



**Office Of The**  
**SHILLONG MUNICIPAL BOARD**

*Bishop Cotton Road, Shillong-793001, Meghalaya*  
<http://smb.gov.in>

Phone No: +91 364 2224850  
Fax: +91 364 2224702  
e-mail: [smb-meg@nic.in](mailto:smb-meg@nic.in)

No: SMB/Assmt/72/2015-16/54

Dated Shillong the 8<sup>th</sup> September 2015

**Public Notice**

As part of municipal reforms, the Shillong Municipal Board will be implementing a Unit Area based Self Assessment method of property taxation (municipal holding tax) and User Charges as per the recommendation of 2<sup>nd</sup> Municipal Valuation Committee, from the financial year 2016-17. The details of the proposed system along with the proposed Assessment of Holding Tax Rules can be seen on the website of the Shillong Municipal Board, <http://smb.gov.in>. The same can also be obtained from the office of the SMB on any working day during working hours from the 8<sup>th</sup> September 2015.

Comments and suggestions to the proposed system of property taxation are invited from the municipal tax payers within 30 days from the date of publication of this notice. The comments and suggestions can be sent or dropped at the following address:

*Property Tax Suggestion Box*

*o/o The Chief Executive Officer*

*Shillong Municipal Board*

*Bishop Cotton Road,*

*Shillong-793001, Meghalaya*

The same can also be sent by e-mail to: [propertytaxsmb@gmail.com](mailto:propertytaxsmb@gmail.com)

  
Chief Executive Officer  
Shillong Municipal Board

Memo. No: SMB/Assmt/72/2015-16/54-A Dated Shillong the 8<sup>th</sup> September 2015

Copy to:-

1. The Joint Secretary to the Govt. of Meghalaya, Urban Affairs Department.
2. The Director Urban Affairs, Meghalaya.
3. The Director Information and Public Relations for favour of publishing the above notice in two leading dailies (English and Khasi Vernacular) circulated in the city and bills for the same may be forwarded to the undersigned for payment.

-sd-

(E. Kharmalki)

Chief Executive Officer,  
Shillong Municipal Board

## The Proposed Property Tax and User Charge Reforms in Shillong Municipal Board

As part of the reforms to improve transparency and accountability as well as to achieve financial sustainability, the Shillong Municipal Board proposes to implement a Self Assessment Unit Area based method of property taxation as per the recommendation of 2<sup>nd</sup> Municipal Valuation Committee constituted by the government from the financial year of 2016-17. The new system is proposed with the objective to make the property taxation, a tax-payer friendly system. The broad parameters of the new property tax system are as follows

### 1 Unit area method of property taxation

The Unit Area Method is simple, arithmetical and transparent. It is based on fixing a base unit area value per square metre of covered space for calculation of property tax. The tax for a particular holding is based on the Annual Rateable Value (ARV) of the holding arrived at by multiplying base Unit Area Value (UAV) assigned to the zone by the covered space of the holding and the Multiplicative Factor Values (MFV) for occupancy, age, structure, construction, location and use of the holding.

### 2 Full self assessment system

Full self-assessment requires holding owners to place an assessed value on their own holding. It is mandatory to file the Property Tax return (PTR) in prescribed format declaring the net tax amount to be paid and deposit the tax amount to SMB. However, the Board reserves the right to issue such notice in case the holding owner fails to file the PTR within the prescribed time period in the Act and treated as defaulter.

### 3 Property Tax Identification No (PTIN)

The eleven digit unique property tax identification number (PTIN), by which any holding/property in any area within the jurisdiction of the Board may be known, shall be fixed and published by the Board in the following manner.

- a. The first two digits will indicate the ward number in numerical form;
- b. The next three digits will indicate the present holding number in numerical form;
- c. The next four digits will indicate the property number in numerical form;
- d. The next two digits will indicate the number in which a holding is subdivided, such as flat or independent property portions.

