14.2 Tamil Nadu Village Panchayat (Assessment and Collection of taxes) Rules, 1999

(G.O. (Ms) No. 255, Rural Development Department, Dated 13th December 1999)

In exercise of the powers conferred by sections 171, 172,174, 176 and sub section (1) of section 242 of the Tamil Nadu Panchayats Act, 1994 (Tamil Nadu Panchayats Act 21 of 1994) and in supersession of the Rules relating to House-tax, the Governor of Tamil Nadu hereby makes the following Rules -

RULES

1. **Short title** – These Rules may be called the Tamil Nadu Village Panchayats (Assessments and collection of taxes) Rules, 1999.

2. **Definition** - In these Rules, unless the context otherwise requires,-

   (a) "Act" means, the Tamil Nadu Panchayats Act, 1994 (Tamil Nadu Act 21 of 1994);

   (b) "Schedule" means, the schedule appended these Rules;

   (c) "Form" means the form appended to these Rules;

3. **Determination of tax** The Executive Authority shall, save as otherwise provided in these Rules, determine the tax to which each person or property is liable:

Provided that, in case of taxes payble by the person exercising the functions of the Executive Authority, the assesment shall be made by the Village Panchayat.

4. **Power to amend assessment**

(1) If at any time, it appears to the Village Panchayat that any person or property has been in adequately assessed or in advertently or improperly omitted from the Assessment Book relating to any tax, or that there is any clerical or arithmetical error in the said book, it may direct the Executive Authority to ammend the said book in such manner as it deems just or necessary.

Provided that no such direction shall be given, where it involve an increase in the assessment, unless the person concerned shall have been afforded a reasonable opportunity to show cause to the Village Panchayat as to why the Assessment Book should not be ammended as proposed.

(2) Such ammendment shall be deemed to have taken effect on the earliest date –

(i) in the current year or in the two years immediately preceding it, if the house tax is levied annually; and

(ii) in the half-year or in the two half-years immediately preceding if the house-tax is levied half-yearly. In the case of other taxes on which the circumstances justifying the amendment existed.

5. **Receipt for payment of tax** – (1) The Executive Authority shall give to every person making payment of a tax, a receipt therefor signed by him or by some person duly authorised by him in that behalf.

(2) such receipt shall specify –

(a) the date of the payment of the tax;

(b) the name of the person to whom it is issued;

(c) the tax in respect of which the payment has been made;

(d) the period for which payment has been made; and

(e) the amount paid as tax and the amount of interest, if any, collected under sub Rule (3) of Rule 17.

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14. TAXES

A. Assessment of tax

6. Basis of levy of house-tax

1) Every Village Panchayat shall have power to assess the levy and collect the house-tax on the basis refer to under section 172 of the Act and in accordance with the other provisions of the Act. The Village Panchayat concerned shall decided on the basis of plinth area of house at the rate specified in schedule 1 of the Act subject to provision of sub-section (3) on the section 172 of the Act

2) House-tax shall be levied by the Village Panchayat either on half-yearly or on annual basis as notified by the Government as per sub section (3) of the section 172 of the Act.

3) Any house-tax so levied shall not be altered or modified during the period of assessment year except with the prior approval of the Inspector:

Provided that, no such prior approval of the inspector is required if the enhancement of the tax is ordered by the Village Panchayat under sub Rule (1) of Rule 3.

7. Classification of houses

1) When a proportionate rate has been adopted by the Village Panchayat, it may group the houses in the Village in to classes to simplify the calculation and the collection of tax.

2) When a progressive rate has been adopted by the Village Panchayat, it shall

i) Specify principles of classification (as that the certain sum, which shall be tax-free, shall be deducted from the assessment of each house, or that the progression shall be from a certain percentage in the lowest to a certain percentage in the highest class); and

ii) Settle the precise number and limits of each class

3) The Village Panchayat shall not in either case so arrange the classes as to affect substantially the principle of taxation, whether proportionate or progressive, and the number of classes shall in no case be less than six.

4) Before passing a resolution imposing a tax for the first time or increasing the rate of an existing tax, the Village Panchayat shall publish a notice in atleast one Tamil Newspaper and also on the notice board of the office of the Village Panchayat and in such other places within the Village Panchayat ilimits as may be specified by the Village Panchayat and by beat of drum, of its intension proposed to levy any tax or increasing the existing rate of tax, fixing a reasonable period not being less than one month for submission of objections and consider such objection, if any , received within the stipulated period before passing the said resolution.

