

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

Chief Executive Officer

Ref. No. : MCHI/CEO/17-18/176

March 14, 2018

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

Dear

This is in reference to the earlier representations submitted by us and meeting held with you on 26-Feb-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. Comparative statement of LUC tax V/s Residential premises is given below.

| Sr. No. | Type of Assessment provisions | Rate of tax for Residential Premises | | Rate of Tax for Land Under Construction (LUC) | |
|---------|-------------------------------|--------------------------------------|----------------|---|----------------|
| | | Unmetered (In %) | Metered (In %) | Unmetered (In %) | Metered (In %) |
| 1 | City | 0.765 | 0.349 | 3.518 | 1.63 |
| 2 | Suburbs | 0.512 | 0.349 | 2.370 | 1.63 |

From the above statement it can be seen that there is vast difference between rate of tax for ready Residential premises and LUC taxes. Further the User Code for property tax of Residential premises is 0.5 against 1.0 for Land under Construction. Thus, the rate of the LUC tax is almost 10 times the property tax of Residential users.

During the meeting, you had agreed to the following :-

- 1] To levy Water & Sewerage charges, LUC tax only on sale portion of the plot for Slum Rehabilitation Authority schemes, to be computed on net plot area after deducting the lands under reservations, i.e. 'nil' taxes on rehab portion.
- 2] Not to levy Water & Sewerage charges, LUC tax on amenity/reservations being developed and handed over to the Corporation.

In this regard, we request you to please expedite the implementation of the above.

Submitted for your kind consideration.

Yours

(S. S. Hussain)

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

CC. :

1. To,
Dr. Sanjay A. Mukherjee (I.A.S.)
Additional Municipal Commissioner (Projects)
Municipal Corporation of Greater Mumbai,
Mumbai - 400001
2. **Shri Devidas S. Kshirsagar**
The Assessor & Collector (Independent Charge),
Municipal Corporation of Greater Mumbai
Mumbai - 400 012