Code for ->	Ward	Holding Number	Property Number	Division, if any
Code digits	**	***	****	**

### 4 Classification of Localities into Homogeneous Zones

The entire localities within Shillong Municipal Board (SMB) area divided in 27 wards has been classified into six zones (A to F) on the basis of proximity to school, college, and hospital; road connectivity; bus stand; civic services like sanitation, street lighting and water supply; environmental conditions; concentration of economic activities (market); land values; and rentals corresponding to each zone, (viz. A, B, C, D, E, F) as per the provisions in the Meghalaya Municipal Act 1973. Localities have been categorized into zones as follows:

Zone	Ward & Localities	
A	1	Whole of Ward 9, part of ward 10 bounded by road behind Assembly Building in the south , road behind MTC in the east and the lane from Vishal Market upto Hotel Alpine in the north
	2	All holdings facing the G.S Road from Umsohsun Junction up to Qualapatty Junction
B	1	Ward 1 excluding Nongrimbah and Demseiniong localities.
	2	Ward 3

Zone	Ward & Localities	
	3	Ward 4
	4	Ward 10 excluding area falling under zone A
	5	Ward 8 except the part bounded as follows:
		North: Drain starting behind Satsang Vihar up to the junction with the natural drain coming from Earle holiday home
		East: Drain starting from Ward's lake up to the junction with the drain behind Satsang Vihar
		West: Eastern Boundary of Earle Holiday up to the Main road leading to Ward's Lake.
		South: Road from Earle Holiday Home to Ward's Lake
	6	Parts of Ward 7 Bounded as follows:
		North, East and West: Ward Boundaries
		South: Along National Highway 44 from Malki Point up to Civil Hospital
	7	Parts of Ward 5 Bounded as follows:
		North, East and West: Ward Boundary
		South: Umshyrpi stream
	6	Parts of Ward 6:
		North, East and West: Ward Boundary
		South: Umshyrpi stream
	7	Parts of Ward 17 bounded by
		North : G. S Road
		East & West : Ward Boundary
		South : Ward boundary and Iewduh
C	1	Whole of Ward 2
	2	Parts of Ward 7 bounded by:
		North: Along National Highway 44 from Malki Point up to Civil hospital
		East, West and South: Ward Boundary:
	3	Parts of ward 8 bounded as follows:
		North: Drain starting behind Satsang Vihar up to the junction with the natural drain coming from Earle holiday home
		East: Drain starting from Ward's lake up to the junction with the drain behind Satsang Vihar
		West: Eastern Boundary of Earle Holiday up to the Main road leading to Ward's Lake.
		South: Road from Earle Holiday Home to Ward's Lake
	4	Whole of Ward 22, 23, 24 and 25 .
D	1	Nongrimbah Locality of Ward 1
	2	Cleave Colony Locality of Ward 5
	3	Parts of Ward 6 bounded as follows:
		North: Umshyrpi stream
		East: Main drain from Pdengshong to Malki Ground and along the line behind one roadside properties along the Law College Road
	4	Whole of Umsohsun and Mawkhar Locality of Ward 12, except properties facing the G.S Road.
		Whole of Ward 14
		Whole of Mission Compound and Jaiaw Pdeng Localities in Ward no 17
		Whole of Ward 21

Zone	Ward & Localities	
		Madan Laban and Riat Laban Locality of Ward no 27
E	1	Whole of Wahingdoh and Riatsamthiah in ward no 12 and 13
	2	Whole of Wahthapbru except properties facing GS Road
	3	Whole of Ward 15
	4	Whole of Jaiaw Langsning and Jaiaw Lumsyntiew of ward 16
	5	Whole of Ward 18, 19 and 20
	6	Part of Ward 26 bounded by North , East and West bounded by ward boundary South: Jackson's Trace road
	7	Whole of Ward no 11
F	1	Demseiniong Locality of ward 1
	2	Parts of Ward 5 North and East: Wahkdait stream upto its junction with Umshyrpi South and West: Ward Boundaries
	3	Parts of Ward 6 bounded by North: along the line behind one roadside properties along the Law College Road West : Main drain from Malki Pdengshong to Malki Ground South and East: Ward boundary
	4	Whole of Nongmali Locality of Ward 11
	5	Whole of Ward 26 expect area covered in Zone E
	6	Kynjat Phutbol in Ward no 27

## 5 Classifications of holdings

The holdings in the SMB area shall be classified by the Board on the following criteria:

### a) Situation of holdings (any entrance to the holding facing in following order)

- i. Holding on main road (width 6 mtrs and more)
- ii. Holding on other road (less than 6 mtrs)
- iii. Holding on footpath/step (other than on (i) and (ii) and also non-motorable)

### b) Use of portion of the holding

- i. Portion of the holding purely in residential use.
- ii. Portion of the holding purely in industrial or purely commercial (whether self-owned or otherwise) use.
- iii. Portion of the holding purely in use of hotels, guest houses and malls.
- iv. Portion of holding purely in institutional use.
- v. Portion of holding purely in public purpose use.
- vi. Portion of holding owned by the State government/ State government undertakings.
- vii. Portion of holding owned by the Central government/ Central government undertakings.