8. Preparation of house-tax assessment list

The Panchayat Assistant or Part time Clerk or any other person specified by the Government having jurisdiction over the Village Panchayat shall prepare and furnish to the Executive Authority, the house tax assessment list in such Form as may be specified by the Government from time to time, duly signed. The Executive Authority shall approve the house-tax Assessment list so prepared by him.

9. Preparation of Assessment Book

The Executive Authority shall, on the receipt of the list specified in Rule 8,cause the Assessment Book (House-Tax Demand Register) to be prepared. Such Assessment Book will show in distinct coloums, the name of the owner and of the occupier of such house, the class, if any under which such house is taxed, the amount of the tax due and the yearly or half year for which the tax is payable.

10. Notice for inspection of the Assessment Book

As soon as the Assessment Book is prepared, the Executive Authrority shall , by beat of drum in the Village Panchayat, give public notice there of the place and the time where the book may be inspected.

11. Manner of amendment of Assessment Book

The Executive Authority may amend the Assessment Book at any time between one general revision and another by inserting any house therein or removing any house there from or by altering the valuation or classification of any house, or the amount of tax payable in respect there of, subject to any other Rules which the Government make in this behalf, by substituting therein for the name of the owner of any house, the names of any other person who has succeeded by transfer or otherwise to the ownership of the house.

(2) such amendment shall be deemed to have taken effect on the first day of the half year or year in which it is made:

Provided that, where the amendment is rendered necessary by reason of the fixation of the fair rent of a house under the Tamil Nadu Buildings (Lease and Rent Control) Act, 1960 (Tamil Nadu Act 18 of 1960), the amendment shall have effect as from the date on which the pair rent was so fixed:

Provided further that, the decision of the Executive Authority, in any disputed case of transfer of ownership of a house shall not give the transferee a legal title to the house.

(3) In every case in which, between one general revision and another, the Executive Authority assesses any house-tax for the first time or increases the tax levied on any house otherwise than in consequence of a general enhancement of the rates at which the house-tax is leviable, the Executive Authority shall issue a special notice to the owner or occupier of such house. Any objection or representation against such levy or increase in tax received shall be considered by the Executive Authority if it reaches the office of the Village Panchayat within sixty days from the date of service of such notice in the case of the Government, a Railway Administration or a Company and within thirty days in other cases.

4) When the Assessment Book has been prepared for the first time and whenever a general revision of such book has been completed the Executive Authority shall give public notice stating that any revision petition shall be considered, if they reach the office of the Village Panchayat within a period of sixty days from the date of such notice in the case of the Government, Railway Administration or a Company and thirty days in other cases. The notice shall also be displayed on the notice board of the Village Panchayat and on the same day be announced in the Village by beat of drum:

Provided that in every case where there is an enhancement in the assessment already levied, the Executive Authority shall also sent in writing to the owner and occupier of house concerned:

Provided further that in every case, where a special notice is required to be served on the owner or occupier under the first proviso, the period of sixty days and thirty days, as the case may be, referred to in this Rule shall be calculated from the date of service of such special notice.

12. Revision Petition against assessment

Any person may at any time not being less than thirty days or more than sixty days before the end of a half year or year, move the Executive Authority by a revision petition, to reduce the tax to which he is liable for the forthcoming half year or year on the ground that the annual rental value or capital value or on the plinth area, as the case may be of the house in respect of which the tax is imposed has decreased since the assessment of the house was last made or revised.

13. Intimation of the result of the revision petition

Immediately after the receipt of a revision petition preferred under sub Rule (3) of Rule 11 or Rule 12, the Executive Authority shall pass final orders on such revision petition within two months of its receipt and shall inform the petitioner or his authorised agent in writing, of the orders passed thereon, and shall direct him to pay the amount fixed on revision within fifteen days after the date of receipt of such intimation, or, if the amount is not yet due within fifteen days from the date on which it becomes due, and shall, if necessary, cause the Assessment Book to be corrected.

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Provided that, in exceptional circumstances, if any, to be specified in writing, no revision petition may be kept pending upto the half-year or year to which such revision petition relates to.

14. General revision of Assessment Book

(1) The Executive Authority shall not be bound to cause new list or Assessment Book to be prepared every half year or year but may adopt those of the preceding half-year or year with such amendment as has been or may be made for the preceding half-year or year.

