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

Chief Executive Officer

Ref. No. : MCHI/CEO/16-17/308

July 21, 2017

Sub: Request for issue of the Gazette Notification for scrapping Local Body Tax (LBT)

Dear

Our CREDAI-MCHI members in MMR area (outside Mumbai) and other citizens are waiting for their registration of the properties with the Inspectorate General of Registration (IGR) and Stamp Department in the state of Maharashtra. However, as there is no clarity on Local Body Tax (LBT) for property registrations, the work is suffering and people are confused. At present, citizens pay 6% stamp registration fee (5% is stamp duty fee as per the Maharashtra Stamp Act and 1% is LBT), wherever applicable even today.

The IGR still continues to collect 1% LBT despite the Centre implementing Goods and Services Tax (GST) from 1st July and doing away with Local Body Taxes as already Octroi/Entry Taxes is abolished and subsumed with GST. Citizens registering immovable properties are continuing to pay 1% more for registrations under LBT, with no clear direction from the state government about its stoppage.

It is reportedly informed that, the IGR officials also told media that the Stamp Duty Registration comes under the Stamp Act and unless the state government issues a gazette notification for the same, they will continue with the process of recovering 1% LBT.

However, I feel that in view of the implementation of GST from 1st July there would be no levy of LBT or any other such local tax. The State Finance Department has to issue the directives with the clarification accordingly. The department must look into the technicalities and ensure the withdrawal like Octroi, the LBT as in other states in India

Submitting for your information and necessary consideration please

Yours

(S. S. Hussain)

To,
✓ **Shri D K Jain (I.A.S.)**
Additional Chief Secretary
Department of Finance
Govt of Maharashtra
Mantralaya, Mumbai

CC :

✓ **Shri Manu Kumar Srivastava (I.A.S.)**
Principal Secretary (Revenue)
Stamp Duty and Registration Department
Govt of Maharashtra
Mantralaya, Mumbai

✓ **Dr. Nitin Kareer (I.A.S.)**
Principal Secretary - I,
Urban Development Department,
Government of Maharashtra,
Mantralaya, Mumbai - 400 032

21/7/17
प्रमुख मंत्री (वित्त)
प्रमुख सचिव वित्त
वित्त विभाग, मंत्रालय,
मुंबई-४०००३२.

21/7/17
प्रधान सचिव (महसूल व वन विभाग)
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