### c) Structure of the holding (fully or partially)

- i. Pucca holding with R.C.C. roof.
- ii. Assam type.
- iii. All other holdings not covered in sub-clause (i) & (ii).

**d) Age of the holding (even related portion of the holding)**

- i. Up to 25 years.
- ii. 25 + to 50 years.
- iii. More than 50 years.

**e) Occupancy of the holding (fully or portion thereof)**

- i. Self-occupied.
- ii. Rented.

**6 Classifications of Roads**

The roads are classified as follows:

- i. Main road – More than 6 mtrs width
- ii. Other road – Less than 6 mtrs
- iii. Footpath/steps – Neither of (i) and (ii) and including non-motorable

**7 Taxable Covered Space**

The taxable covered space of a holding is defined as "covered by a roof, whether pucca, semi-pucca or kuchcha (a grill, net, etc shall not be considered as a roof), and enclosed on all sides by means of walls, doors, shutters, windows, grills or any such means or provided with collapsible doors, windows, grills or rolling shutters or any such means which will enable the space to be enclosed including the thickness of walls."

The calculation of covered space for various types of holding is as follows -

- a) *Single storied holdings*: The total covered space of an existing holding or of a newly completed house.
- b) *Double storied (or more) holdings*: The total covered space of the basement(s)/ ground floor, as the case may be, plus the projected covered space made at subsequent floor(s).
- c) *Flats or apartment*: The taxable space for flats or apartments would be their super area, which includes shared common area also used commonly by all the flat/ apartment owners. This information is provided to all the flat/ apartment owners or occupiers in the group of that block/ complex.
- d) *Exclusions*:
  - (i) *Detached units*: Any structure not covered by four walls by any kind of material and a roof shall not form part of the covered space.
  - (ii) *Open balconies/ portico/ verandah/ staircases not covered by all the sides* shall not form part of the covered space.

In no case should the measurement based on the site plan while submitting the application for building permission should be taken into consideration. It must be actual physical measured covered space of the structure.

**8 Multiplicative factor values (MFV)**

Multiplicative factors shall be used on the holdings while computing property tax liability. The municipal valuation committee may revise factors for consideration and the factor values. Five multiplicative factors with values, namely, (a) structure factor (SF), (b) age factor (AF), (c) occupancy factor (OF), (d) use factor (UF), and (e) location factor (LF) are as follows:

**a) Structure factor (SF)**

Factor	RCC	Assam type	Others
Value	1.0	0.9	0.7

**b) Age factor (AF)**

Factor	Less than 25 yrs	More than 25 – 50 yrs	More than 50 yrs
Value	1.0	0.8	0.6

**c) Occupancy factor (OF)**

Factor	Self-occupied	Tenanted
Value	1.0	1.5

**d) Use factor (UF)**

Factor	Residential	Institutional	Commercial & industrial	Central and State government/ State public sector undertaking holdings
Value	1.0	1.5	2	3

**e) Location factor (LF)**

Factor	Main road	Other roads	Footpaths/Steps (non-motorable)
Value	1.0	0.8	0.6

## 9 Unit area values (UAV)

Zone-wise UAV: (In Rs. Per square metre):

Zone	A	B	C	D	E	F
Value (per sqm mtr)	500	264	210	158	128	86

## 10 Rate of tax

The property tax rate would be 4.5 percent of the ARV for all types of holdings, with a break-up of (i) house tax @ 3 percent and (ii) drainage tax @ 1.5 percent.

## 11 Mode of payment

The advance property tax may be paid either as a single installment by the close of first quarter with a rebate or may be paid in equal installments without rebate by the end of each quarter, namely, 30th June, 30th September, 31 December and 31st March of each year.

## 12 Rebate for timely payment

A rebate of 5 percent would be given on payment of annual tax liability by the end of first quarter of the fiscal year, by the 30th June.

## 13 Penalties for late payment

A penal interest at 2 percent per month would be charged on late payment of tax liability after the end of each relevant quarter.