(2) A general revision of Assessment Book shall be made by the Executive Authority once in every five years:

Provided that, this provision shall not apply to a fresh revision by the Inspector under sub Rule (6).

(3) (a) Notwithstanding anything contained in sub-Rule (2), the Inspector may, for sufficient cause, from time to time, by order –

(i) Postpone the general revision of Assessment Book, or

(ii) Stay the proceedings relating to the general revision of Assessment Book, for a period of one or more half years at a time but not exceeding in any case four half-years.

Provided that, such postponement or stay shall not affect any subsequent general revision of Assessment Book.

(b) Where the stay is vacated or the period of stay expires, the Inspector may direct that proceedings for the general revision of Assessment Book shall be either commenced donovo or continued from the stage at which such proceedings were stayed.

(4) The Executive Authority shall give public notice of the amendment referred to in sub Rule (1) and of the general assessment referred to in sub Rule (2) in the manner provided in Rule 11.

(5) The general assessment shall be deemed to have taken effect on the first day of the half year or year in which the notice under sub Rule (4) is given.

(6) The Inspector may, by order, in writing, cancel the general revision made under sub-Rule (2), if in his opinion, the revision made discloses that the assessment has been enhanced or educed without reasonable basis and shall direct the conduct of fresh revision by any person authorised by him in his behalf (other than the person whose revision is cancelled under this Rule) in respect of such period as he considers necessary. The procedure for the revision so ordered by the Inspector shall be in the manner provided for in these Rules for the assessment of house-tax:

Provided that the revision ordered by the Inspector under this Rule shall not have the effect of postponing the next general revision.

15. Exemption of specified classes of houses from house tax

The following buildings shall, if they fall within the meaning of the house as defined in the Act, the exempt from the house tax –

a) buildings set apart for public worship and either actually so used or used for no other purpose;

b) choultries for the occupation of which no rent is charged and choultries where the rent charged for the occupation is used exclusively for charitable purposes.

c) buildings used for educational purposes including hostels and libraries which are open to the public, and public buildings used for charitable purpose of sheltering the destitutes or animals;

d) such ancient monuments protected under the Ancient Monuments Preservation Act,

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1904, or parts thereof, as are not used as residential quarters or as public offices;

e) charitable hospitals and dispensaries and other buildings exclusively used for charitable purposes;

f) such hospitals and dispensaries maintained by Railway Administration as may, from time to time, be notified by the Government;

g) buildings belonging to Village Panchayats;

h) buildings of the Forest Department situated with in the forest area which are within the jurisdiction of a Village Panchayat;

i) light houses;

j) all cattle pounds maintained by the Revenue Department; and

k) cyclone shelters;

Provided that nothing contained in clauses (a) and (c) shall be deemed to exempt from house-tax, if any building for which rent is payable by the person or persons using the same for the purposes referred to in the said clauses:

Provided further that educational institution (not commercial in nature) exempted from levy of house-tax, immediately before commencement of the Act shall continue to be exempted under under the said Act.

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

16. Manner of ascertaining the annual or capital value of houses

(1) For purposes 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 determined in accordance with the procedure laid down in the Rules prescribed for such purpose and the present estimated cost of erecting the house after deducting for depreciation reasonable amount which shall in no case be less than ten percent of such cost.

(2) Machinery and furniture shall be excluded for purpose of determining the value under this Rule.

a) The annual rental value of house shall be deemed to be 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 are on any other account whatsoever.

b) In the case of –

(i) any Government or Railway building falling within the definition of **"house"** under the Act;

(ii) any building falling within the definition aforesaid of a class not ordinarily let and the gross annual rent 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:

Provided that in case of buildings in industrial estates and developed plot estates, where the amenities are provided by the Industries Department or any other authority, the annual value shall be deemed to be four percent of its capital value.

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14. TAXES

17. Persons liable to pay house tax

(1) the house tax shall and by the owner of the house within thirty days after the commencement of the half year or sixty days after the commencement of the year according to the period of levy.

(2) If the owner of a house fails to pay the whole or any part of the house tax due thereon within the stipulated time, the Executive Authority may, if the said tax has remained unpaid for more than twelve months, require by a notice in writing the occupier for the time being of such house, to pay the amount within a specified period, not being less than fifteen days in the case of half-yearly levy and thirty days in the case of annual levy.

