

S. S. Hussain I.A.S. (Ex)

Chief Executive Officer

Ref. No.: MCHI/CEO/17-18/202

June 15, 2018

Sub.: - Request to rationalise Land under Construction Tax (L.U.C.) Taxes

Dear

This is in reference to the earlier representations submitted by us, meeting held with you on 26-Feb-2018, and a subsequent letter Ref. MCHI/CEO/17-18/176 dated March 14, 2018. It has been represented by us that the rates of tax for Land Under Construction (LUC) prescribed are on higher side in comparison to Property tax of ready Residential premises.

LUC on plot where rehab / redevelopment of society building is constructed should not be levied for the potential of Rehab area. No LUC should be charged on the plot having DP reservation (Buildable on non-buildable) and or on the plot where layout amenities are constructed which is to be handed over to Municipal Corporation.

The Water Connection obtained by us for construction as well as for workers at site is already paid for. Also, the water provided is not sufficient and we incur additional cost by procuring water from tankers. Since there is no supply of water for construction nor human consumption there should not be any levy of water tax and sewerage tax, which may amount to double Taxation!

Some of the core issues that need consideration is that LUC is charged even before actual construction starts on site. Moreover, while LUC is charged on the full potential, the same is not built on day one but is built in stages and over years (on an average spread over 3 to 5 years). Construction is carried out in stages. This is doable due to implementation under EODB and also due to RERA quarterly submission of construction activity. So request to charge as per year of construction, phase wise. Rate of Tax for LUC should not be more than of completed residential premises.

All ancillary development like STP/ garden/ 15 % parking should be exempted from charging LUC since its required to be provided as per DCR.

Our suggestion on calculating the LUC Tax will be submitted in next few days.

In this regard, we request you to please consider and expedite the implementation of the same.

Submitted for your kind consideration, please

Yours

(S. S. Hussain)

To,
Shri Ajoy Mehta (I.A.S.)
Municipal Commissioner,
Municipal Corporation of Greater Mumbai
Mumbai - 400 001



CC.To,

- Dr. Sanjay A. Mukherjee (I.A.S.)**
Additional Municipal Commissioner (Projects)
Municipal Corporation of Greater Mumbai,
Mumbai - 400001
- Shri Devidas S. Kshirsagar**
The Assessor & Collector (Independent Charge),
Municipal Corporation of Greater Mumbai
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