

❖ **Cash-strapped South Delhi Municipal Corporation floats proposal to impose new tax in an attempt to bridge deficit**

Facing mounting expenditures, the South Delhi Municipal Corporation (SDMC) has decided to consider imposing a new 'professional tax' on residents from the next financial year.

The Standing Committee of the SDMC on Monday decided to put the ball in the court of the House, saying that a proposal for imposing professional tax will be deliberated by the House in the next budget session.

"We have not passed or rejected the Commissioner's proposal. The House will decide on the matter," said Standing Committee chairperson Radhey Shyam Sharma.

As per Article 276 of the Indian Constitution, State or local governments can impose taxes on professions, trades, callings and employments up to Rs.2,500 per person annually.

South Delhi Municipal Corporation officials said the exact rate of the professional tax has not been finalised yet, but its collection could net the corporation between Rs. 20 to Rs. 40 crore a year.

The Kolkata Municipal Corporation is already collecting professional tax, and the SDMC will study that city's experience before coming up with a detailed proposal. The tax will be collected from professionals, including doctors, lawyers and accountants.

During the budget session last year, the Commissioner had proposed a Rs.2,000 professional tax, but it was rejected by the ruling-BJP in the corporation.

This time, however, the South Delhi Municipal Corporation is anticipating a deficit and is trying to increase its revenue.

Source: The Hindu



PROFESSIONAL TAX