(3) Every Village Panchayat may collect an interest for the belated payment of tax due to it at Rupees one and fifty paise or two rupees as may be decided by the Village Panchayat concerned for every hundred rupees of the tax for every month of belated payment. The interest shall be levied after thirty days of the commencement of the year if the tax is levied on half - yearly basis or sixty days of the commencement of the year if the tax is levied on yearly basis.

18. Obligation of transferor and transferee to give notice of transfer

1) Whenever the title of any person, primarily liable to the payment of house tax for any house, to or over such house is transferred, the person whose title is transferred and the person to whom the title is transferred shall within three months after the execution of the instrument of transfer or after its registration if it is registered or after the transfer is effected if no instrument is registered, 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 or inherited as heir or otherwise, shall give written notice of such transfer to the Executive Authority within one year from the date of death of the deceased.

3) The notice to be given under this Rule shall be in such Form as the Executive Authority may specify 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 any document evidencing the transfer or succession.

4) Every person who makes a transfer as aforesaid fails to give such notice to the Executive Authority shall, in addition to any other liability which he incurs through such failure, 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 Village Panchayat registers, but nothing in this Rule shall be held to affect the liability of the transferee for the payment of the said tax.

19. Vacancy remission

1) When any house or a portion of a house has been vacant for ninety or more consecutive days in a half year or one hundred and eighty or more consecutive days in a year, the Executive Authority shall, on demand by the assessee, remit so much, not exceeding two thirds of the amount of the tax, as is proportionate to the number of days during which the house was vacant in the half year or year.

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

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, the house is 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 in a half year or year during which it is so delivered and shall take no effect thereafter.

20. Owners obligation to give notice of construction, re-construction or demolition of buildings

1(a) If any house in the Village Panchayat is constructed or re-constructed, 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 the last two months of a half-year or four months of a year, the owner shall, subject to notice being given under clause (a), be entitled to a remission of the whole of the tax or enhanced tax, as the case may be, payable in respect of the house for that half-year or year.

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

(d) Any owner who commits a breach of the provisions of this Rule shall be punishable with fine which may extend to one hundred rupees, or in case of a continuing breach, with fine not exceeding fifteen rupees for every day during which the breach continues after conviction for the first breach.

2(a) If any house in a Village 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 two moths of half year or four months of a year, the owner shall be entitled for remission of the whole of the tax payable in respect of the house for that half year or year.

(c) If such notice is given within the last four moths of half-year or 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 half year or year as is proportionate to the number of days in that half year or year succeeding the demolition or destruction, as the case may be.

21. Remission of tax in areas included or excluded in the middle of a half year

(1) If any area is included within a Panchayat Village in the middle of a half year the owner of every house in such area shall,–

(a) If the date of such inclusion falls within the last two months of a half-year or four months of a year, not be liable pay any house tax in respect thereof for that half-year or year; and

(b) If such date falls within the first four months of a half-year or 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 half year or year, as is proportionate to the number of days in that half year or year preceding such date.

(2) If any area is excluded from a Panchayat Village, the owner of every house in such area shall be entitled;-

a) if the date falls of such exclusion within first two months of a half year or four months of a year, to a revision of the whole of the house tax payable for that half year or year; and

b) if such day falls within the last four months of half year or eight months of a year, to remission of so much amount not exceeding a half of the house tax payable in respect thereof for that half year or year to the number of days in that half year or year succeeding such days.

(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 within three months from the date of the exclusion of the area in which the house is situated.

22. Transfer of registry of ownership of houses

In effecting changes in the ownership of properties in the Assessment Book on the application of any party. whether at a general revision or between one general revision and another, the Executive Authority shall observe the following provisions, namely;–

a) in every case of absolute transfer of title, the registry of properties may be altered to correspond with the transfer of its ownership on the application of both of parties to the 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 authorised agent, or through an officer of the Registration department. Where such an application is presented by both the parties and one of them is the registered owner, change of registry as requested, may be ordered atonce. 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 a 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 produers satisfactory legal evidence. Where only one party to the transaction applies and the other either objects or is silent, the parties should be connected by a complete chain of documents. When the chain is not complete, it should be filed in by other evidence, such as statements of respectable persons and tax receipts. A month's time shall be allowed for filing objections and if any objection is found to be valid, transfer of registry shall not be made.

b) In the case of transfer of title of properties in the name of a decree-holder with reference to a degree of a Civil Court or of purchaser in auction sales held in execution of a 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-purchaser- 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 register owner. When the transfer is from a person who not the registered owner, notice shall be given to the register owner in the manner provided in sub Rule (2) before a change of registry is made. Where, however, a certificate of delivery of possession cannot be produced, as per instance where on decree passed possession is conceded without execution proceedings and the decree is apparently final, the case shall be dealt with as provided in sub Rule (2) in regard to application for change of registry presented only by one of the parties of the transfer.

c) In cases where transfer of registry is sought under a declaratory decree on which no execution can be taken out namely, where the decree merely declares the title to be vested in a particular person so as to entitle him to registration the Executive Authority may, on the protection of any authenticated copy of such decree, atonce, make the transfer of registry.

