

**COMMISSIONERATE OF MUNICIPAL ADMINISTRATION, CHEPAUK,**  
**CHENNAI-600 005.**

**CIRCULAR**

**Roc.No.51481/05/R1**

**Date : 5.10.2005.**

**Sub:** Property tax - Municipalities and Municipal Corporations – basic value fixed during the quinquennial revision – Councils revised the basic values – instructions issued.

\*\*\*\*\*

During the quinquennial revision of property tax on buildings was effected from 1.10.93 and 1.10.98, detailed guidelines were issued in this office Circular Roc.No.4314/93/R1 dated 14.5.2003 and Roc.No.60572/98/R1 dated 3.9.98 for determining the Basic value to ensure objectivity for assessing the buildings based on Annual Rental Value arrived in the levy of property tax. The Basic Value would be determined in the distinct zones, wherever it was administratively feasible by dividing the towns into zones and each zone would be having a distinct basic value. Since the rental value may vary from one area to another within a town. Only after arriving the basic value, the quinquennial revision should be carried out.

After completion of quinquennial revision of property tax on buildings, proposals has been received from the Municipal Councils of Theni-Allinagaram, Villupuram, Aruppukottai, Rajapalayam, Padmanabhapuram and Panruti for orders on the decision of the Municipal Council resolution regarding revision of rates of zonal basic value.

While forwarding the above proposals to the Government, Government in letter No.39723/MA4/98 dated 28.12.98 have stated that the rates of zonal basic values are fixed by the Municipalities before the quinquennial revision of property tax on buildings, as per the provisions in the Tamil Nadu District Municipalities

Act, 1920 and the above values should not be revised by the Municipal Council, after fixation.

If the fixed zonal basic value is to be revised, after the quinquennial revision of property tax on buildings, it will severely affect the Municipal finance. Government have requested the Commissioner of Municipal Administration to inform the above Chairpersons to repeal the resolution, which is already been passed for the revised zonal basic value, as explained above.

At present, similar proposals are being received in this office. Hence, all the Commissioners are informed of the above Government's remarks noted above & it is reiterated that the Municipality / Corporation can not revise (particularly reduce) the rate of zonal basic value without Government approval.

This Circular should be acknowledged.

Sd/-Ambuj Sharma,  
Commissioner of Municipal  
Administration.

**To**  
All Municipal Commissioners  
All Commissioners of Corporations  
(Except Chennai)

**Copy to** : All Regional Directors of Municipal Administration,  
Stock file & spare-2.

/forwarded by order/

Superintendent.