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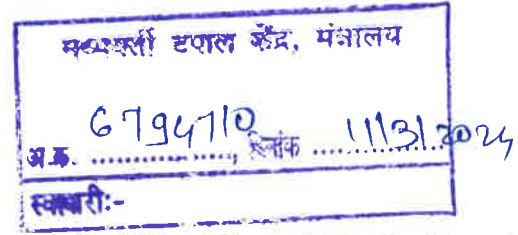
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Sejal Goradia

To,
Dr. K. H. Govinda Raj (I.A.S.),
Principal Secretary (2),
Urban Development Department,
Government of Maharashtra,
Mantralaya, Mumbai - 400032



Subject: Request clarification on applicability of Property Tax for Integrated Township Projects.

Respected Sir,

We write to urgently address a critical concern regarding the application of property tax for Integrated Township Project (ITP) projects.

As per Regulation 14.1.12 (viii) of UDCPR-2020, "...Developer shall develop and maintain the all infrastructure (internal street light, roads etc.) upto the completion of the ITP project. Within such period or till the authority is formed as per Regulation No.14.1.1.12(ix), the concession in property tax levied by the respective Grampanchayat or the respective Planning Authority shall be 66% of normal rate as prescribed under the Grampanchayat Act or under Maharashtra Municipal Council, Nagar Panchayat and Industrial Town ship Act, 1965 or Maharashtra Municipal Corporation ACT. Such property tax shall be levied from date of Occupancy Certificate."

The said regulation mandates developers to develop and maintain all internal infrastructure, including streetlights and roads, until the ITP project's completion. During this period, a 66% concession applies to the relevant property tax rates prescribed under the applicable act. Importantly, this concession should be levied **only after** obtaining the Occupancy Certificate.

Additionally, Reg. 14.1.1.10 (iii) emphasizes the project proponent's responsibility for infrastructure development and maintenance until handover to the appropriate authority. Furthermore, it outlines mandatory provisions for essential services like water supply, drainage, garbage disposal, and power.

Despite these regulations being very clear that Property Tax should be imposed post Occupation Certificate, we have observed authorities like KDMC are charging property tax (Open Land Tax) during the development phase. This practice contradicts the regulation's provision of levying property tax only after the Occupancy Certificate, placing an undue burden on both developers and purchasers.

Developers incur substantial ongoing expenses for infrastructure development and upkeep. Simultaneously, purchasers face a dual financial strain, contributing to township maintenance charges imposed by developers and paying property taxes directly to the authority. This inadvertently increases the cost of affordable housing, as developers may transfer these additional costs to purchasers, thereby elevating the overall affordability of the housing units.

Maharashtra Chamber of Housing Industry

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In light of the above, we urgently request clarification on the proper application of property tax for ITP projects in accordance with the mentioned regulations. This clarification is crucial for establishing a fair and transparent system that benefits both developers and purchasers, ensuring the accessibility of affordable housing for the broader population.

Thanking you,

Yours sincerely,
For CREDAI-MCHI



Domnic Romell
President



Dhaval Ajmera
Hon. Secretary

PS: Contact Person Mr. Sanjay Phope - +91 9619345193