(d) (1)The Executive Authority may, on production of satisfactory proof, order transfer of registry in the case of transfer which accrue by succession.

(2)There shall be an appeal to the Village Panchayat against the order of the Executive Authority under the Rule making or refusing to make a transfer of registry. Such appeal shall be presented within thirty days after the date of receipt of the order appealed against.

23. Tax on Agricultural land

(1) The tax on agricultural land as referred to in sub section (3) of section 171 of the Act shall be leviable by the Village Panchayat for a specific purpose and shall decide the rate of tax, period of tax and total period to levy of such tax based on the purpose and paying capacity of the Assesse -

a) repairs to irrigation channels and tanks in respect of which no kudimaramath fee is levied under sub section (2) of section 133 of the Act.

b) Construction, maintenance, repair, extension or improvement of water works or drainage works;

c) lighting by electricity or any other means;

d) construction of a road, or a bridge or culvert;

e) protection of trees, plants and crops; or

f) raising matching contribution for any programme of development specified in Panchayat Development Schematic Budget or that may be included in it from time to time and the levy of such tax shall take effect from the first day of the half year or the year following that in which it is sanctioned;

g) construction or maintenance of soil conservation works:

Provided that, the tax for the purpose specified in clause (g) shall be leviable on such agricultural land as is benefited by the construction or maintenance of works referred to in that clause;

h) for any other purpose which will sub-serve the causes of agricultural development and improve the productivity of agricultural land.

Explanation - For the purpose of this Rule, the tax on agricultural land levied by the Village Panchayat is in no way related to land revenue, local cess or local cess surcharge collected by the Revenue Department.

(2) The rate of the tax shall be on the basis of the extend and classification of land and the source of irrigation of land as provided in the revenue record :–

Provided that for the purpose of adopting different rates for different classes of lands under this sub Rule, such lands may be classified according to the number and nature of crops raised thereon or the nature of the sources of irrigation.

(3) a) Every proposal for the levy of the tax shall be submitted to the Assistant Director (Panchayats) through the Block Development Officer (Village Panchayats). The Assistant Director (Panchayats) shall forWard it to the District Collector who is the sanctioning authority for the levy of tax on agricultural land ;

(b) Every such proposal shall be accompanied by

(i) resolution of the Village Panchayat passed at a meeting specially convened for the purpose and supported by not less than one-half of the sanctioned strength of the Village Panchayat specifying the levy of tax either half yearly or yearly the purpose for which, the rate at which, and the total levy period for which, the tax is to be levied;

(ii) the statement showing the receipts and charges under the various heads of accounts for the three years preceding the year in which the proposal is made;

(iii) the budge estimate for the year in which the proposal is made;

(iv) particulars of the approximate are estimated cost of the work in respect of which the tax is proposed to be levied and the amount of tax likely to be realised in a half year or a year.

4. The rate at which and the period for which the tax to be levied shall be specified in the order sanctioning the levy of the tax. The period specified in the order may be extended from time to time, if necessary, in order that the purpose for which the tax is levied may be fulfilled:

Provided that the Village Panchayat may, for sufficient reason, and with the approval of the sanctioning authority, alter the rate, suspend or cancel the levy of the tax within the period so specified in the order.

5. The proceeds of the tax shall form a separate fund, earmarked for the purpose for which it is levied and a separate account shall be maintained for the transactions relating to the fund.

6. The Rules relating to levy and collection of taxes on house shall apply mutatis mutandis to the assessment and collection of the tax on agricultural land.

24. Appeal against imposition of taxes - An appeal shall lie to the Village Panchayat against the levy or an enhancement of the tax in respect of the following taxes ;-

a) the assessment and imposition of house tax and an order of the Executive Authority under Rule 13 upon a revision petition;

b) the assessment and levy of tax on agricultural land;

c) any person who is aggrieved by the decision of the Village Panchayat under clauses (a) or (b) may prefer petition of revision within 30 days after receipt of orders of the Village Panchayat to the Inspector. The Inspector shall pass orders on such revision petition on the merits of the claims within a reasonable time and such orders of the Inspector shall be final.