## 14 Method of calculation of annual rateable value (ARV) of holdings

Property tax can be self-assessed by the individual holding owners or by any other person liable to pay the tax in the following manner:

### Formula for assessment:

Annual Tax Payable (Rs) = {Zone-wise UAV (Rs/sqmtr) x MFV x Covered Space of Holding (sqm) x Tax Rate (%)} {(-) Timely Payment Rebate @ 5% (+) Penalty for late payment @ 2% per month or part of month}

- 1) **Step 1:** Measure the covered space of the holding. It has to be measured separately of all floors, including basement(s), and each portion in different exclusive use or differently constructed or different ownership or constructed at different times. Then aggregate them all.
- 2) **Step 2:** Take the base unit area value of the zone notified by the Board.
- 3) **Step 3:** Calculate the ARV by using the following formula:

**ARV (Rs) = Applicable UAV x Covered Area x Applicable MFV [OF AF, SF, UF, LF]**

- 4) **Step 4:** In cases where different portions of holding are put to different uses, the ARV will be calculated for each such portion in pure use separately.

$$\text{Aggregate ARV (Rs)} = (\text{ARV (Rs) of portion 1}) + (\text{ARV (Rs) of portion 2}) + (\text{ARV (Rs) of portion 3}) \dots\dots\dots$$

- 5) **Step 5:** Calculate tax by multiplying the above aggregate ARV by the respective rate of tax as notified by the Board for the reference year. From this deduct any rebates and add penalty.

$$\text{Tax Payable (Rs)} = (\text{ARV} \times \text{Rate of tax}) - \text{Rebates applicable} + \text{Penalty}$$

#### **15 State government buildings**

The state government holdings (civil stations) would be treated at par with other holdings in matters of tax assessment and calculation of liability.

#### **16 Central government holdings**

The central government buildings would be treated at par with other holdings in matters of tax assessment and calculation of liability. But they would pay service charge in lieu of tax as per the order of the Government of India from time-to-time. Currently it is 75 percent of the assessed tax as the SMB provides all the civic services in the area.

#### **17 Appointment of architects**

The taxpayer may seek help from empanelled architects registered under the Architects Act 1972 (20 of 1972) or any licensed architect for measurement of covered space and other holding attributes to assist owner (occupier) if they require such assistance. The architect would certify all the declared attributes and measurement and would provide necessary information, if required by the Board. A list of such architects registered with the Board who can be contacted for measurement and certification of the covered space in case the covered space is not readily available has to be placed on the website of the Board. Such architects can be paid a negotiable fee agreed between both the parties.

#### **18 Penalty for default and willful wrong declaration**

Where a tax payer does not give information in regard to his/her holding as required under the law or where he/ she has willfully furnished wrong information in his/ her PTR submitted to the SMB, he/ she shall be liable to pay

- 200% of the amount of tax suppressed, and
- Interest at a rate of 2% per month payable for late payment.

The CEO shall have powers of *suo motto* assessment or revision in cases where a tax return has not been filed or the tax return filed by the owner is found to be defective. In all such cases the assessment would be finalized after giving a fair opportunity to the owner for being heard.

#### **19 Mode of payment of property tax**

The taxpayer may deposit the tax through various channels of payments including online payment, Bank, office of the Board, etc.

#### **20 Institutional mechanism for redressal of grievance on group and individual property tax issues**

The redressal of grievances of aggrieved taxpayers would be addressed through following mechanism:

##### **a) Individual grievance redressal and appeal mechanism**

The grievances of the taxpayers would be heard by the CEO at first stage. The CEO would hear the grievance or may nominate a suitable officer of the Board to hear the grievance within thirty days of submission of the grievance by the taxpayer. After given the taxpayer a due opportunity to be heard, the CEO shall give the decision within thirty days from the date of first hearing. The taxpayer may appeal to Municipal Taxation Tribunal in case of not being satisfied with the decision of the CEO. Both SMB and the taxpayer would be given an equal opportunity to be

heard before the Tribunal. The Tribunal shall give its decision within thirty days from the day of appeal. The aggrieved party has the right to file an appeal in the court of laws against the decision of the Tribunal.

## **21 Exemption from property tax**

- a) a building or portion of a building exclusively used for public worship, burial or cremation;
- b) a building of the Union Government and Consular or Diplomatic Authorities;
- c) a building owned or vested in and used and managed by the Board for its own purpose; and
- d) any other building as may be specified by the State Government.

## **22 Vacant Land Tax**

The amount of vacant land tax in respect of any holding which is lying exclusively vacant, without any built up structure shall be equal to the normal rate of tax applicable to buildings multiplied by annual rateable value of the vacant land.

The annual value of any vacant land shall be equal to one fourth of the amount arrived at by multiplying the total area of such vacant land by the final unit area value of that zone and the relevant factors.