179

Revenue Department,
Secretariat,
Chennai-9.

Letter (Ms.)No.155, Dated 10-3-2005.

From

Thiru N. SUNDARADEVAN, I.A.S.,
Secretary to Government.

To

The Special Commissioner and Commissioner of Land Administration,
Chennai-5.

Sir,

Sub: Land - Lease - Government lands - Grant of lease of Government lands - Fixation of lease rent, Local Cess and Local Cess Surcharge and Municipal Tax - etc., - Government Order issued - Clarification sought for - Instructions - Issued.

Ref: 1.G.O.Ms.No.460, Revenue Department, dated 4.6.1998.
2.From the District Collector, Chennai D.O. Letter No.J8/20119/2004, dated 18.11.2004.

I am directed to enclose a copy of the D.O. Letter second cited and to state that in the Government Order first cited, orders were issued revising the lease rent to be levied in cases of grant of lease as indicated below:-

	Lease Rent per annum	Local Cess	Local Cess Surcharge	Total
Commercial	2% on land cost	2% on land cost	10% on land cost	14% on land cost
Non-Commercial	1% on land cost	1% on land cost	5% on land cost	7% on land cost

The above rate of lease rent has come into force with effect from 4.6.98.

2. In this connection I am to point out that the Local Cess and Local Cess Surcharge are leviable only in Panchayat and Panchayat Union areas. In respect of areas coming under Municipalities and Corporations Local Cess and Local Cess Surcharge not leviable. But additional surcharge at 13% on lease rent in Municipalities and 23% on lease rent in Corporation areas is leviable in addition

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180

to lease rent. In the Government Order first cited it was not specifically mentioned that revised lease rents are applicable only to the lands leased out in Village Panchayats. Hence, you have sent proposals to the Government to charge 1% for non-commercial purposes as lease rent besides 23% of lease rent as additional surcharge in Chennai Corporation area and 13% of lease rent as additional surcharge in Municipal areas. The Accountant General has also pointed out that the Government Order first cited is not applicable to Municipalities and Corporation areas.

3. I am, therefore, directed to state that there is some practical difficulty in implementing the Government Order first cited and in order to get over the difficulties, it has been decided to amend the Government Order first cited and it is under examination.

4. In the above circumstances, I am to request you to issue instructions to all District Collectors that pending issue of amendment to G.O.Ms.No.460, Revenue Department, dated 4.6.98, 7% of the land cost inclusive of additional surcharge and 14% of land cost including additional surcharge may be collected as lease rent for non-commercial purposes and commercial purposes respectively in respect of leases in the Municipal areas and Corporation limits.

5. I am to request you to acknowledge the receipt of this letter at an early date.

Yours faithfully,

for Secretary to Government.

13.4.05

Copy to:

All Collectors.
The Finance (Revenue) Department, Chennai-9.
S.F./S.C.