25. Limitation for appeal - (1) No appeal to Village Panchayat shall be entertained :–

(i) unless it reaches the office of the Village Panchayat within 15 days after the receipt of demand notice or an order under Rule 13, as the case may be; and

(ii) unless, except when the Executive Authority otherwise directs on the ground of poverty, the tax in respect of which the appeal is presented has been paid or deposited at the office of the Village Panchayat within the period specified in clause (i).

(2) The Village Panchayat may admit an appeal presented after expiry of the period specified sub Rule (1), but not exceeding fifteen days thereafter if it is satisfied that the party concerned had sufficient cause for not presenting it within the said period.

(3) On receipt of an appeal made under sub Rule (1) or (2) the Village Panchayat may, after giving the Appellant an opportunity of being heard shall pass appropriate orders on merits by allowing the appeal or modify the orders appealed against or rejecting the appeal.

26. Powers of a Panchayat to cancel or modify the orders of Executive Authority -

The Village Panchayat may, of its own motion or otherwise, cancel or modified any order passed by the Executive Authority reducing or remitting a tax.

27. Correction of Assessment Book and refund of house tax on appeal

(1) The Assessment Book in respect of house tax shall be corrected in accordance with any orders passed by the Village Panchayat on appeal; in the event of the amount of any tax being reduced or remitted by the Village Panchayat, the Executive Authority shall grant a refund of the tax already paid.

(2) The Village Panchayat may, on appeal pass orders reducing such tax to such an extend upto which such enhanced amount assessed by the Executive Authority could be justify.

28. Assessment of tax when final -

Subject to the provisions of the Act, when no appeal or revision is made as herein before provided, the tax determined by the Executive Authority shall be final. When an appeal or revision

is made, the order passed in appeal or in revision against assessment of tax made by the Village Panchayat thereon shall be final:

Provided that where any assessment or demand is not in accordance with the Assessment Book, nothing in this Rule shall be deemed to prohibit a fresh assessment or demand of the tax being made in accordance there with.

B. **Collection of tax**

29. Collection of tax or fee due to a Village Panchayat –

Any tax or fee due to Village Panchayat shall be collected by the Panchayat Assistant or Part time Clerk of the Village Panchayat appointed for this purpose.

30. Mode of collection -

(1) When house tax or tax on agricultural land is due from any person and where coercive action becomes absolutely necessary, the Panchayat Assistant or Part time Clerk , as the case may be, shall serve upon such person a demand notice for house tax or tax on agricultural land for the sum due before he proceeds to enforce the provisions of Rule 31.

(2) a demand notice for house tax or tax on agricultural land under sub Rule (1) shall be signed by the Executive Authority or bear his facsimile, and also by the Panchayat Assistant or Part time Clerk, as the case may be, and shall contain –

a) a description of the house or agricultural land and a statement of the period for which the tax is due; and

b) a notice of the liability incurred in default of payment.

(3) No tax for any year or half-years whichever is applicable shall be recovered from any person in the manner laid down in Rule 31 unless the bill is served upon such person either within that year or half-years or in the succeeding year or half-years whichever is applicable.

Provided that where the Assessment Book has been amended under Rule 3, the bill may be served either in the year or half years whichever is applicable in which the amendment was made or in the succeeding year or half year whichever is applicable.

(4) Nothing contained in this Rule or in Rule 31 shall preclude the Village Panchayat from taking appropriate legal proceedings in a Court for the tax due to it.

31. **Distraint and sale of movable property -**

(1) If the amount of the tax demanded is not paid within 15 days from the service of the demand notice referred in Rule 13 and if the person from whom the tax is due as not shown sufficient cause to the satisfaction of the Executive Authority of the Village Panchayat concerned for non payment of tax, the Executive Authority may recover by taking distraint proceedings under his warrant and sale of the movable property of the defaulter. The amount due on account of the tax together with the warrant fee and the distraint fee and with such further sum as will satisfy the probable charges that will be incurred in connection with the detention and sale of the property so distraint:

Provided that the movable property described in the proviso to sub-section (1) of section 60 of the Code of Civil Procedure, 1908 (Central Act V of 1908) shall not be liable to distraint.

