

To,

The Superintendent  
Local Govt.-3 Branch,  
Chandigarh.

Memo No. PMIDC/2019.....4639 Dated..... 21/5/19

Sub: Charging of Cancer & Culture Cess in Property Tax.

Ref: Your office letter no. 227853/1 dated 26 th May 2014

Under the e-Governance project, Property Tax module has been rolled out in 154 Urban Local Bodies. The application was developed by taking inputs from various ULBs and members of the core committee. The application was first made live in September 2018 and is successfully running. The rates of Property Tax on buildings and lands in Urban Local Bodies have been detailed in "The Punjab Municipal Corporation Act, 1976" and "The Punjab Municipal Act, 1911".

The state government vide notification dated 9<sup>th</sup> April, 2013 enacted Punjab State Cancer and Drug Addiction Treatment Infrastructure Fund Act, 2013. (Annexure-A) The contribution of this fund has been detailed in section 6 of the act wherein sub section (e) provides as under:-

**"Surcharge on any tax or cess as may be prescribed. "**

Since the surcharge is on the tax therefore it has to be collected in addition to the Property Tax amount. The Department of Local Government (L.G 3) vide memo number 227853/1 dated 26<sup>th</sup>

May 2014 intimated the rate of surcharge @ of 2% with details to deposit the collected amount in Major heads of state exchequer. The letter is in Punjabi language and is as under:-

" ..... ਨਗਰ ਨਿਗਮਾਂ / ਨਗਰ ਕੌਂਸਲਾਂ / ਨਗਰ ਪੰਚਾਇਤਾਂ ਵੱਲੋਂ ਜੋ ਜਾਇਦਾਦ ਟੈਕਸ

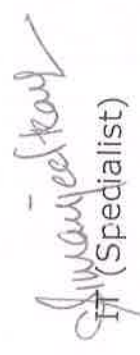
ਇਕੱਤਰ ਕੀਤਾ ਜਾ ਰਿਹਾ, ਉਸਦਾ 2 ਪ੍ਰਤੀਸ਼ਤ Punjab State Cancer and Drug

Addiction Treatment Infrastructure Fund Act, 2013" ਲਈ ਕੀਤੀ ਜਾਣ ਵਾਲੀ ਕੰਟਰੀਬਿਊਸ਼ਨ ਹੇਠ ਦਰਸਾਏ ਹੈੱਡ ਆਫ ਅਕਾਊਂਟ ਵਿੱਚ ਜਮ੍ਹਾਂ ਅਤੇ ਟਰਾਂਸਫਰ ਕਰਾਉਣ ਲਈ ਯੋਗ ਕਾਰਵਾਈ ਕੀਤੀ ਜਾਵੇ..... " (Annexure-B).

The abovementioned Punjabi translation is against the provision mentioned in section 6(e) of the Punjab State cancer and Drug addiction treatment infrastructure Fund act 2013, wherein the **surcharge is on the tax**. The Department Punjabi translation version conveys **surcharge is of the Tax**. In case, we go by the Punjabi translation version wording of department there is need of amendment in the provisions of "The Punjab Municipal Corporation act, 1976" and "The Punjab Municipal Act. 1911" as well as in "Punjab Municipal Accounting Manual, 2017" with retrospective effect or declacration of surcharge on Property Tax as Fit Charge on Municipal Fund retrospective effect.

The issue was discussed in the e-Gov Core Committee meeting and has been conveyed that the Property Tax application module was developed while keeping in view the provision of Punjab State Cancer and Drug addiction treatment infrastructure Fund Act, 2013 wherein surcharge is on Property Tax. The application is running in 154 ULBs with no complaints.

The Worthy Principal Secretary has approve the application with permission to write LG-3 branch of the department for correction in memo number 227853/1 dated 26<sup>th</sup> May 2014 and ensure regular deposit of collected surcharge amount in state fund.

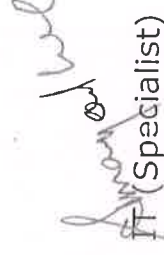
  
IT (Specialist)

**Endst. No. PMIDC/2019/ 4640 - 42**

**Dated: 21/5/18**

A copy of above letter is forwarded to the following for information and further necessary action:

1. PS to PSLG.
2. EA to CEO PMIDC.
3. DCFA , LG Punjab.

  
IT (Specialist)