings.

The three deputy commissioners represent three zones of the BMC and they are responsible for collecting the holding tax in their respective zones. Earlier, there was no stringent provision to recover the holding tax from the defaulters. The BMC was only sending reminders to people to levy the tax dues and making the names of big defaulters public by putting up hoardings at selected locations.

Official sources said under Orissa Public Demand Recovery (OPDR) Act, 1962, an officer from the holding tax collecting agency can be designated as certificate officer, who can be vested with power to seize the holdings (property) of the defaulters to recover the dues and charge compound interest at the rate of 12% on the dues.

By empowering the deputy commissioners as certificate officers, the BMC can now make list of big defaulters, who have evaded tax to the tune of crores and start taking action against them, said BMC deputy commissioner Subhransu Mishra, who is one of the designated officers.

The city has around one lakh holdings and BMC expects to generate around Rs 100 crore from the holding tax in the current fiscal. In the last financial year, it generated only Rs 40 crore, around Rs 20 crore less than the target it had set. The demonetisation proved to be boon for the BMC as many defaulters paid the dues in old currencies.

A BMC officer said every year they find about 10% (10,000) defaulters. But after the special provision, there will remain only 2 to 3% defaulters.

In past two years, the BMC put up display boards containing names of holding tax defaulters at prominent locations zone-wise. The BMC made a list of 199 persons, who evaded tax amounting beyond Rs 10,000. In 2016, it had put up ten boards but it didn't get the expected results.

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