

ABSTRACT

Tax-Property - Municipalities - Warehouses belonging to Madras State Warehousing Corporation to be ~~assessed~~ under Section 82(2) of the Madras District Municipalities Act 1920 on annual rental value - Orders - Issued.

RURAL DEVELOPEMENT AND LOCAL ADMINISTRATION DEPARTMENT

G.O.Ms.No.1755

Dated:31st August 1968.

1. From the Managing Director, Madras State Warehousing Corporation, 9/10 Moore Street, Madras.1 letter Rc.4017/66 dated 13.8.66, 16.3.67, 10.8.67 and Rc.14585/67-F dated 27.2.68 and 20.4.68
2. From the Commissioner, Salem Municipality letter Rc.No.RPA 18-4/66-67 dated 20.4.67.
3. From the Inspector of Municipalities L.Dis. 14642/67 dt.24.6.67.

ORDER:!

The Managing Director, Madras State Warehousing Corporation has stated that the Warehouse of the Co-operation are assessed to property tax by the Municipalities on Capital cost basis under Section 82(2) (a) of the Madras District Municipalities Act, 1920. As the amount of tax paid to Municipalities was found to be excessive and in view of the orders of Government in Memorandum No.122056/CA.III, 64-19, Industries, Labour and Co-operation, dated 31.8.65 treating the Corporation as a Company" and as the space in the godowns is let out and storage charges collected which included the rent portion of storage space at Rs.0.50 per tone the Corporation addressed the Municipalities wherein Warehouses are located for refixation of tax as applicable to Company under Section 82(2) of the Madras District Municipalities Act, 1920. As the Municipalities however, continue to make the assessment on capital value basis he has requested that instructions may be issued to the Municipalities to assess the Warehouses belonging to the Corporation on the basis of the rent they are expected to fetch under Section 82(2) and not on the basis of the capital value under section 82(2) of the Madras District Municipalities Act, 1920.

2.The question has been carefully examined by the Government. The Government have been advised that as the Warehousing Corporation construct several warehouses with the object of letting out the premises for stocking the goods and articles it cannot be said that the Warehouses constructed by the Warehousing Corporation are building of class not ordinarily let. Hence for purpose of assessment of property in the case of warehouses, clause (a) (i) of the proviso to sub-section (2) of Section 82 of the Madras District Municipalities Act, 1920, cannot be availed of. The Warehouse Will have to be assessed only with reference to the provisions contained in sub-section (2) of Section 82 which only requires the annual rental value which the buildings may reasonably be expected to receive from month to month or from year to year. The provisions contained in sub-section (i)

of section 82 do not require that the annual rental value of the buildings should be known for purposes of assessment of the property.

3. The Commissioners of Municipalities and the Executive Officers of Municipal Townships are accordingly informed that the warehouses of the Madras State Warehousing Corporation should be assessed to Property Tax on Annual Rental Value basis under sub-section (2) of Section 82 and not under clause (a) (ii) of the proviso to sub-section (2) of section 82 of the Madras District Municipalities Act 1920.

(BY ORDER OF THE GOVERNOR)

T.A.S. BALAKRISHNAN,
SECRETARY TO GOVERNMENT.

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