(2) If for any reason the distraint or a sufficient distraint of the defaulter's properties is impracticable, the Executive Authority may prosecute the defaulter before the Criminal Court having jurisdiction.

(3) The warrant under sub-Rule (1) shall be in **Form I** and for each such warrant, a fee of one rupee shall be levied.

(4) Under a special order in writing of the Executive Authority who signed the distraint warrant, the Panchayat Assistant or Part-time Clerk as the case may be, may between sunrise and sunset, break open any outer or inner door or window of any building in order to make the

distraint, if he has reasonable grounds for believing that such building contains property which is liable to seizure and if, after notifying his authority and purpose and duly demanding admittance, he cannot otherwise obtain admittance:

Provided that he shall not enter or break open the door of any apartment appropriated to women until he has given three hours notice of his intention and has given such women an opportunity to withdraw.

32. Seizure of property - (1) The Panchayat Assistant or Part-time Clerk, as the case may be, shall, before making the distraint, demand payment of the tax due and warrant fee. If the tax and fee are paid, no distraint shall be made, but if the tax or fee is not paid, the Panchayat Assistant or Part-time Clerk, as the case may be, shall –

a) Seize such movable property of the defaulter as he may think necessary having regard to the tax arrears

b) make an inventory of the property seized; and

c) give to the person in possession of the property seized at the time seizer, a copy of the inventory and the notice of sale in the **Form II**

Provided that the period of seven days shall be allowed for paying the amount due or redeeming the property seized.

2)The distraint shall not be excessive, that is to say, the property distraint shall be as nearly as possible,equal in value to the tax due by the defaulter together with all expenses incidential to the warrant, distraint, detention and sale.

33. Sale of property seized – (1) If the amount due by the defaulter on account of the tax, the warrant fee and distraint fee and all expenses incidental to the detention of the property or not paid within the period of seven days specified in the notice given under Rule 32 and if the distraint warrant is not suspended by the Executive Authority, the property seized or a sufficient portion on thereof shall be sold by public auction under the orders of the Executive Authority who shall apply the proceeds of the sale to the payment of the amount due on account of the tax, the warrant fee, the distratint fee and the expenses incidental to the possession detention and the sale of the property and shall return to the person in whose the property was at the time of seizure, any property or sum which may remain after the sale and the application of the proceeds thereof as aforesaid. If the proceeds of the sale are in sufficient for the payment of the amount due on account of the tax, the warrant fee and distraint fee and the expenses incidental to the detention and sale of the property, then, the Executive Authority may again proceed under Rule 31 in respect of the sum remaining unpaid.

2) When the property seized is subject to speedy and natural decay, the Executive Authority may sell it at any time before the expiry of the said period of seven days, unless the amount due is sooner paid.

3) The Executive Authority shall consider any objection to the distraint of any property which is made within the said period of seven days and may postpone the sale pending investigation thereof. If the Executive Authority besides that the property attached was not liable to distraint, he shall return it, or if it has already been sold, the proceeds of the sale, to the person appearing to be entitled there to and may again proceed under Rule 31 and all fees and expenses connected with the first distraint and sale shall be recoverable from the defaulter if it shall appear, to the Executive Authority that he wilfully permitted the distraint of the property when to his knowledge it was not liable to distraint.

34. Distraint fees

1) The distraint fees shall be payable at such rates as are specified in Form III.

2) Such fees shall not be held to include the expenses incidental to the detention of any property distrained.

35. Property to be distrained within the area of the Village Panchayat

The property of a person in default under sub Rule (1) of Rule 31 may be distrained wherever it may be found within the area of the Village Panchayat.

36. Liability of occupier to pay house-tax

If the tax due on account of any house remains unpaid in whole or in part at the end of the period specified in sub Rule (1) of Rule 31, the official who is authorised to sign the warrant may, if the said tax has remained unpaid for more than twelve months, require the occupier, for the time being, of such building to pay the amount within a specified period, not being less than fifteen days, and if the occupier fails to comply with such requisition, the Executive Authority may distrain and sell any movable property found on the building, and the provisions of the foregoing Rules shall, mutatis mutandis apply to all distraints and sales effected under this Rule:

Provided that no occupier shall be liable to prosecution or any proceedings in a civil suit in respect of any sum recoverable from him under this Rule, unless he has willfully prevented distraint or a sufficient distraint.

