

GOVERNMENT OF TAMIL NADU

ABSTRACT

TAX - Municipal Councils and Township Committees - Recovery of time-barred arrears of taxes - fixing of responsibility - Revised - Instructions - Issued.

R.D. & LA DEPARTMENT

G.O. Ms. No. 1601.

Dt. 14.9.1981.

Read:

1. From the Director of Municipal Administration, Circular, Roc. No. 15527/80 Dt. 2.4.1970.  
Lr. No. Roc. 52562/78/E2 Dt. 2.2.80.  
Lr.No.L.Dis. 3187/79/ 83 Dt. 28.9.80& U.D. No. 18227/G3/81 Dt. 3.3.81.
2. G .O. Ms, No. 419, RD & LA , Dt. 23.2.1974.
3. From the Exam. of L.F. Accounts, Lr. Rc. No. 99445/C1/78 Dt. 20.6.79.

ORDER:

The High Court in W.P.No. 3364/76 to 3369/76 has held that it is impossible to appreciate the stand that Bill Collector could cause pecuniary loss to the municipality by his failure to collect the taxes, as it does not lie within the powers of the bill collectors to allow the recovery of taxes to become time barred. The High Court observed that the elaborate procedure relating to collection of taxes mentioned in para 65 of Municipal Manual Vol. I. indicate that it is the duty of the Executive Authority to have periodic verification of the arrears, arrears. If he had failed to do this duty and thereby the arrears of tax had become time barred for recovery, that liability cannot be caused on to the bill collectors. However the High Court had no objection to take disciplinary proceedings under Tamil Nadu Municipal Service (Disciplinary and appeal) Rules. Based on the above findings of the High Court, Government in their Memo. No. 150121 p MII/77-11 RD & LA, Dt. 12.9.1978 have issued orders staying the recovery proceedings in all the municipalities, pending further consideration of the matter. The Government consider it necessary to now lay down the procedure to be adopted in case of time barred arrears, to fix proper responsibility on various municipal officers for allowing collection of taxes becoming time-barred and accordingly reiterate that the responsibility of municipal officers and employees of various levels, be fixed as detailed in the G.O, second read above. /3A of the

2. Slackness on the part of the officers in the performance of any of the duties assigned, results in financial loss to the municipalities. The Commissioner as a head of municipal office should take disciplinary action and fix up responsibilities for the pecuniary loss with reference to the responsibilities entrusted to the various officers in respect of collection of arrears of taxes and the extent to which the responsibilities have been fulfilled. Such disciplinary action will be under rule 3 of the municipal service (discipline and appeal rules under which among other penalties recovery from pay of the whole or part of any pecuniary loss caused is permissible, in case of time barred arrears, the Commissioner will have to examine thoroughly the reasons for which it has become time-barred. If he considers that these arrears cannot be justifiably written off and if he considers that one or more of the Municipal Employees, through their negligence, are found responsible for this time-barred arrears, he will have to initiate disciplinary action and impose penalties of recovery of the loss as he deems fit under the circumstances depending on the extent of negligence of each of the employee.

3. It is also clear from the responsibilities laid down that the Commissioner who is well aware of the date after which the arrears become time barred and who is clothed with adequate powers to take coercive action is preliminarily responsible for allowing arrears to become time barred and he cannot pass on the responsibility fully on the staff. While action is taken by the Commissioner on his subordinates for their negligence Government will in each case, initiate disciplinary action against the Commissioner concerned and pass such orders as are deemed necessary in each case.

4. The Government therefore make it clear that the municipal Commissioner and each one of the municipal employees, who by their negligence, allow arrears to become time barred will be dealt with as mentioned above. The Commissioners should take action mentioned in this order.

5. The stay orders in memo. No. 150121/ MII/ 77-11 RD & LA Dt. 12.9.1979 is hereby vacated.

(By order of the Governor)

H. B. N. Shetty,  
Commissioner and Secretary to  
Government.

//True copy//

*Dr. J. M. B. B. B.*  
Superintendent 15/1/92