

How to pay Holding Tax

- **What is Holding Tax?**

Holding Tax has got the nomenclature of Property Tax in Orissa Municipal Corporation Act, 2003. As per Orissa Municipal Act, the Holding Tax is a percentage of annual value. It constitutes the prime source of Revenue for the Municipal Corporation. The tax assessment base for Holding Tax may be on (a) capital/commercial value basis or (b) rental value basis.

- **Why it is necessary?**

In order to hold property within the jurisdiction of the Municipal area, the property holder has to pay Holding Tax as per the Act.

- **Concerned Department**

Department of Housing & Urban Development, Government of Orissa

- **Legal Framework**

Holding Tax is levied as per Orissa Municipal Act, 1950.

- **Eligibility to pay**

- Any holding within Municipal Corporation limits having clear right, title, interest of the holder is liable to pay Holding Tax @ of 17.5% of the annual value of the holding depending on the nature of holding, i.e. either residential or commercial.

- Government buildings, Government Hospitals, Government Educational Institutions, Government Cultural Institution only pay 7.5% towards latrine tax & light tax and such institutions are being exempted of paying 10% Holding Tax as per the Act.

- **Procedures to pay**

- The payment can be made online in the ULBs having online facilities for holding tax payment. Or

- Go to your concerned ULB office's tax wing, furnish the approved Building Plan's copy for facilitating assessment of Holding Tax.

- pay the bill at the counter and take the receipt from the officer in charge.

- **How is it calculated?**

The amount of Holding Tax is different for both Residential & Commercial purpose.

A) **Residential:** The Annual Value of a Holding for residential purpose is calculated as per following procedures:

Step I

Plinth area of the holding in Sq. Meter x Rs 13.65

Step II

Deduct 15% of "Plinth area" towards repair & maintenance.

Step III

Add 0.5% of the Land Cost where the holding is located (Land cost to be determined as per G.A. Department Notification dated 01.05.1998)

Hence **Annual Value** Amount arrived through = (Step I + Step III – Step II)

Holding tax is levied per annum@ 17.5% of the Annual Value whose break up is as follows:

Holding Tax - 10%
Latrine Tax - 2.5%
Street Light - 5%
Total = 17.5%

B) **Commercial:** The Annual Value of Holding of a Commercial unit is calculated by the following procedures:

Step I

Add Civil Cost of the Building + the cost of P.H & Electric fitting.

Step II

Take 7.5% of the value arrived through step I

Step III

Add 0.5% of the land cost with Step II

Step IV

17.5% of the Cost arrived at Step III is the Holding Tax payable per annum.

C) **Residential Holding Used On Rent:** Tax to be fixed on holdings given on Rent the following procedure is followed:

Step I

Monthly rent of the building x 12

Step II

Deduct 15% of “Monthly Rent” towards maintenance cost

Step III

Add 0.5% of the Land Cost where the building is located

Step IV

Hence annual value of the building is (Step I + Step III – Step II)
Holding Tax is levied @ 17.5% of the Annual Value arrived at Step IV

• **Who to it may concern?**

For assessment of Holding Tax contact the Tax wing of Bhubaneswar Municipal Corporation or Cuttack Municipal Corporation or Berhampur Municipal Corporation/ Concerned Municipality.

• **When it is paid?**

Holding Tax is paid annually as per the announcement of the concerned Municipal Corporation/Municipality

• **Where to pay & address?**

- Tax Wing
Bhubaneswar Municipal Corporation,
Vivekananda Marg, Gautam Nagar,
Buabaneswar-751014,
Orissa
Tel.No. - 0671-2431253
Fax No. – 2432895
Toll Free No. - 18003450061
Email – bmcbbbsr@bsnl.in
- Tax Wing
Cuttack Municipal Corporation,
Chandini Chowk Area,
Cuttack

- A person can also pay the Holding Tax amount at the concerned Municipality.

- **Who to register complaint/appeal?**

Person in-charge at the concerned ULBs.

- **For more information contact**

Person in-charge at the concerned ULBs.

- **Official Timing**

10am to 5pm on any working days.