37. Recovery of arrears of tax - If any tax due from any person remains unpaid in whole or in part at the end of the period specified in sub Rule (1) of Rule 31 and if such person has left India or cannot be found, the said tax or such part thereof as remains unpaid together with all sums payable in connection therewith shall be recoverable as if it were an arrear of land revenue.

38. Imposition of fine : (1) Every person who is prosecuted under sub Rule (2) of Rule 31 shall be liable, on proof to the satisfaction of the Court that he wilfully omitted to pay the amount due by him, to pay a fine not less than five times of the amount which may be due by him on account of :

a) The tax and the warrant fee, if any, and

b) If distraint has taken place, the distraint fee and the expenses incidental to the detention and sale, if any, of the property distrained.

2) Whenever any person is convicted of an offence under sub Rule (1), the Court shall, in addition to any fine which may be imposed, recover summarily and pay over to the Village Panchayat the amount, if any, due under the heads specified in clauses (a) and (b) of sub-Rule (1) and also recover summarily and pay the Village Panchayat such amount, as it may fix as the cost of the prosecution, in its discretion.

39. Prohibition to purchase distrained property in certain cases -

Neither the Executive Authority nor any officer who signed the warrant or servant of the Village Panchayat shall directly or indirectly purchase any property at any sale distrained held under the foregoing Rules.

RAMESH CHANDRA PANDA
SECRETARY TO GOVERNMENT

Verified by RealEstate

FORM –I

(See Rule 31 (3))

DISTRAINT WARRANT

Warrant No.

To

(Name of Officer charged with execution of warrant)

(State tax or taxes due and premises, if any, in respect of which the tax is or taxes are due) Whereas ————of ——————————has not paid or shown sufficient cause for the non-payment of the sum of Rupees ————————Paise————due for the tax or taxes noted above for the

20 although the said sum has been duly demanded from the said defaulter and fifteen days have elapsed since the demand was made -

This is to command you to demand the said sum of Rupees ————Paise———————— together with one rupee for warrant fee, failing which you are to distrain the goods and chattels of the said ——————————- (or as the case may be, any goods and chattels found on premises referred to) to the amount of the said sum of Rupees ———————Paise ————————together with Rupees————————Paise————————for warrant fee and distraint fee making sufficient to defray the charges of keeping and selling such distraint; and if within seven days next after such distraint, the amount due on account of the said tax or taxes and fees shall not be paid together with such further some as may be sufficient to defray the charges of keeping such distraint, to sell the said goods and chattels under orders to be hereafter issued by me, and to remit to the Village Panchayat the sale proceeds of the distrained property, out of which the amount due on account of the said tax or taxes and fees, namely viz, Rupees ——————————Paise————and the charges of keeping and selling such distraint, will be deducted and credited to the Fund, and the surplus, if any, returned to the owner of the goods and chattels distrained. If distraint or sufficient distraint cannot be found of the goods and the chattles of the said ———- you are to certify the same together with this warrant.

Station : Signature of the Executive

Date : Authority

Verified by RealEstate™

FORM –II

(See Rule 32(I) (c))

FORM OF INVENTORY AND NOTICE OF SALE

(State particulars goods and chattels seized)

Take notice that I have this day seized the goods and chattels specified in the above inventory for the sum of Rupees ————————Paise————————————due toWards the tax or taxes specified for the period ending— ————————————20—— . And that unless you pay into the office of the Village Panchayat the amount due together with the warrant fee, the distraint fee and the cost of keeping the goods and chattels. Within seven days from the date of this notice, the goods and chattels will be sold on the day of 20—— at the office of the Village Panchayat as the Executive Authority may direct and that the goods and chattels may be sold at any previous date, if they are liable to speedy and natural decay.

Station : Signature of the Executive

Date : Authority

FORM – III

(See Rule 34)

TABLE OF MAXIMUM FEE PAYABLE ON DISTRAINT

Sums distrained for	Distraint fees
(1)	(2)
	Rs.
Under Rs.30	— 6-00
Above Rs.30 and up to Rs.70	— 10-00
Above Rs.70 and up to Rs.100	— 20-00
Above Rs.100 and up to Rs.150	— 30-00
Above Rs.150 and upto Rs.200	— 40-00
Above Rs.200 and upto Rs.250	— 50-00
Above Rs.250 and upto Rs.300	— 60-00
Above Rs.300	At the rate of twenty per cent of tax rounded off to the next whole rupee

The above charge includes all expenses, except when menial are kept incharge of property distrained, in which case Rs.5 shall be paid daily for each menial.

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